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

**SITTING DAYS—2016**

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<th>Month</th>
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<td>December</td>
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- **PERTH** 585AM
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FORTY-FOURTH PARLIAMENT
FIRST SESSION—EIGHTH PERIOD

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

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

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

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

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
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<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
<td>TAS</td>
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<td>Back, Christopher John</td>
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<tr>
<td>Bernardi, Cory</td>
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<tr>
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<td>Moore, Claire Mary</td>
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<tr>
<td>Muir, Ricky Lee</td>
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<tr>
<td>Nash, Hon. Fiona Joy</td>
<td>NSW</td>
<td>30.6.2017</td>
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</table>
**Casual vacancy**

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>
<th>Senator</th>
<th>Party</th>
<th>Senator</th>
<th>Party</th>
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<td>Gallagher, K.</td>
<td>ALP</td>
<td>Seselja, Z.M.</td>
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<tr>
<td>Northern Territory</td>
<td>Sebullion, N. G.</td>
<td>CLP</td>
<td>Peris, N. M.</td>
<td>ALP</td>
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</tbody>
</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.

**Casual vacancy to be filled (vice M Ronaldson, resigned 28.2.16), pursuant to section 15 of the Constitution.**
PARTY ABBREVIATIONS
AG—Australian Greens; ALP—Australian Labor Party;
AMEP—Australian Motoring Enthusiast Party; CLP—Country Liberal Party;
FFP—Family First Party; IND—Independent, LDP—Liberal Democratic Party;
LNP—Liberal National Party; LP—Liberal Party of Australia;
NATS—The Nationals; PUP—Palmer United Party

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

<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
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<tbody>
<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon Nigel Scullion</td>
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<tr>
<td><strong>Minister for Women</strong></td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td><strong>Cabinet Secretary</strong></td>
<td>Senator the Hon Arthur Sinodinos AO</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for the Public Service</em></td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for Counter-Terrorism</em></td>
<td>The Hon Michael Keenan MP</td>
</tr>
<tr>
<td><strong>Assistant Minister to the Prime Minister</strong></td>
<td>Senator the Hon James McGrath</td>
</tr>
<tr>
<td><strong>Assistant Minister for Cities and Digital Transformation</strong></td>
<td>The Hon Angus Taylor MP</td>
</tr>
<tr>
<td><strong>Assistant Cabinet Secretary</strong></td>
<td>The Hon Dr Peter Hendy MP</td>
</tr>
<tr>
<td><strong>Deputy Prime Minister and Minister for Agriculture and Water Resources</strong></td>
<td>The Hon Barnaby Joyce MP</td>
</tr>
<tr>
<td><strong>Assistant Minister for Agriculture and Water Resources</strong></td>
<td>Senator the Hon Anne Ruston</td>
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<tr>
<td><strong>Assistant Minister to the Deputy Prime Minister</strong></td>
<td>The Hon Keith Pitt MP</td>
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<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon Steve Ciobo MP</td>
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<tr>
<td><strong>Minister for International Development and the Pacific</strong></td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
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<tr>
<td><strong>Minister for Tourism and International Education</strong></td>
<td>Senator the Hon Richard Colbeck</td>
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<tr>
<td><em>Minister Assisting the Minister for Trade and Investment</em></td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
<tr>
<td><strong>Attorney-General</strong></td>
<td>Senator the Hon George Brandis QC</td>
</tr>
<tr>
<td>(Vice-President of the Executive Council)</td>
<td>The Hon Michael Keenan MP</td>
</tr>
<tr>
<td>(Leader of the Government in the Senate)</td>
<td></td>
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<tr>
<td><strong>Minister for Justice</strong></td>
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<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon Scott Morrison MP</td>
</tr>
<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon Kelly O’Dwyer MP</td>
</tr>
<tr>
<td><strong>Assistant Treasurer</strong></td>
<td>The Hon Kelly O’Dwyer MP</td>
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<tr>
<td><strong>Assistant Minister to the Treasurer</strong></td>
<td>The Hon Alex Hawke MP</td>
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<tr>
<td><strong>Minister for Finance</strong></td>
<td>Senator the Hon Mathias Cormann</td>
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<tr>
<td>(Deputy Leader of Government in the Senate)</td>
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<tr>
<td><strong>Special Minister of State</strong></td>
<td>Senator the Hon Mathias Cormann</td>
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<tr>
<td><strong>Assistant Minister for Finance</strong></td>
<td>The Hon Dr Peter Hendy MP</td>
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<tr>
<td><strong>Minister for Regional Development</strong></td>
<td>Senator the Hon Fiona Nash</td>
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<tr>
<td><strong>Minister for Infrastructure and Transport</strong></td>
<td>The Hon Darren Chester MP</td>
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<tr>
<td>(Deputy Leader of the House)</td>
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<tr>
<td><strong>Minister for Major Projects, Territories and Local Government</strong></td>
<td>The Hon Paul Fletcher MP</td>
</tr>
<tr>
<td><strong>Minister for Industry, Innovation and Science</strong></td>
<td>The Hon Christopher Pyne MP</td>
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<tr>
<td>(Leader of the House)</td>
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<tr>
<td><strong>Minister for Resources, Energy and Northern Australia</strong></td>
<td>The Hon Josh Frydenberg MP</td>
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<tr>
<td><strong>Minister for Northern Australia</strong></td>
<td>Senator the Hon Matt Canavan</td>
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<td><strong>Assistant Minister for Science</strong></td>
<td>The Hon Karen Andrews MP</td>
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<td><strong>Assistant Minister for Innovation</strong></td>
<td>The Hon Wyatt Roy MP</td>
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<td><strong>Minister for Immigration and Border Protection</strong></td>
<td>The Hon Peter Dutton MP</td>
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<td><strong>Assistant Minister for Immigration</strong></td>
<td>Senator the Hon James McGrath</td>
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<tr>
<td><strong>Minister for the Environment</strong></td>
<td>The Hon Greg Hunt MP</td>
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<tr>
<td><strong>Minister for Health</strong></td>
<td>The Hon Sussan Ley MP</td>
</tr>
<tr>
<td><strong>Minister for Aged Care</strong></td>
<td>The Hon Sussan Ley MP</td>
</tr>
<tr>
<td>Title</td>
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</tr>
<tr>
<td>---------------------------------------------------------</td>
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</tr>
<tr>
<td><strong>Minister for Sport</strong></td>
<td>The Hon Sussan Ley MP</td>
</tr>
<tr>
<td><strong>Minister for Rural Health</strong></td>
<td>Senator the Hon Fiona Nash</td>
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<tr>
<td><em>Assistant Minister for Health and Aged Care</em></td>
<td>The Hon Ken Wyatt AM MP</td>
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<tr>
<td><strong>Minister for Defence</strong></td>
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<tr>
<td><strong>Minister for Veterans’ Affairs</strong></td>
<td>The Hon Dan Tehan MP</td>
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<tr>
<td><em>Minister Assisting the Prime Minister for the Centenary of ANZAC</em></td>
<td>The Hon Dan Tehan MP</td>
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<tr>
<td><strong>Assistant Minister for Defence</strong></td>
<td>The Hon Dan Tehan MP</td>
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<tr>
<td><strong>Minister for Communications</strong></td>
<td>Senator the Hon Mitch Fifield</td>
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<tr>
<td><strong>Minister for the Arts</strong></td>
<td>Senator the Hon Mitch Fifield</td>
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<tr>
<td>(Manager of Government Business in the Senate)</td>
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<tr>
<td><strong>Minister for Regional Communications</strong></td>
<td>Senator the Hon Fiona Nash</td>
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<tr>
<td><strong>Minister for Employment</strong></td>
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<tr>
<td><strong>Minister for Social Services</strong></td>
<td>The Hon Christian Porter MP</td>
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<tr>
<td><strong>Minister for Human Services</strong></td>
<td>The Hon Alan Tudge MP</td>
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<tr>
<td><em>Assistant Minister for Disability Services</em></td>
<td>The Hon Jane Prentice MP</td>
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<tr>
<td><em>Assistant Minister for Multicultural Affairs</em></td>
<td>The Hon Craig Laundy MP</td>
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<tr>
<td><strong>Minister for Education and Training</strong></td>
<td>Senator the Hon Simon Birmingham</td>
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<tr>
<td><strong>Minister for Vocational Education and Skills</strong></td>
<td>Senator the Hon Scott Ryan</td>
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<tr>
<td><strong>Minister for Tourism and International Education</strong></td>
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type**. As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases. Assistant Ministers in italics are designated as Parliamentary Secretaries under the *Ministers of State Act 1952*. 
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<tr>
<th>TITLE</th>
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<tbody>
<tr>
<td>Leader of the Opposition</td>
<td>Hon. Bill Shorten MP</td>
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<tr>
<td>Shadow Minister Assisting the Leader for Science</td>
<td>Senator the Hon. Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader on State and Territory Relations</td>
<td>Senator Katy Gallagher*</td>
</tr>
<tr>
<td>Shadow Minister for Women</td>
<td>Senator Claire Gallagher</td>
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<tr>
<td>Manager of Opposition Business (Senate)</td>
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<tr>
<td>Shadow Cabinet Secretary</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
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<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Hon. Michael Danby MP</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Hon. Ed Husic MP</td>
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<tr>
<td>Shadow Parliamentary Secretary Assisting with Digital Innovation and Startups</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
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<tr>
<td>Deputy Manager of Opposition Business (Senate)</td>
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<tr>
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<tr>
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<tr>
<td>Shadow Minister for Foreign Affairs and International Development</td>
<td>Hon. Tanya Plibersek MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Foreign Affairs</td>
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Shadow Cabinet Ministers are shown in bold type.

* Senator Katy Gallagher’s appointment to the Shadow Ministry is effective from 1 November 2015. Senator the Hon. Jan McLucas will serve as Shadow Minister for Housing and Homelessness and Shadow Minister for Mental Health, and represent the Shadow Minister for Northern Australia, the Shadow Minister for Health, the Shadow Assistant Minister for Health, the Shadow Minister for Sport and the Shadow Minister for Indigenous Affairs in the Senate until 31 October 2015.
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The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 10:00, read prayers and made an acknowledgement of country.

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

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

COMMITTEES

Corporations and Financial Services Committee
Electoral Matters Committee
Finance and Public Administration Legislation Committee
Finance and Public Administration References Committee

Meeting
The Clerk: Proposals to meet have been lodged as follows: by the Parliamentary Joint Committee on Corporations and Financial Services for private meetings today from seven pm and on 16 March from 3.15 pm; by the Joint Standing Committee on Electoral Matters for a private meeting today from 12.30 pm and a public meeting on 1 March from 12.30 pm; by the Finance and Public Administration Legislation Committee for a private meeting today from 1.50 pm; and by the Finance and Public Administration References Committee for a public meeting on 1 March from five pm.

The PRESIDENT (10:02): Does any senator wish to have the question put on any of those meetings?

Senator Wong: Mr President, can you please be clear with the Senate—is leave required to speak in relation to any of these meetings?

The PRESIDENT: No, the practice now is that, unless any senator wishes to have the question put on any motion, it is deemed that those motions are agreed to—that those meetings can take place. But we always ask at this juncture whether any senator wishes to have the question put on any one of those committee meetings. You have the right to have the question put without any debate or without any amendment. It just goes straight to a vote.

Senator Conroy: Do I need leave if I do wish to speak about one of the committees?

The PRESIDENT: Yes, then you need to seek leave.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (10:02): I seek leave to make short statement about the Joint Standing Committee on Electoral Matters.

The PRESIDENT: Leave is granted for three minutes.

Senator CONROY: I would like to indicate that Labor will support the holding of this meeting, although I want to draw the attention of senators to the way this inquiry is being
conducted. When senators turned up for the first time after the message from the House that we were allowed to participate as members, we found a fait accompli—so the invitation for us to participate was a complete farce. We arrived and were told, 'Here is the witness list, here is the time and here is the opportunity for people to have their say.' When I suggested that perhaps there might be other Australians interested in putting forward a submission or appearing at incredibly short notice, I was successful in putting forward one name but was then told that that was it and there were to be no more changes to the agenda as listed. Then I arrived in my office this morning to find an email saying that the government had decided to change a witness!

This is the way the government is treating the Senate—with the complete complicity and connivance of the Greens. We have a farcical process where Australians who might have an interest in this issue are being denied an opportunity to put forward their point of view and are being denied an opportunity to attend and participate as witnesses. Then we are going to have it rammed through with a report next week.

It was suggested on the ABC this morning—a rumour—that the government is no longer intending to try to force this legislation through this chamber this week. Golly, what a concession! But, if that is the case, I say to the government—and particularly to the Greens, who claim to care about transparency and democracy—that there is no need to keep the current reporting date for the inquiry. There is no need for the haste. There is an opportunity to hold a hearing next week so that more than just the government's approved witnesses can turn up, so that more than one side of this argument can be heard.

Minor parties could be given an opportunity. They do not have the machinery of the Greens, the opposition or the government to put a submission in. Given there were only two days to lodge a submission, I am not surprised they have not been able to get one in, and I am not surprised they have declined to be witnesses, as is claimed in a note I received this morning. They have not had a chance to prepare for this. I say to those in this chamber—especially if, as the government are now privately indicating, this will not go forward this week—that there is an opportunity to revisit JSCEM having a longer inquiry.

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (10:06): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for three minutes.

Senator CORMANN: The Joint Standing Committee on Electoral Matters, as the expert committee of the parliament to look into this proposed legislation, is of course in charge of its own destiny in putting together its agenda and its approach to dealing with submissions. The important point to make is that what the government is putting forward as a proposal responds directly to the considered recommendations—the unanimous recommendations—of the Joint Standing Committee on Electoral Matters. That means it responds to the recommendations put forward and endorsed by Labor's deputy chair on the Joint Standing Committee on Electoral Matters, Mr Griffin, the member for Bruce, as well as the still serving Labor shadow minister and spokesperson on electoral matters, Mr Gray. The government was somewhat surprised that Labor's national secretary, George Wright—who is also on the record supporting these reforms put forward by the government—has declined to appear as a witness and indeed has declined to make a submission. No doubt this is because he found it a bit
difficult to make a 180-degree turn from the submission he previously made in support of the sorts of reforms the government is pursuing. We have a situation where Labor's shadow minister, Labor's deputy chair on the Joint Standing Committee on Electoral Matters, Labor's national secretary and Mr Feeney—who was asked by Mr Shorten to chair a Labor Party committee—have all recommended support for these reforms.

In relation to Senator Conroy's assertion that the government somehow had an intention to ram this bill through the Senate this week—that is completely false. That has never been the government's intention. The government's intention has always been to commence the debate in the Senate this week, on Wednesday, 2 March. As senators know, on Wednesday we have a limited amount of government business time. On Thursday we have hardly any government business time. So our intention would be for the debate to continue into the subsequent sitting week, which I believe is the week of 15 March. That has always been the government's intention and it continues to be the government's intention. But of course we are very keen for this important debate to get underway and we hope that can happen on Wednesday morning.

Senator RHIANNON (New South Wales) (10:08): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for three minutes.

Senator RHIANNON: Senator Conroy comes in many forms. There is the tough man, there is the reasonable man and there are many things in between. Today we have seen an extraordinary Senator Conroy putting himself out there as a defender of democracy who is concerned for the small parties. Firstly, let us get on the record what happened at JSCEM last week. Senator Conroy and all the other senators were invited to be participating members. They can come along and make suggestions. That was done. The committee is working in a very respectful way.

To say that he was told—

Senator Conroy interjecting—

Senator RHIANNON: I know I should ignore the interjections. What they are essentially doing is wanting to defend the status quo when it comes to the current system of backroom deals. Remember this about Senator Conroy. Yes, he is a senator, but where has he come from? He has come from being one of the experts in backroom deals, and that is what he wants to defend. That is the essence of all the tactics that played out last week and that are playing out today and that they are cooking up now.

Let's go back to the JSCEM hearing last week. Apparently, he was not told who the witnesses were. He emphasised when he just spoke that he was not told about the time, the witnesses, when they would come and how long the inquiry would go for. It was like any other inquiry that we go to where the secretariat puts in a great deal of work and comes forward with proposals. He could have made suggestions. All Senator Conroy did was throw a few bombs, complain bitterly and then storm out, banging the door. That is how helpful he was.

Senator Conroy: I was thrown out!

Senator O'Sullivan: You are misleading the Senate, Senator Conroy.

The PRESIDENT: Order on both sides!
**Senator RHIANNON:** It was just a bit of theatrics he had up his sleeve. He then comes into this place and makes out that it was a shocking process.

To show us how extreme and irrational the arguments are from the opposition side, they have been complaining that there is not enough time to debate. What is very clear is that we will start debating this week and then the debate will extend into a further sitting week, because we do need the time. But also, remember, as we have put on the record many times before, we have had this position. We have had one inquiry into this. The issue has been alive for two years. Let's remember that amongst the few senators here we have one position from Labor. We have another position from the Labor Party set out in the original submission to JSCEM. We have the position set out by their former Special Minister of State and now opposition special minister of state. We have a position set out by Jennie George, a former Labor MP and former head of the ACTU, urging that this reform the past. So it depends which Labor position you want to listen to. *(Time expired)*

**Senator WONG** (South Australia—Leader of the Opposition in the Senate) (10:12): I seek leave to make a short statement.

*The PRESIDENT:* Leave is granted for three minutes.

**Senator WONG:** That was a very interesting contribution from Senator Rhiannon. It was an interesting contribution that was lauded by members of the National Party and Senator Brandis. Politics does make for some strange bedfellows when you have Senator O'Sullivan, who is well known for his progressive views—I am saying that ironically, Senator O'Sullivan—lauding Senator Rhiannon's speech. It does say something about where the Greens are today.

I will make a number of points about that contribution because much of it was erroneous. The most important point is this: what the Greens are proposing is to support the government on the largest voting changes in three decades because they think it will advantage them. Although apparently Senator Hanson-Young does not support it. I do wonder how much Senator Rhiannon dislikes Senator Hanson-Young. But let's leave that to one side. These would be the biggest changes in 30 years with half a day's hearing.

I have been here for many debates where the Greens have gone on and on about the importance of process and transparency.

*Senator Di Natale interjecting—*

**Senator WONG:** There is no wonder you are shouting, Senator Di Natale, because it is completely unjustifiable. Your position is embarrassing. You come in here and you demand transparency and you demand proper process—except when you have cut a deal. It was a half-day hearing. You say, 'That's because there was a hearing two years ago that came up with a different model which we have amended bit because we think we should, but we are only going to have half a day's hearing.'

I would commend to the Greens Ross Gittins' article today because he makes a number of good points. One of the points he makes is that this matter deserves proper process, proper transparency and a proper inquiry. He makes the very good point that the country needs time. He said:

… the usual Senate public inquiry would do—to hear from the experts and examine the properties of the voting system one side of politics has come up with and wants to ram through.
He also makes the point that it is a non sequitur. To suggest that there might be problems with
the current system does not lead to automatically backing in the deal you have done. Whatever
criticism you make of Senator Conroy, or the rest of the Labor Party, none of us
have got up and said the current system is perfect—we just do not think you have found the
right answer and we do not think that ramming it through the Senate because you think there
is a benefit to you is the right thing to do either.

As many progressive voters in Australia are, I am bemused by the fact that the Greens are
enabling a double dissolution, strengthening the government's arm when it comes to a double
dissolution. We are bemused about why you think that is in the interests of progressive
policies in this country and we are appalled by the way in which you are participating in
nothing more than a half-day sham inquiry, and justifying it.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (10:15): Mr President,
I seek leave to make a short statement.

The PRESIDENT: Leave is granted for three minutes.

Senator DI NATALE: Sometimes in this place we try to hide behind process—it is what
we do, because we do not have the courage to take an issue on on its merits. On one hand we
have Senator Wong quoted in the papers saying that it is remarkable that we would support
legislation that would disadvantage our own team, and then during the week that has just gone
we have Senator Wong making statements that this is an arrangement the Greens have
supported because it is in their own interests. You cannot have it both ways. There is
something that is often in short supply in this chamber, and that is logic. How can it be good
for us and bad for us at the same time? It simply cannot work.

Let us go to the question of process. We had a very thorough, detailed inquiry into this
issue, which the Labor Party supported at the time but they have changed their mind. Is
anyone suggesting that if we had an inquiry that went for a week, a month, a year, that the
powerbrokers, the factional backroom dealers inside the Labor Party who have changed their
position, would change their position again? Is anyone suggesting that, that simply having a
longer inquiry would change the outcome of this legislation? Of course it would not. They do
do not support the legislation. So what they are doing is hiding behind process, like cowards. It is
all about the process.

The truth is they do not support giving power back to voters. They do not support the
notion that it should not be the Stephen Conroys and Sam Dastyaris of this world who decide
the outcome of elections by gaming the system but it should be voters. That is okay—you can
have that position—but do not be cowards; do not hide behind the notion of process when you
do not support the fundamental principle behind this legislation. That is your prerogative.
There are obviously people inside the Labor Party who disagree with you—Gary Gray, for
example. Gary Gray made a very cogent argument as to why this needs to change. I have
spoken privately to a number of Labor Party MPs who are frankly embarrassed by your
position. We had Jennie George, former head of the ACTU, saying it is laughable that the
ALP would support an arrangement that continues to entrench power within the hands of
factional operators but does not give power back to voters. It is a very important principle. We
believe in democracy, we believe that the party that will benefit from this is the party people
vote for.
Senator DAY (South Australia) (10:21): Mr President, I seek leave to make a short statement.

The PRESIDENT: Leave is granted for three minutes.

Senator DAY: This is Third World stuff—wiping out Independents is what they do in Third World countries. Voters will continue to find other ways of having their voices heard. You need in this place independent people who do not toe a party line. Independents play a vital role here. I accept that, on my own, I am a nobody in this place. However, I am one of 79 minor parties and Independents who ran at the last election, and we will not take this lying down.

I do accept that some people are concerned about above-the-line group voting tickets. The solution is simple: make it easier for people to vote below the line by letting them just number from one to six below the line—which was the original JSCEM recommendation.


The PRESIDENT: Leave is granted for three minutes.

Senator O’SULLIVAN: I want to direct my comments towards what Senator Conroy said at the beginning of this debate. I am battling the temptation of suggesting that he made misrepresentations to the Senate. I will default to the position that he was simply confused. He came into the committee in a blustering manner, did not want to listen to anything that was said and wanted to talk over the top of all the other participants. As is normal with this committee, there had been a meeting four days previously at which all the participating members were invited to make submissions about who should be on the witness list. On the day, as I walked into the committee room and slipped over on the blood of Gary Gray—his read was rolling around under the chamber table—Senator Conroy arrived as a participating member and a protest was made about participating members not having had time to make a submission to the committee. But in fact all committee members had had four clear days.

Senator Conroy: We were only invited the day before.

Senator O’SULLIVAN: That is the truth of the matter. Senator Conroy put forward a witness and the committee resolved to accept his witness. He made one suggestion during the committee meeting—only one—and the committee resolved to support him. I dare Senator Conroy to go and get a copy of the minutes and to bring them into this place and read them into the record verbatim—because they will be in conflict with what he is saying.

Senator Conroy: I was not allowed to stay.

Senator O’SULLIVAN: Senator Conroy suggests he was thrown out. The committee started to discuss another matter, unrelated to the bill, that was only for the members of the committee to consider. Senator Conroy tried to bluster his way to remaining in the room. I say to you, Senator Conroy: your presentation here today—and there were only a couple of us who were in the room—was completely misleading. I invite you to come back into this chamber and read the minutes of that meeting verbatim into the record.


The PRESIDENT: Leave is granted for three minutes.

CHAMBER
**Senator CAMERON:** I am pretty gobsmacked by the contribution from Senator Di Natale. Senator Di Natale wants to be in the mainstream—that was what he said when he became the Leader of the Greens, that he wanted to take the Greens into the mainstream. I know lots of Greens who do not want to be in the mainstream, and they certainly do not want to be in the mainstream if it involves Senator Di Natale doing deals with the coalition government.

**Senator Di Natale:** What about the one you did on refugees?

**Senator CAMERON:** Senator Di Natale has such a glass jaw that he cannot sit quietly for one minute and accept any criticism of where the Greens are heading under his leadership. We see where they are heading—in a pact with the National Party. I have never seen Senator O'Sullivan so animated and so happy, clapping Senator Rhiannon when she was up there giving a speech. It is unprecedented in this chamber that the Greens and the National Party are as one in destroying democracy in this country.

Senator Di Natale spoke about process. This is not an argument about process; it is a fundamental argument about democracy. It is about how we can get a voice for those who do not want to vote National Party, do not want to vote Liberal, do not want to vote Labor and do not want to vote Greens. What the Greens have done is that they have denied any opportunity for any democracy to take place in this country in the future when a new party seeks to come up with new ideas, because the old ideas of the Greens under Senator Di Natale will take us nowhere. We know what they are going to do. They will be like the Australian Democrats—deal after deal after deal till they end up disappearing. That is the problem they are going to have, and we see that they are prepared to sacrifice their own senators for this push to the centre. They are going to sacrifice one of their most effective senators in a whole range of areas because their leader, Senator Di Natale, has some view that he wants to be in the mainstream. Well, the Greens do not want to be in the mainstream. The Greens people I speak to are appalled by what is going on. We are going to see huge divisions in the Greens, and we are going to see Senator Di Natale under more pressure. That is why he is so vocal. That is why he is so animated. *(Time expired)*

**Senator DASTYARI** (New South Wales) *(10:25)*: Mr President, I seek leave to make a short statement.

**The PRESIDENT:** Leave is granted for three minutes.

**Senator DASTYARI:** I was going to seek leave to make a long statement, but I will deal with it in a short one. I think it is important to get some of the facts on the table about what exactly is going on with this process. What has gone on is a sham inquiry being rammed through as part of an already-done deal to do in a handful of crossbench senators. And let's be clear: right now the government are walking the halls of the media offices on level 2 of this building bragging about how they have got everything right and set up for a double-D election on 2 July. Why? Because they will then be able to do the ABCC. They will then be able to do registered orgs. They will then be able to do a series of legislation which you have been in here and opposed.

We will fight these issues. We will fight for these causes. But, Senator Di Natale, you have walked in and done in half of your own senators in a double-D situation. You did not do the modelling. You did not look at it. Let's be clear: the self-interest from the Greens is that, in a
half-Senate election, wiping out the minor parties and the primary vote that they get is good for the Greens. A double-D election will result in either Senator Simms or Senator Hanson-Young not being here, and that is another win for Senator Rhiannon. That is another win for Senator Di Natale. That is another win for them as well. It is win-win for them: it is either more senators or getting rid of some of the senators that they do not like.

But, frankly, the bit that is horrible here is this: how on earth do you not have a proper debate? How on earth do you not allow the proper different organisations and community organisations out there to have a say? There was a half-day hearing. Senator Di Natale, you should hear what your colleagues are saying about you when you are not in the room. You should hear what they are saying to the journalists. You should hear what they say about you. It is not very pleasant at all. This is a Greens party that has completely lost its way. This is a Greens party that will ram through electoral reforms with a half-day Senate inquiry—the same Greens party that will sell out tax transparency; the same Greens party that will sell out cause after cause, issue after issue on some kind of a pragmatic road towards getting some political outcome that they want. And, Senator Di Natale, you will be held accountable—if not by us, then certainly by your colleagues.

The PRESIDENT: This all commenced when I asked if any senator would like the question put on any of those committee motions. Does anyone wish to have any of those motions put? We shall now proceed.

PARLIAMENTARY REPRESENTATION

Victoria

The PRESIDENT (10:29): I inform the Senate that I have received a letter from Senator Ronaldson resigning his place as a senator for the state of Victoria. Pursuant to the provisions of section 21 of the Constitution I have notified the Governor of Victoria of the vacancy in the representation of that state caused by the resignation. I table the letter and a copy of my letter to the Governor of Victoria.

STATEMENT BY THE PRESIDENT

Parliamentary Language

The PRESIDENT (10:29): Last Wednesday during question time I undertook to consider further an issue about the use of inappropriate language by way of quotation. In answering a question from Senator Lindgren about instances of bullying, harassment or intimidation in the building industry—versions of which have been asked on several occasions now—Senator Cash sought to demonstrate the nature of these incidents by quoting specific examples of derogatory language alleged to have been used. Senator Moore took a point of order and senators addressed the point of order.

In my response, I indicated: firstly, that quoting something does not provide a shield for inappropriate language; secondly, that I was concerned about the language being used; and, thirdly, that I was also concerned about the rights of senators to express what they want to express in an answer.

Rather than making an immediate ruling on a very complex matter, I undertook to consider it further, including by accepting written submissions from senators. In the meantime, I asked senators to exercise restraint in their language. I thank Senator Cash, in particular, for the way
she responded to that request by reframing her answers to describe the alleged words and actions while respecting my advice. I also thank Senator Wong and Senator Cash for their individual submissions, and Senators Brandis, Cormann, Fifield and Scullion for their joint submission. The submissions raise numerous useful arguments and I table them for the information of all senators.

In this statement, I wish to address the role of the President, the concept of freedom of speech in parliament, the practices of the Senate in relation to unparliamentary language and, finally, the way forward.

Role of the President

As the Presiding Officer of the Senate, the President is responsible for the proper conduct of the business of the Senate, for interpreting the standing orders and their application, and for regulating the procedure of the Senate. The standing orders do not—and cannot—provide a complete code for the operation of the Senate. In the absence of a standing order, the President may give a ruling on any question not provided for. Rulings which have not been dissented from are equivalent to resolutions of the Senate and must be complied with.

The Senate took an early decision in 1904 to build up its own set of rules, forms and practices through rulings of the President—as an alternative to following the usages of the United Kingdom House of Commons, as other comparable parliaments have done. Consequently, Presidents today apply a body of rules comprising both the standing orders and undisputed rulings, most of them of long standing.

Freedom of speech in Parliament

Speech and other proceedings in parliament are protected from outside interference by the law of parliamentary privilege which applies to the Senate in the terms of section 49 of the Constitution. This is a barrier that keeps external forces from interfering in parliamentary proceedings so that the houses can perform their functions and regulate their own affairs as they choose, including by making their own rules and orders under section 50 of the Constitution.

The position is summarised by Sir William Anson in his Law and Custom of the Commonwealth as follows:

Speech and action in Parliament may thus be said to be unquestioned and free. But this freedom from external influence or interference does not involve any unrestrained licence of speech within the walls of the House.

In other words, freedom of speech in parliament is subject to the rules, forms and practices of the relevant house.

In the Senate, one constraint is the prohibition against use of offensive words reflecting on a vote of the Senate; against the Queen, the Governor-General or a state governor; against either house of parliament; against a house of a state or territory parliament or any member thereof; or against a judicial officer. These are the prohibitions contained in standing order 193, as interpreted through innumerable rulings of Presidents.

Another constraint is the sub judice convention which is entirely based on Presidents' rulings.

A further constraint is inherent in the duty of the chair to regulate the proceedings of the Senate and to maintain order. In carrying out this duty, chairs exercise discretion about what
is appropriate language for the chamber in any given situation. Many senators in their time will have been asked by the chair to withdraw inappropriate language, even when it is not directed against a protected person or institution. It is part of the cut and thrust of debate in this place.

These days, searches for particular coarse words will produce many examples of this. Comparable terms will not be found in earlier *Hansards* because either the Hansard reporters would have not taken the words down unless directed to, or Presidents would have instructed the Principal Parliamentary Reporter to expunge them. But there are numerous injunctions from chairs to withdraw or not to use particular language, including President Givens's ruling that it is not in order to swear or President Kingsmill's ruling that it is not in order to use slang and coarse expressions. Later rulings include a famous ruling from President Reid in relation to quotation of an obscene word.

**The practices of the Senate in relation to unparliamentary language**

In practice, the term 'unparliamentary language' covers the spectrum of language that is unacceptable either because it is contrary to the various prohibitions in standing order 193 or because it is regarded by the chair as unacceptable in debate.

It is a longstanding practice, dating back at least to 1908 in the Senate and observed in other parliaments, that quoting another source does not allow a senator to bypass the normal rules in relation to unparliamentary language.

A particular incident in 1979 led to both the Privileges Committee and the Standing Orders Committee (now called the Procedure Committee) examining and confirming that principle. The Privileges Committee, in its report on *Quotation of unparliamentary language in debate*, concluded that it was a matter of order rather than a matter of privilege, but the committee observed:

> It is undeniable that the most basic freedoms attaching to any parliament and to its members is the freedom of speech, but it is equally undeniable that every parliamentary chamber has its rules of order, including those directed against the use of objectionable, offensive or 'unparliamentary' words and expressions.

The Standing Orders Committee observed that the rule against quotation of unparliamentary language 'is a fundamentally sound one and to abandon it would allow speeches to be made deliberately circumventing the prohibition'. The committee continued:

> The fact that certain language is used outside the Senate with impunity does not mean that such language should be acceptable in the Senate. The Committee therefore considers that no change should be made to the existing practice and that the President should continue to apply the rule with discretion and with a due regard for the right of Senators to refer in debate to matters of public interest.

**The way forward**

The key issue in this case was summed up by Senator Cormann in addressing the point of order last week. It is whether, in exercising their freedom of speech in the Senate, it is in order for senators to substantiate a serious concern they are explaining by quoting what is alleged to have actually happened.

As I mentioned, there had been previous questions and answers on this matter. No objection was taken until last Wednesday, despite Senator Cash's quotation of some very colourful language on previous occasions. I believe that the difference with the alleged
remarks that Senator Cash quoted last Wednesday was the use of language that many people in the community would reject as offensive to community standards and abhorrent to particular sectors of the community. However, I expect that this was the very point that Senator Cash wished to make about those persons alleged to have used that language in the first place.

Had the quotes been in relation to a protected person, there is no question that they would have been completely out of order and required to be withdrawn. Had the offensive words been scattered through a debate, it is again highly likely that any chair in this place would have queried them as inappropriate. Where no protected person is involved, however, and where the language used is strictly necessary to make the point, it makes it very difficult for the chair to prevent a senator from quoting such language or to require its withdrawal. If senators choose to enter this territory, they do so at their own responsibility.

In these circumstances, I believe it is incumbent on me to draw senators’ attention to Senate privilege resolution No. 9 which reminds senators of their responsibilities when they exercise the great privilege of freedom of speech. Copies will be circulated, along with the text of my statement.

As I indicated at the outset, this is a complicated matter. In exercising their judgement on whether to quote in full from sources containing offensive material, I would encourage senators to be mindful of the wider audience that views or listens to proceedings, including the frequent presence of young students in the public galleries. Secondly, to ensure that the freedoms of senators are not impinged and the standards of the Senate are not compromised, I intend to refer this statement and the submissions I received to the Procedure Committee for its consideration of the general principles.

I thank the Senate.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (10:39): I have a question. My apologies, but I am actually no clearer on what you are ruling than when you started your contribution. I am genuinely seeking to clarify what it is that you just ruled. I am very much mindful of the fact that my daughter’s sixth grade class, from a girls school, is here and I would be appalled if anybody spoke in front of a sixth grade girls class in the way that occurred previously. I am just trying to understand exactly what it is that you have just ruled. We will try to avoid taking them to a building site, but that is no excuse for engaging in that conduct in this chamber.

The PRESIDENT (10:39): Senator Conroy, that is a fair question. The statement should be circulated at any moment. Could I suggest that you reflect on the statement and then, if you wish to come back to me with questions from that, that might be a more appropriate avenue. In essence, I have indicated that we have to be mindful of the wider audience, including schoolchildren and people who listen to this broadcast. People have complained about language used in debate from time to time, and the onus is on each individual senator as to how they use language in this place. That is the current aspect. I will be asking the Procedure Committee to make any further determination and come back to the Senate if we need to revise our standing orders; that is the role of the Procedure Committee. But at this point it is up to each individual senator to be mindful of all the issues that I have just mentioned in my statement, to exercise their great privilege in debate that they have in this place and to
consider, when they are using language: is it appropriate language to be used, and is it appropriate language for the public at large to listen to? That is basically what I have said.

Senator CAMERON (New South Wales) (10:41): I have a question. Given what you have outlined, will there be any advice given to chairs of committees? Some of the language that has been used in estimates hearings, some of the allegations that are being made sub judice and some of the kangaroo court tactics that are being used certainly go to some of the issues you have raised this morning. What advice will be given to chairs of committees, especially the estimates committees?

The PRESIDENT (10:41): Thank you, Senator Cameron. Committees follow the same rules and procedures of the Senate, so that would apply to committees equally. The committee chairs meet regularly with the Deputy President, and I am sure that that will be a topic of discussion there.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (10:41): Mr President, I thank you for your statement, which the opposition will obviously study carefully. We also concur with your decision to send this matter to the Procedure Committee. I just want to make this point and make sure I have understood your statement. It seems to me that the nub of the statement is that it is difficult for a chair to prevent the senator from quoting language or require its withdrawal if the language used is strictly necessary to make the point. I would suggest to the chamber that it would have been equally appropriate for Senator Cash to talk about the fact that homophobic and hateful language was used, or allegedly used—I am not sure whether this was an allegation or a finding; I cannot recall now—rather than the actual words. You might recall, Mr President, that in fact the footage that ran on the television that night was of those words being said in the Senate chamber. The government may believe there is a political advantage in that. Leaving political advantage or disadvantage aside, it is not the Senate I think most senators would want the community to see.

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (10:43): I think strictly I should seek leave to make a short statement.

The PRESIDENT: Thank you, but I think we just have general agreement that leave is granted.

Senator BRANDIS: Mr President, on behalf of the government, might I thank you for this statement and for the careful consideration which you have obviously given to the various submissions that have been placed before you. The government supports your decision to refer this matter to the Procedure Committee. We will be mindful of the statement that you have made, and we will pursue the issue of quotation in the Procedure Committee.

It seems to me, if I may say so with respect to other senators, that it is not appropriate to ask you to interpret to the Senate or to place a gloss upon a statement which you have just delivered after careful deliberation. So we of the government do not ask you to do that; we accept the statement in the terms in which it has been given, and, in determining the way in which we will be compliant with it, we will take the statement as it is read.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (10:44): I am a little bemused by Senator Brandis's last contribution. I thought it was perfectly reasonable for senators to ask you for some clarification, as a couple of us have. I find it
extraordinary. I repeat that the sixth-grade girls class from my daughter's school are here today and if Senator Cash were to stand up and graphically describe a sexual act, as she did last time, I would be a little concerned and I would want the chair to have the ability to deal with that—whether or not the government think they are making a cheap political point about the language used on construction sites and whether that was appropriate on a construction site. The very fact they are arguing it is inappropriate on a construction site would certainly make it inappropriate in this chamber in front of sixth-grade schoolgirls and schoolboys. Some of the language that Senator Wong has gone through, again, is not the sort of language in which we should be engaging in this chamber.

For the Leader of the Government in the Senate to essentially reject what I thought was a very reasonable explanation that you made—you suggested that we should also read it in more detail—is quite inappropriate. It indicates the standards that this government is prepared to go to. I do not want to turn this into a partisan argument. I am actually trying to turn it into a reasoned argument about supporting your ruling, and also to ensure that you still have the power to say that you think that sort of language is inappropriate in this chamber, if you believe so. It is a perfectly reasonable community standard that normally applies. You have applied it fairly. The government has pushed the envelope, pushed the edges of it, in recent weeks. I think the chamber is right to reflect on it and I think the course of action you have taken is entirely appropriate.

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (10:46): I did not expect to be rising to my feet again, but Senator Conroy suggests that in my remarks I was indicating the government did not fully accept your ruling. I specifically said that the government does accept the statement. We say that the government does accept the statement. We will reflect upon the statement, as I said before. In making our own judgements as to the nature of our contributions to this chamber, we will bear in mind and seek to be observant of your statement, as I said before. Once again, as I said before, I thank you for both your care and deliberation and for referring the matter to the Procedure Committee.

**The PRESIDENT:** I ask that this matter be concluded now. Unless anyone has an urgent contribution, we should proceed to business.

### BILLS

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

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

**Senator KETTER** (Queensland) (10:48): I rise to continue my remarks in relation to the Tax Laws Amendment (Small Business Restructure Roll-over) Bill 2016. Labor recognises that some of the sure-fire ways of helping small businesses, which comprise over 90 per cent of all of Australia's firms, include quick and easy-to-navigate licensing and regulatory processes and a mix of legal and competition policy that protect their rights and do not disadvantage them by favouring established players. That is why when we were in government we gave small businesses taxation benefits in the form of the instant asset write-off tax reforms and the tax carry-back reforms. That is why we support the Tax Laws
Amendment (Small Business Restructure Roll-over) Bill 2016, with the proviso that there is a review in two years to ensure its effectiveness.

We are glad to see that the government is looking into this matter of the capital gains tax, as this is a key area of reform that needs to be addressed if we are to address inequality. We recognise that this bill will not make a large dent in the necessary tax reform. But it is a relief to find at least one positive decision from the coalition in the sea of contradictions, vacillations, errors, corrections and avoidance of issues that have marked this government's recent performance. In sharp contrast, Labor has a range of ideas for budget repair. These include tackling the issue of tax avoidance by multinational companies; putting an excise on cigarettes to help defray the drain that tobacco-related diseases has on our health budget; changing the high-end superannuation tax arrangements in the interests of equality; and scrapping the Emissions Reduction Fund, which has taxpayers subsidising windfalls for big polluters. We see no sense of fairness in that. We have done the sums, and the revenue saved by our proposals would be enough to cover needs-based school funding over the decade.

There is no doubt about the need to do something about the housing crisis, and Labor's policies to allow negative gearing in the future only for newly constructed dwellings but to grandfather existing negatively geared properties until those investors' loans are paid off are well considered and responsible proposals that will provide powerful incentives for new construction and increasing housing supply. Leading economists such as Chris Richardson, Saul Eslake and John Daley have endorsed the policy. When speaking on the ABC's AM program on 16 February, Mr Richardson congratulated the Labor Party on a policy that 'has the potential to help provide better outcomes for all Australians'. I note also that former RBA director Mr Warwick McKibbin said:

The question is do you want to avoid the problem now or do you want to wait until the thing just bursts?

We also know that, in the government's own inquiry into the financial system, the report brought down in November 2014, under the heading of 'Major tax distortions', found:

The tax treatment of investor housing, in particular, tends to encourage leveraged and speculative investment in housing.

And we know, of course, that in 2005 the Prime Minister himself acknowledged that Australia's negative gearing settings are amongst the most generous in the world, and we also know that 70 per cent of the benefits of capital gains tax concessions go to the top tenth. We know that these are tax distortions that burn a hole in the budget. Capital gains subsidy cost $4.2 billion in 2014 and is projected to double to $8.6 billion in 2019.

But this government is involved in a scare campaign on Labor's policy to reform negative gearing and the discount on capital gains tax. The Prime Minister forswore that type of behaviour, but now he glibly says, 'Vote Labor and be poorer,' proving that his rhetoric is hollow. Just like the GST muddle, when the Prime Minister and the Treasurer were sending out conflicting messages, they are in such disarray that they cannot even explain what voters should be scared of—rising house prices or falling house prices. Once again the government appears to be hopelessly divided about what action to take on negative gearing, and we note media reports today that government backbenchers are extremely concerned about the inaction and the lack of direction of the government.

While you yourself, Mr Acting Deputy President Bernardi, and other backbenchers want to hold off any action on negative gearing and to concentrate instead on the desperate smear
campaign against Labor's proposal, the Treasurer, Mr Morrison, appears to want action on negative gearing—especially on what he calls 'the excess'. But we are not sure exactly what he means by 'excess'. The Abbott government introduced retrospective tax changes which hurt small business, and it appears the coalition is once again flirting with retrospectivity in relation to the capping of negative gearing. That would not be a source of revenue from future investors, as they would have no motivation to buy multiple investment properties, but of course it would impact investors who have acquired property under one tax regime only to find the government has shifted the goalposts to their detriment.

The obvious question is: would the government's policy apply retrospectively to those who currently invest in housing? Labor has asked that question repeatedly, but the Prime Minister has refused three times to tell the Australian people—to confirm or deny as to whether the government will change negative gearing and reduce the capital gains tax discount and, if one of these plans is introduced, whether it will apply retrospectively. How can Australians feel any sense of assurance amidst this arrogant barrage of confusion from the coalition? Good economic leadership requires facing up to issues and making decisions, not contradicting and overriding and otherwise obfuscating. When Mr Turnbull launched his leadership campaign against Mr Abbott last September, he seemed to realise this and said:

Ultimately, the Prime Minister has not been capable of providing the economic leadership our nation needs … We need a different style of leadership.

So I would say that that is an extremely ironic observation.

Just in closing, we note that this is a small and positive step by the government. We support the measure that is before the Senate and note that it complements Labor's comprehensive plans of helping Australian small businesses thrive. However, the government needs a bigger-picture approach to tax reform. Successive prime ministers in the Abbott-Turnbull government have a patchy record on small business policy and on tax policy. Their actions are contradictory and, in conjunction with the continual delay in delivering the tax white paper they promised, all they do is create uncertainty. Perpetual uncertainty will permanently damage any claim the coalition has to being a friend of small business.

Senator MOORE (Queensland) (10:56): As Senator Ketter has pointed out, Labor is supporting the Tax Laws Amendment (Small Business Restructure Roll-over) Bill 2016. One of the major issues is our ongoing interest in, support for and consultation with small businesses across this country. I particularly want to put on record the work of people like Gai Brodtmann and Julie Owens, two of our lower house members who have worked extensively over the last several years with small businesses, particularly in their local communities, and listened to them to clearly understand the pressures, the challenges and the concerns that have been raised by small businesses about certainty for their future.

It is particularly important for small businesses to have certainty about the circumstances in which they will operate. It has been a particularly difficult time over the last few years. You would remember, Mr Acting Deputy President Bernardi, some of the contributions in this place during the period of the global financial crisis. Amidst all the debate that was going on about the overall impact in the community and some of the terrible information that was discussed in this place about some of the large companies and their exposure to the international financial markets, one of the clear issues that came out consistently was that small businesses often seem to be vulnerable to all the financial activities that are going on in
the community. Small businesses were concerned that their own needs and their own plans were sometimes forgotten by governments who were focused in the large-picture area. We always said, Mr Acting Deputy President—as I hope you would remember—that, in terms of discussing Australia's economic strength and the strength of our wider community, the interests of small business were paramount in terms of local community and interaction.

This particular bill in front of us, while some people would say it is a small measure—I have heard that mentioned a couple of times in some of the contributions on this bill—nonetheless deals with a really important issue: listening again to what small businesses are saying they need to be able to continue to operate effectively. I know other people have put on record what, in fact, the bill does. But, because economics is not an area in which I often contribute, I think it is important that I also look at how this particular bill operates.

We know about the small business contribution in the community, the data around more than two million small businesses in Australia, and the discussions around employment of over 4.7 million people, totally reliant on the effective operation of small business. This bill allows small businesses with revenue under $2 million to defer gains or losses that would otherwise be made when transferring business assets from one type of entity to another. The bill amends the Income Tax Assessment Act 1997 to provide this greater flexibility for small businesses when changing their legal structure. The amendments allow deferral of gains or losses that would otherwise be incurred when the business assets are transferred from one type of entity to another.

The current law under which we operate can create an obstacle to small businesses restructuring, because they may incur a significant tax liability in the process. This has been discussed with us in many of the fora that local MPs have been involved in across the country. This would again be a further impost on small business operators, and a significant tax liability. As people who operate in this area know, any tax liability is difficult. It compounds the complications in this area. The bill would ensure that this tax liability could be removed.

Currently, rollover relief is available in only limited circumstances for business restructures, and these limited circumstances involve great interaction between the small-business owner and their legal representatives—and we know that those costs can grow. For example, rollovers are available for restructures involving the transfer of a capital gains tax asset or all the assets of a business from an individual, trustee or partner to another wholly owned company. However, no rollover is available for a restructure that transfers business assets from a company to a sole trader, partnership or trust. These definitions are incredibly important, and in the legal system there can be some confusion even now about what the particular definitions are.

Under the proposed changes in the bill we are debating today, businesses with less than $2 million in annual revenue would be able to roll over gains and losses arising from the transfer of capital-gains-tax-eligible assets, trading stock, revenue assets and depreciating assets. Rollover eligibility only applies to transfers that do not result in a change in the ultimate economic ownership of the assets. The key aspect here is that there is flexibility to make decisions within the business as long as those parameters are met. The same ultimate economic ownership of the assets remains the important element in legal terms.

The bill sets out a 'genuine restructure principle'—that is the term—which is designed to separate legitimate business restructures from artificial tax avoidance schemes. In this place,
over the years, we have had a number of debates about tax avoidance schemes, and I think we as a parliament are committed to ensuring that there is an understanding of what is appropriate in terms of genuine tax minimisation processes. I know the definition of tax minimisation is paying a responsible and reasonable amount of tax without going down the track of artificial tax avoidance schemes. That is important element of any form of tax reform in our country. We need to have a genuine commitment to making sure that there is an understanding of the tax process, and businesses in our country—it does not matter whether you are a small business or a large business—have an absolute commitment to ensuring that they have appropriate, transparent taxation arrangements.

There has been a lot of discussion in the media recently about large, particularly overseas-owned companies and ensuring that there are appropriate tax provisions made for them in the legislation. That has been widely supported by the community. In fact, some of the demand that governments ensure that there is effective tax law in this country has come from the community. Many times over the last years, there have been concerns raised about multinational organisations and the fact that some do not pay appropriate levels of tax. In fact, we are finding out it is more than some. As the cover of secrecy has been removed from a number of these organisations about their tax arrangements in Australia, the community is finding out that a large number of multinational companies seem to have set up processes so they are not paying what many Australians expect would be their fair share of tax. That principle also covers small business, in that there is an expectation from the community that as businesses they have a fair taxation arrangement.

It is very clear that the bill before us is not intended to have any process that would allow artificial tax avoidance schemes to be put in place. As I spelt out, the kind of flexibility in arrangements that could take place in moving capital and cost between different elements will always be allowable. The important thing is that there be no sense that it is an artificial tax avoidance scheme, which means that there would be less commitment to paying appropriate taxation.

A restructure will be considered to meet this genuine restructure principle when, for example, the business continues to operate, following the transfer, through a different entity structure but with the same economic ownership, which must always be the end result; when the transferred assets continue to be used in the business; or the transfer does not represent a divestment or preliminary step to facilitate the realisation of the value of the assets. That is very clear, I think. It is very clear what the intent is; it is very clear what the parameters are as well. The ability of small businesses to be flexible in their arrangements, to not have an unreasonable tax liability and to have minimal intrusion into the process so they can take ownership of their own business affairs and make effective decisions depending on their own economic situation, the demands of the trade, the demands of the business and the demands of the local economy. That will be protected. However, the overriding principle must always be that the business continue to be under the ownership of the original business.

Another element is that, to be eligible for the rollover, both the transferrer and the transferee of the assets must be residents of Australia for tax purposes. I think that we have become very sensitive to these issues, with due cause. The protection elements of the bill in front of us are focused on businesses that are owned or operating in and paying tax in Australia, so this particular piece of legislation could not be seen to be part of any scheme
which could be seen to minimise tax payments in Australia. The clause that has specifically been put in the bill would mean that the flexibility arrangements would apply only if both the transferor and the transferee are residents of Australia for tax purposes.

In assessing the transaction that takes place when assets are transferred from one business structure to another, the income tax law will apply as if the transfer takes place for the asset's rollover cost—this is the transferor's cost of the asset for income tax purposes—such that the transfer would result in no gain or loss for the transferor, so that it is clear in the record that there is no gain or loss for the person or entity making the transfer—that is, the transferor. The transferee will be taken to have acquired each asset for an amount that equals the transferor's cost just before the transfer. This is intended to result in a neutral outcome for tax purposes. The interaction between the business and the tax office has to be transparent, and there has to be effective documentation that clearly points out each step of the way, so that the whole history of the process is clear.

Small businesses will continue to incur capital gains tax liabilities if they dispose of assets outside a genuine restructure. Again, in this way an organisation will be able to prove to the tax office that the process of restructuring is genuine and that the activities that have taken place are part of that restructure. Also, assessing the rollover relief at the point of a restructure will not exempt small businesses from future capital gains tax liabilities if those assets are later sold outside the business.

These are the mechanics of the process. They ensure, as I have said, that small businesses can have absolute certainty that their transactions are understood to be part of the restructure that is taking place within their organisation. Within the general debate in the community at the moment it is important that we have the opportunity to work through processes such as we have done to arrive at this piece of legislation—where we can reach agreement on something of concern to small businesses and that has been raised by the Small Business Association in various discussions, make a conclusion and then move on into the wider debate.

I know other contributors to this debate have given information about the general tax environment in which we are operating at the moment. There are concerns that there is no clarity around what the future direction of the government's tax policy is at the moment. This creates uncertainty. It creates worry that other changes that people will not understand will be coming and that there will be things rushed through in the lead-up to an election this year. It is important that when we have the opportunity to come to an agreement in what is a straightforward area that it is clearly understood and that the people who are involved will understand what is going on. That is a positive result.

Nonetheless Labor has said that, considering that this is a new change and is a dynamic part of our economic make-up, there should be, within a reasonable time, a review of the flexibilities that have been built into this agreement, any documentation that is shared through the process and any case law which develops along the way once this particular change is agreed. I am not exactly sure whether a two-year program in this area is considered to be long enough to ensure that any vagaries in the system could be identified and effective responses built in, but we are saying that there needs to be such a review.

It is my understanding that the government is supportive of a review, because, as we all know, no matter how clearly you think through a piece of legislation, there can always be consequences which may not have been fully understood before the processes were put in
place. We are very keen that there is a review built into the process, and I am sure the minister will let us know about that when he sums up the arguments. That is a standard expectation. It does not matter whether it is tax law, social security law—with which I am much more familiar—or anything that impacts on people's lives, there should be an effective review process built into the legislation.

We believe that the capital gains tax rollover provisions in the bill are a small but positive step by the government that will be part of keeping the conversation alive with small business groups across the nation. As I said earlier in my contribution, when citizens are working so hard to ensure a living for themselves, particularly the over 4.7 million people who are employed in this sector, it is very important and valuable that, when they come to their government and say that there is something that they think would be a practical way of achieving a result, the government is then able to say that they have heard them and will make changes that will work effectively with them. That is what we hope to achieve. Certainly, when we were in government, we took our responsibilities to the small business community very seriously and built up a range of communication networks in that space.

In terms of this particular piece of legislation, I am happy to say that we will be supporting it. We acknowledge the work that went into ensuring that it would be as simple as any piece of tax legislation could ever be. We also value the information that we will receive about an effective and engaging review process to ensure that will work as we would hope. The intent is that small business will work effectively, professionally and, I hope, with great profitability in our economy.

Senator LUDWIG (Queensland) (11:15): I too rise to speak on the Tax Laws Amendment (Small Business Restructure Roll-over) Bill 2016. Labor supports this bill, which amends the tax assessment act 1997. Ostensibly, it enables small business to defer the recognition of gains or losses that may arise from the transfer of capital gains tax assets, trading stock, revenue assets and depreciating assets as part of a genuine restructure of their business. One of the things we will look at is how the coalition will define a genuine restructure of business. We do know that there are many occasions when companies phoenix—when they transfer, when they change. It is very important in this particular area that the government remain very vigilant, that they ensure there are no loopholes created by this legislation, which otherwise is good legislation, and that it is not gamed—not that I think small businesses would willingly do that, but, unfortunately, there are some shonks in the business who may want to. But it does generally provide greater flexibility for small business to change their legal structure without attracting a capital gains tax liability at the time.

That is extremely important for small business. Small businesses, as they grow, as they change and as they meet business circumstances, do not want to be constrained by finding that a change to their structure—from a partnership to a trust, from a partnership to a company or from a company to another entity to create another trading opportunity—means they are penalised or they are constrained from doing that because of the necessity of then finding additional capital to deal with the capital gains tax liability. This is a small measure to facilitate small business in growing, changing and meeting market circumstances. It is designed for businesses with revenue below $2 million, which will be able to then take advantage of this process, defer gains or losses that would otherwise be made as a result of transferring business assets from one type of entity to another. Under the current rules a small
business looking to incorporate or a company that wants to become a trust will incur a capital gains tax bill for transferring assets from one business structure to the other.

When you look at this and you go back to the 2015 budget, the ‘growing jobs and small business budget’—a pretty nice glossy leaflet at the time also highlighted this would be one of their measures in that budget. But since then, what the coalition have been touting is a tax plan. This is not a tax plan for the Australian community. What the government are unwilling to talk about—it really would be helpful if the government, during the summing up debate or during the committee stage, if there is one, addressed this—is to advise the Senate what their tax white paper plan for the future is. Small business is very seriously interested in understanding what the coalition's plan is.

But the government were unwilling to tell people who put their submissions into the tax white paper what they were going to do about tax reform. There was something in the order of 800 submissions made to that tax white paper inquiry, and the government spent millions of dollars of taxpayers’ money putting in place the submissions. As I understand it, the Minister for Finance simply does not want to talk about the tax plan. Small business would benefit significantly from not only understanding that they have the support of the coalition for this measure but also what broader measures the coalition intend to promote for small business out of the tax white paper.

But we do know what they ruled out. It really becomes more telling if we recall the coalition provided a scare campaign on GST—they accused Labor of the scare campaign, but ultimately it was the coalition's scare campaign—and then they backflipped. If you recall, what they first of all said was that you should include everything in the tax white paper. They said: ‘Things should not be ruled out. We should be able to then have a look at all matters.’ Very quickly that became, ‘We won't deal with GST; we won't deal with other matters.’ Very quickly the coalition started ruling things out. I think what happened was the extreme elements within the coalition attacked mercilessly the moderates within the coalition—and the moderates gave in very quickly! Notwithstanding that, this measure was announced as part of the government's growing jobs and small business package in the 2015 budget. It will come into effect for asset transfers taking place after 1 July 2016. Rather than bring the measure in at an early point, we look like we are going to wait for this measure. I urge the government that if they cannot come up with a tax package, they certainly could bring forward this measure to assist small business.

The new small business rollover is in addition to rollovers currently available where an individual, trustee or partner transfers assets to a company in the course of incorporating their business. The bill applies to transfers that do not result in a change to the ultimate economic ownership of assets. Of course, when you talk about the Jobs & Small Business package where this measure came from, what is very telling is that two million small businesses in Australia benefited from Labor’s permanent instant asset write-off when we were in government. The coalition, upon coming into office, junked it immediately—only, of course, to then bring it back, surprisingly.

You do wonder that this government does not have an economic plan for the future. They do not have a tax plan for the future. We are now debating individual measures from the 2015 budget, rather than listening to what this government is going to propose as part of its economic plan and its tax package for the future. This is all in an environment where the

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economy, under this coalition, is not performing well. Consumer confidence has bottomed out. We have growth down and unemployment up. We have debt and deficit up.

I think you have to put it in a frame when we deal with this bill. This government promised small and medium business—I will get to large business, but they at least promised small and medium business certainty. They promised an economic message that Mr Abbott had somehow fumbled when he was the Prime Minister. We have heard zip from this government since then. We have not seen their economic plan post the demise of Mr Abbott as Prime Minister. Yet it is startling to see that there has been no turnaround in the economy, so we cannot even agree that the coalition and Prime Minister waffling along have managed to turn around consumer and business confidence and unemployment. Whilst the Prime Minister dawdles overseas and dawdles through to designing and developing an economic plan, we have small business waiting for a package such as this.

Labor, as we said, supports the bill, because we understand that small business is a key economic driver of new jobs and a stronger economy in this country. It is a pity the coalition has not heard that message as well and does not want to deliver a tax plan and an economic message that recognises small business as a key driver of new jobs and a stronger economy.

Small businesses are already struggling. They do not need the big tax bills associated with changing their structure as their needs and activities change. However, Labor does not want to see this useful rollover relief measure become another loophole for tax dodging, as I said earlier. That is why we have proposed that Treasury review the change after two years of operation, because I think it should be in the legislation. I think the coalition should put it in the legislation, because this is a coalition that cannot keep its eye on the ball. I am sure, in the summing-up speech, the minister at the table will say that of course the Treasury continues to review these matters all the time. But unless this is given some legislative underpinning, I think that this government, which drifts along without an economic message or tax plan, will not come back to have a look at this to ensure that it operates as it should. Without that discipline, this government will just continue to drift.

We have seen the coalition's record for small business. As I said, they scrapped Labor's permanent instant write-off, only to bring back a temporary version, which effectively only provided a sugar hit for consumption in the 2015 budget but ultimately will run its course. It has not improved small business confidence because they recognise it for what it is—simply a small measure designed to curry favour with small business which does not help them in the longer term.

Small business in Australia must be and should be given the opportunity to grow and adapt. There are over two million small businesses in Australia, employing well over 4.7 million people. This includes employees from local cafes to sole traders running a software business. The reality is that small business keeps our economy ticking over. It lays the groundwork for a $340 billion contribution to the Australian economy. Labor's backing for this bill comes in tandem with our strong suite of policies to support small business and start-ups. These include our plan to offer a start-up year at university to young Australians to look at starting their own enterprise, backing great ideas through co-investment in high-potential companies through a $500 million smart investment fund and improving access to finance for microbusinesses through a partial guarantee scheme. Small business is crying out for assistance to give them a pathway to future growth and development. Labor is providing that. What this coalition is
doing today is finalising the budget from 2015 while we wait and see what their May 2016 budget and their tax plan will bring for small business and while we wait and see how their overarching economic message delivers for small business.

The capital gains tax rollover provisions in this bill are a small but positive step by a government with a dubious record for helping small business. It is no secret that the Mr Abbott and Mr Turnbull Liberals are protecting tax loopholes and subsidies that benefit multinationals and wealthy Australians. It is poor form. The coalition do not recognise that small businesses see this. They see the loopholes for multinationals and wealthy Australians and wonder just what this government are doing for them while they are allowing multinationals to not pay their fair share of tax. The government's lack of broader changes to capital gains taxation comes at a time when housing prices are growing at five times the rate of wages. Property is accelerating out of the reach of young Australians.

Labor stand for a strong and sustainable budget so that we can afford to properly fund our schools, universities and Medicare. That is why we have announced the most important structural reform in a decade—Labor's reform to capital gains tax discount and negative gearing—which will improve the budget by $32.1 billion over the decade. Under Labor's capital gains tax policy, changes under which small businesses will be no worse off, the capital gains discount for all assets purchased after 1 July 2017 will be halved. This will reduce the capital gains tax discount for assets that are held longer than 12 months from the current 50 per cent to 25 per cent. Investments made before 1 July 2017 will remain unaffected.

Just on that point, you do have this government—unable to put black print out about what its economic plan is or what its tax package reform is—floating out ideas in the news. While we have said that our plan will not be retrospective, one of those ideas out in the ether we hear is that the government's plan is going to be retrospective—which, of course, was strongly criticised by the coalition. I would have thought any retrospective impact by this government in this area of capital gains would be enormously harmful to this area.

You would expect the Property Council of Australia to be saying something about it, but they have not. They remain very quiet on this issue. Perhaps they are concerned about what the coalition will in fact bring to the table when it is their turn, should they get to that point. I do not know whether I have any confidence that the coalition will be able to, in the short time available, gather sufficient information to put out a tax plan and an economic statement for all to see.

Our policy changes will not affect investments made by superannuation funds. Labor will also target negative gearing to new homes from 1 July 2017. Consumers have been scared off by this government's economic bumbling. You do reflect occasionally in this place as to why they made the change from Mr Abbott to Mr Turnbull, if it was not only about the polls. They said at the time: 'It's not about the polls. It's about the lack of economic leadership, it's about the lack of economic credibility and it's about the lack of the ability to bring together a plan for Australia.' On this side, we are still waiting to see what that economic plan will be.

I have heard some suggest that their plan will be in the budget. We have got a long way to go to get to that budget. Let's hope that they do manage to provide some sort of clarity, because growth is down, GDP has been downgraded from 2.75 per cent to 2.5 per cent this year and investment is down from 3.25 per cent to 2.75 per cent. Investment is down, business
investment fell 6.3 per cent in 2014-15 and the forecasted investment has decreased from minus seven per cent to minus 9.5 per cent in 2015-16. Spending is up: PEFO spending for this financial year was estimated by Treasury at 24.9 per cent of GDP; it is now at 25.9 per cent under the Liberals. Deficit is up: in the 2014-15 budget, the deficit for this year was $17.1 billion; in MYEFO, it is now $37.4 billion. Debt is up: at PEFO, net debt for the next financial year was 12 per cent of GDP; for this year in MYEFO, it is now 18.3 per cent.

If I were the finance minister, I would resign on those figures, quite frankly. They are atrocious and they are appalling. I would certainly be doing more than simply waiting and leaving everybody in suspense as to what this government is going to do about it. This government promised that it would have an economic statement and it promised that it would deal with these figures. It has dealt with these figures: they are now a lot worse than they were when Mr Abbott was the Prime Minister. What the Liberals have not changed is the same plan. They still intend to rip money from health, aged care, job programs, child care and law and order. (Time expired)

Senator POLLEY (Tasmania) (11:35): Labor’s position is to support the Tax Laws Amendment (Small Business Restructure Roll-over) Bill 2016, but this is a bill about economic leadership and we need to speak directly about that issue here today. This bill is a modest reform; but let us not pretend that it in any way constitutes economic leadership, because we know the government of the day has no plan, no vision and no leadership when it comes to the economic future of this country.

Labor will support this bill because it allows small business to restructure with greater ease but we would be remiss in talking about these issues if we did not talk about unfair taxation and did not deal with the question of the capital gains tax discount and negative gearing. We know that Australia has uniquely generous tax arrangements when it comes to negative gearing and the capital gains tax discount. We know that these policies have worked together to make housing increasingly unaffordable for young Australians. Price to income ratios have approximately doubled over the last two decades, and we have seen the share of young Australians owning their own home fall by 25 percentage points in a generation.

For low-income young Australians, rates of home ownership have halved. We now have Sydney as the second most unaffordable city in the world when measured by price to income ratios, behind only Hong Kong, and Melbourne is the fourth most unaffordable city in the world. Yet when faced with these facts, the Treasurer does not talk about acting on negative gearing and capital gains tax to make sure that all Australians can afford their own home. No, instead he is much more interested in protecting tax distortions and loopholes than in good policy.

Labor will always be fair and reasonable when implementing tax reform policies, and Australians deserve nothing less. They also deserve certainty. Our plans for changing the capital gains tax discount and negative gearing demonstrates the importance of giving certainty to stakeholders. But what do we see from this Prime Minister? What do we see from Mr Turnbull? He refuses to do the same. He is the Prime Minister, he has the power, he should have the authority, but he refuses to do the same.

This government is in complete chaos, with the Treasurer in witness protection. We know that the Assistant Treasurer does not have the facts. We know that the government are at odds with each other. We never know what each minister is going to say about their policies. And
we see that this Prime Minister is now trying to make up ground on the run. New economic leadership has turned into blindly throwing darts at a list of vague ideas and the government are now in full panic mode. They do not have a plan. That was the whole basis on which we were told that Mr Turnbull knifed Tony Abbott and became the Prime Minister of this country. It was because he said that he would bring agile, intelligent and adult government to this country, but we have seen nothing. And we should not forget how long this government have been in power—it has been 2½ years. So there is no excuse for their not having a plan.

By not having a plan and not being up-front and honest with the Australian community, the government creates uncertainty and distrust. It shows that this government, which has promised no cuts to health and to education and no changes to pensions, is completely willing to say anything it wants and to completely backflip as it did at the last election when it got into government. It is no wonder that Mr Turnbull is not trusted. It is no wonder that his own caucus is in disarray, because from the top down there has not been any real leadership. It is easy to get up and talk for the sake of talking, but at the end of the day the Australian community wants to know where this Prime Minister is taking this country.

The Prime Minister and the Treasurer have no fair and equitable plans or policies to fix the budget or to fund Australia's health and education services. The government, its Prime Minister and its Treasurer—and we know it already has the world's worst Minister for Finance ever—are aimlessly wandering around, talking and filibustering, but they are totally befuddled and they have no vision. When the government has something serious on the table we on this side of the chamber, the Labor Party, will respond accordingly.

Under Labor's budget reforms the capital gains subsidy will be halved and negative gearing will be targeted to new homes. These are good policies. We, as the opposition, have been putting our policies out earlier than any other opposition has for some decades. We have done the consultation and we have done what we needed to do to be able to fully cost the policies we have already announced. Labor's reforms will strengthen the budget by $565 million over the forward estimates and $32.1 billion over the decade. This has been costed by the independent Parliamentary Budget Office. The savings from these reforms will be used to invest in education and health care and to strengthen the budget. At present, only seven cents in every dollar spent on negative gearing subsidies is directed into new housing stock. Negative gearing on existing properties means no new housing supply and no new construction jobs. Under Labor's reforms, negative gearing will be available only on new homes, creating a powerful new incentive to drive investment in new housing and create up to 25,000 new jobs. That is 25,000 new jobs. Our reforms will mean homebuyers will no longer have to compete against property investors receiving generous negative gearing subsidies from the government. This will help level the playing field so that home ownership is within reach of more working and middle-income Australians. This will allow young homebuyers to enter into the market.

Labor will protect investments made in good faith under the existing scheme. There will be no change for those who are already in that investment market; they will be grandfathered—unlike the whispers that we hear about the proposals that this government is currently discussing. There will be no change to the treatment of any property investments made before 1 July 2017. There will be no capital gains changes on the family home or superannuation investments. Labor will limit negative gearing to new housing from 1 July 2017 and all
investments made before this date will not be affected by this change and will be fully grandfathered. This will mean that taxpayers will continue to be able to deduct net rental losses against their wage income, providing the losses come from newly constructed housing.

From 1 July 2017, losses from new investments in shares and existing properties can still be used to offset investment income tax liabilities. These losses can also continue to be carried forward to offset the final capital gain on the investment. Labor will halve the capital gains discount for all assets purchased after 1 July 2017. This will reduce the capital gains tax discount for assets that are held longer than 12 months from the current 50 per cent to 25 per cent. All investments made before this date will not be affected by this change and will be fully grandfathered. This policy change will also not affect investments made by superannuation funds. The CGT discount will not change for small business assets. This will ensure that no small businesses are worse off under these changes.

As I said, this bill amends the capital gains tax rules applying to small businesses which transfer assets as part of a genuine restructure. Businesses with revenue below $2 million will be able to defer gains or losses that would otherwise be made as a result of transferring business assets from one type of entity to another. This measure was announced as part of the government's package for growing jobs and small business in the previous budget and will have effect for assets transferred taking place from 1 July 2016. The new small business rollover is in addition to rollovers currently available where an individual, trustee or partner transfers assets to a company in the course of incorporating their business.

Labor welcome measures that allow small businesses to grow and adapt. That is why we support this bill. We on this side of the chamber understand how important small business is to our economy. You only have to look at the state where I was elected and that I represent—Tasmania—to see the importance of small businesses. But we also know—as do my colleagues Senator Brown and Senator Bilyk, also from Tasmania—that it is tough going out there for small businesses in the current economy. It is extremely difficult when you have a federal government that have demonstrated no leadership on the economy. They have shown no leadership on taxation reform. They have shown no leadership on real policies when it comes to small businesses in this country.

This bill is a modest reform, but let's not pretend that it in any way constitutes economic leadership because, quite clearly, the government do not have that skill. It is almost like we have Mr Malcolm Turnbull mark 2. We remember when he was previously Leader of the Opposition. He did not then demonstrate the leadership skills to bring the opposition at that time together. Regrettably for the Australian community, he has not demonstrated those leadership skills since he toppled Tony Abbott. People were rather excited and relieved about Mr Abbott being defeated, rolled and knifed because they were hoping that they would have a Prime Minister who, when he got up to speak either at an international forum or at a national forum, they could be proud of.

But, alas, they have been disappointed. They have been very disappointed, indeed. The shine is now coming off Mr Turnbull. We all like to sit and listen to people speak about things they are passionate about. The unfortunate thing is that Mr Turnbull does an awful lot of talking—some might even say an awful lot of waffling—but, quite frankly, he does not say anything important. He has been unable to articulate and demonstrate that he has a vision when it comes to the future of this country. Whether we are talking about taxation or the
economy, he lacks the skills. He is now captive to the most conservative elements of his caucus. He is not the real Mr Malcolm Turnbull that people thought they were getting when he rolled Tony Abbott. No, in fact, he is not a man who stands up for his beliefs and principles, because he had to sell them down the river to be the new leader and Prime Minister.

I can understand ambition. I think ambition is something that all of us—including those of us in this chamber or in the gallery today—should have in different doses. But selling out his principles to become Prime Minister has left a shadow of a man, because he cannot espouse the views that he truly holds on a whole raft of ideas. Therefore, he had a Treasurer who went off on his merry way, talking about wanting to implement a GST increase. What happened to him? He was reined in by the Prime Minister. He was reined in because it all became a little bit too difficult. Quite frankly, it was the wrong policy. We would never, ever support an increase to 15 per cent GST on everything across the board, including fresh food. So I can understand why the Prime Minister reined it in, but it was because he did not have the political fortitude.

We all read in the newspapers when former Prime Minister John Howard spoke and tried to give this current Prime Minister a little bit of a nudge and push and a bit of advice about using some of his political capital to stamp his authority on this government and to lead the nation. But I fear Mr Turnbull does not have what it takes. He does not have the leadership skills. Nor does he have the support of his caucus to take the decisions that need to be taken in this country.

That is why we on this side have announced our policies. That is because we have a vision. We have a plan. We have policies that are costed so that when we go to an election, whenever those opposite decide to call it—whether it is a double-D or only a half-Senate ordinary election and whether it is in July, August, September, October or November—we will be ready. The Australian people are looking for leadership, and they have been hoodwinked by those opposite. Firstly it was when Mr Abbott went to the last election making hollow promises about not raising taxes, not cutting or changing the pension and not cutting education or health.

In my area of responsibility—aged care—the government have left older Australians on the scrap heap. That is what they have done. They have cut aged-care funding. They have failed those people who work in the sector. Those are people, predominantly women, who are on very low wages. The government have not walked away but run away from them, because they are not prepared to show leadership. They want to outsource it, as the minister said at estimates when questioned about the workforce supplement and what they were doing about ensuring that there was a clear path when it came to aged care in this country. The minister said, 'It's not our responsibility, but we will help the sector.' When the sector are not addressing this and are asking you for leadership and assistance, that is what a good government gives.

There is nothing like leadership. If you want to be the Prime Minister of this country then you have a responsibility to show leadership when it comes to the economy, when it comes to taxation, when it comes to creating jobs and when it comes to creating wealth, so that we can afford the world's best education, so that we can afford the world's best health and so that we can afford to support older Australians—who have built this country, after all—and to give
them some respect and give them the opportunity to live with dignity. They are the attributes that you need to have if you are the Prime Minister of this country and, quite clearly, this is not the case with the current Prime Minister. He talks a lot and he talks about all the things that Mr Abbott did not do, and I agree with him on lot of those things, but he has not demonstrated, in the last six months, any of that leadership; none of it.

When we are talking about what this bill will do for small businesses in this country it is a modest reform, and, as I said, we will support it. There are over two million small business in Australia employing 4.7 million people. This bill lays the groundwork for a $340 billion contribution to the Australian economy. Small enterprises make up over 97 per cent of all businesses in Australia. From the local cafe, to the dry cleaner, the baker, the sole trader coding software online and the technician installing ADSL, small businesses keep our economy turning. They deserve more from this government. We will wait for the 2016 budget, even though they toyed with bringing it on a bit earlier over the last couple of weeks. We know they could not do that because they still do not have a plan. I doubt they have even finalised their budget, because they are squirming and worming on every avenue when we talk about taxation reform or when we talk about the economy.

We will wait and see what the benefits are to small business in their 2016 budget. We will also be waiting to see what sort of leadership there is from the Treasurer and the Minister for Finance. We will wait and see whether this Treasurer and this finance minister are outside smoking cigars again—I doubt that they will be. We will wait and see whether they have the courage of their convictions to actually reform the taxation system in this country. We will wait and see whether they have the courage and fortitude to address the multinationals who skip out on paying what is rightfully the right amount of taxation in this country. We will wait and see—just as the Australian people will wait and see—whether this government has any courage, whether it has any leadership and whether it will be honest. (Time expired)

Senator O’NEILL (New South Wales) (11:55): It is a pleasure to be able to put some remarks on the record with regard to the bill before the Senate this morning, the Tax Laws Amendment (Small Business Restructure Roll-over) Bill 2016, because it gives me the opportunity to explode some of the mythology that still seems to have a bit of currency with the Australian people that the Liberal Party are actually the party for small business. It was untrue before but it has never been more apparent just how untrue it is since the election of the Abbott government. The Abbott-Turnbull government, in permanent chaos, would be a disaster if it were a small business. There is no teamwork. There is one person trying to lord it over the others at every point of the day. There is no clarity of communication. There is no vision for the country. It is all about saving their own skin. We have seen it manifest itself many, many times in the legislation that they have attempted to push throughout the course of this parliament.

Small businesses across this nation understand that relationships are critical to their success. This government arrived and, with a new Senate, within days tried to force them to make decisions on complex legislation in some bizarre game that they played. It was an absolute abuse of trust. Why do I put this on the record today, when I am talking about small business and this particular piece of legislation, which I do support? I put it on the record because it reveals a government of flawed character. They are a government that tries to
pretend to people that it is one thing, but as time passes this government is more and more revealed. They are all about themselves. They are not about small business. They are all about the big end of town, the multinational businesses, and helping them to hide their taxation failures from the public. They are in cahoots with the Greens and doing all sorts of deals that make it more difficult for ordinary Australians to get ahead.

I come as a Labor member from a small business family. I cannot tell you how insulting it is to have people on the other side stand up, time after time, and declare that they are the only people who understand small business. Labor represents people in our communities who own small businesses, and many of us come from families with small businesses or are still operating them. The fact is that there are actually over two million small businesses in Australia and they employ 4.7 million people. That is why what this government does around taxation for small business and what it does more broadly has a massive impact on millions and millions of lives. Small business enterprises make up 97 per cent of all businesses in Australia. They come in a range of sizes. But they all have one need, and that is to communicate effectively with their customers.

Under the leadership of the new Turnbull government—Abbott mark 2, as it is turning out to be—we are seeing the revelation on a broader scale of what has been apparent for a long time to anybody who was watching Minister Turnbull in his prior role as the Minister for Communications. I have a few things to say about the impact of Mr Turnbull's management of that portfolio, and I am not the only one. Today in The Sydney Morning Herald there is an excellent article that I would refer anybody who is interested in the future of this nation to read. It is by Mark Kenny and is entitled: 'NBN: Malcolm Turnbull's 'faster, cheaper' roll-out falters.' We can all remember that language before the last election: 'Malcolm Turnbull, the responsible man, who was from a business background. He'll look after businesses. He'll make sure they get a fair go. He'll make sure they get the right technology to do business into the future.' He has absolutely presided over a disaster, and the secret is out. Materials that have been made available to Mr Kenny marked 'commercial in confidence' and 'for official use only' set out the huge range of problems that are now part of what is Malcolm Turnbull's version—

**Senator Williams:** Madam Acting Deputy President, I raise a point of order. Could the speaker refer to those in the other place by their correct title or correct name, please.

**The ACTING DEPUTY PRESIDENT (Senator Lines):** Thank you, Senator. Senator O'Neill, I draw your attention to the proper use of titles.

**Senator O'NEILL:** I am drawing attention to the role of Mr Turnbull, the current Prime Minister, as a supposed supporter of innovation and of small business. We have heard him say, 'There's never been a more exciting time to be Australian,' except if you live on the Central Coast or in the Newcastle area, which is where I come from in the great state of New South Wales, where we have the impact of Malcolm's vision for the country rolling out on the ground day-by-day, in a very, very flawed manner.

Indeed, at a recent hearing, Senator Conroy described how, in the Newcastle area, the quote to get the proper connection of fibre to the premise to a local small business was $10,000. You do not have to trust what I am saying here. If you go onto the nbn co website and click across a couple of tabs at the top, you will find language relating to the dodgy version of what
they are trying to call the NBN. I prefer to call it to the MTM: Malcolm Turnbull's mess. That is what they are inflicting on small businesses right across the coast.

**The ACTING DEPUTY PRESIDENT:** Senator O'Neil, you do need to refer to the Prime Minister as Mr Malcolm Turnbull. You have slipped up a couple of times, so if you could just be mindful of that, thank you.

**Senator O'NEILL:** It is the passion for the small businesses in my region, who are the key players, that has distracted me from that very important standing order. I will endeavour to accede to your request little more carefully, Madam Acting Deputy President. The reality is that, on the ground, people are paying the price for decisions made by the man who is now the Prime Minister of this country. He thought it was fair enough to deliver this lemon into the regions of Australia. It was supposed to be cheaper, but $29 billion has turned into $56 billion—it has nearly doubled in price. It is way behind schedule, as is articulated very clearly in this article by Mr Mark Kenny.

In addition to that, if you decide your business is worth investing in and worth growing and you want the new technology that Mr Turnbull decided you did not need, you can pay thousands or tens of thousands of dollars. That is what it says on the nbn co website. Yes, for thousands or tens of thousands of dollars, you can get the basic technology that you need to be a successful business in this country. That is a revelation with respect to what the Liberal government really think about small business in the regions across this country. They do not care that they are putting regional Australia behind the rest of the country. They do not care, because they are quite happy that the big end of town and their mates in the city have got the real deal; they have got the real NBN. It makes a really big difference.

In the middle of Gosford we have a real-life experiment going on. There is a hub where genuine small businesses, innovative and creative small businesses, have the real NBN. They have fibre to their house. Many of them are home businesses. They also have fibre to their premise in the main street of Gosford. There we have a company—you can look them up—called BlinkMobile. They got an international award for innovation in industry as an international business that is in the cloud. The only reason they can do that is that they have got the real NBN. They are employing 30 people—and have perhaps even grown since I was last there—on great wages on the Central Coast, in regional Australia, because they got the real NBN. They got it before Mr Turnbull became the Minister for Communications. As soon as he came in, he decided he knew better. He knew what was best for small business, and he cut it away.

The problem for our small businesses across this country is very, very real. Mr Turnbull's decision making around what Australians need and do not need is shown to be very, very flawed. He cannot run from his shameful record. Again I say: go to the article in *The Sydney Morning Herald* by Mark Kenny around the rollout that is faltering, the blow-out in costs and the gap-to-target that has increased from 49,000 to 65,000 as at the week ending 12 February. These issues are created by the man who acts as though and talks as though he knows what the real needs of small business are.

This piece of legislation is particularly important for small businesses that find they are growing and that need to make some sort of change to their corporate structure. If the revenue of your business is under $2 million and you want to defer any gains or losses that you might make when you are transferring business assets from one type of entity to another—perhaps
you are a partnership, changing to another structure—this legislation deals with some anomalies around that. It is important because, at the moment, a small business that wants to become an incorporated company, or a company that wants to become a trust, pays a capital gains tax bill for transferring assets from one business to another structure. Without the change this legislation allows, a company is forced to stay in a structure that does not allow it to grow and, when a person transfers assets from themselves to themselves, they are forced to pay a capital gains tax—which does not seem very fair and does not really help small businesses grow. That is why this is a sensible piece of legislation. It will indeed provide the flexibility we need to allow businesses to grow and thrive. But Labor have some concerns about this legislation and we think it is important to ensure that it should work in the way that is intended. We propose that there should be a Treasury review of this in a couple of years to make sure it is working the way we want it to.

There are differences between Labor and Liberal with regard to small business. One of those important differences became evident in the very first budget of the Liberal government under Mr Abbott. Labor instituted two really important things. One was the instant asset write-off, to make sure that people who were purchasing something for their business could write that off immediately rather than have to depreciate it, which took away a lot of red tape. When this government came in, they immediately said, 'Small businesses do not need that. We will get rid of that.'

They are so disconnected from the people they purport to support that they did not even check with the Small Business Council about it. The council was outraged by it, and so there was a redress of that. Like Mr Turnbull, these Liberals know better than small business and so they come in heavy-handed, not listening to small business—they know better and so they just do things to small business without proper consultation. Small businesses, which were going to use that instant asset write-off properly, ended up getting a sugar hit of commitment from Mr Abbott, who said, 'We'll do it to two years—just the two years.' Why two years? Because this government is only about itself. It is not about giving business a plan for the future; it is about telling business what they can do and exploiting business by saying, 'We're your friends; we're your friends.' I remember the then minister for small business, Mr Billson, the member for Dunkley, was the one charged with telling everyone how good it was. They gave a sugar hit the two years but, when those two years are up, the businesses planning to grow have suddenly lost one of their platforms. Why two years? Because the government cynically manipulates their announcements to time them with what they thought would be their next election.

In their first budget they did a dirty deal on small business and then turned their backs and walk away again. The con-artistry around the Liberal government, which continue to act as though they were the friends of small business, is disgraceful. Day after day we see them come into this place with legislation they put through to protect their friends in multinational corporations at the cost of ordinary working Australians, who show up and pay their taxes every week. We saw a deal in the last week of this parliament between the Greens and the coalition government to make it more difficult for the Taxation Office to show Australians who is paying tax and who is not. They did not protect ordinary Australians, like you and I; they did not protect small businesses; they protected multinationals. I say to any small business person—who is driving in the year ute, working hard for their families, taking on an
apprentice and paying their tax—you cannot afford to vote for this Liberal government. You cannot afford to vote for Mr Turnbull, who decided to keep his job as communication minister—the man who made millions out of communication and who should have known better. He was tasked with the job of wrecking the NBN. 'Break it' was his direction from Mr Abbott, and that is exactly what he did. If he gets the chance—if Australian small businesses allow themselves to be conned again by this government—to be re-elected and, in some sort of partnership with the Greens, the coalition will control this chamber and this parliament. They will do to Australians what they tried to do with that 2014 budget—they will try to rip away the fabric of our society.

Support for small business is a game that they play, not a policy that they deliver on. They forget something about small business when they treat it as an economic entity. The small business women and men, who employ local people in my community and across regional Australia, are also the parents of kids in schools. They are also the carers for people who need access to hospitals. Small business people contribute to our local community. When it comes to fetes and supporting local charities, small business is where we go. Small business people need the Gonski funding, because they need to know that their kids are going to be looked after at school. Small business people need the Gonski funding to go into schools because they want to employ young people who are literate and numerate, who can deal with innovation and who are able to study and work and do well for this country.

Small business people who get sick need one of the 26 regional cancer centres that Labor established when we were in government last, because they can run their business and get their treatment locally. The whole time that Mr Abbott was the health minister and the whole time he was Prime Minister, we did not see investment in health. Instead we saw them rip it away—$57 billion they took away from health across this country. On arrival into parliament, Mr Abbott ripped up national partnership agreements that saw responsibility shared between state and federal governments. He just walked away; he just left people right across this country—small business people, ordinary working people sick people and walked away from that responsibility. This coalition government, which has now joined in with the Greens, do not care about ordinary working people who own small businesses, who do the hard yards, who sit down and do their BAS statement on Tuesday night at 10 o'clock, who contribute to their local community, who believe that education is a right for every child and who understand that we are all connected in this together. This government is for the top end of town, not for ordinary Australians—absolutely not for ordinary Australians and certainly not for small businesses.

It is really important at this time to indicate that we as an opposition can only do so much to protect for people who are in business across this country. When we have the opportunity to review legislation and to speak with experts about it, we listen carefully. The piece of legislation, which I am speaking to today and which I do support, gives sensible and practical assistance to growing small businesses on the coast. But let people across this country make no mistake: if you are a small business or you are pay-as-you-go earner, this government is not supporting you. If they are elected, they will absolutely sweeps through a range of
changes. I would not be surprised if the on-the-table off-the-table GST rise, supposedly dead and buried, comes back. What would the impact of that be on small business? Absolutely enormous. The reality is that this is a government that lacks care. Their commitment is to making only the top end of town successful, propping up their mates and looking after one another, and any of the gestures and commentary that they make in support of small business is a con job. They should not be trusted with the government of this nation. Small business should not trust them any more than any of the rest of us do, because small business understands the hard work that goes into developing and securing businesses and, while it will benefit from this change in legislation, it will get smashed on the roundabout of this government going through and taking away from every small business the opportunities that they deserve.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (12:15): I rise to add my contribution to the debate on the Tax Laws Amendment (Small Business Restructure Roll-over) Bill 2016. After 2½ years Australia has more debt, more deficits, more issues following the GFC, more taxes, more chaos and more confusion—there is nothing at all from this government that resembles any sort of plan for our economy. They have no plan, they have no policy and they have no vision—no vision whatsoever for the Australian economy.

As we all know, economic policy under this government is a complete shambles. Although we on this side see the Tax Laws Amendment (Small Business Restructure Rollover) Bill as a small step in reform, as Senator Polley mentioned earlier it in no way constitutes economic leadership. So while on this side we support the bill, I do have some concerns with the process and the potential consequences of the bill, which many third parties have raised and which I will come to later. This bill amends the capital gains tax rules applying to small businesses which transfer assets as part of a genuine restructure. Businesses with revenues below $2 million will be able to defer gains or losses that would otherwise be made when transferring business assets from one type of entity to another. This measure was announced as part of the government's Growing Jobs and Small Business package in the 2016 budget and, if passed, will have effect for asset transfers taking place after 1 July 2016.

The new small business rollover is in addition to rollovers currently available when an individual, trustee or partner transfers assets to a company in the course of incorporating their business. Labor welcomes measures that allow small businesses to grow and adapt, and that is why we support the bill. There are over two million small businesses in Australia, employing over 4.7 million people. This lays the groundwork for a $340 billion contribution to Australia's economy. Small businesses are the engine room of our economy, with small enterprises making up over 97 per cent of all businesses in Australia. We are talking about things like the local cafe, the dry-cleaner or the bakery. In the case of my own family, my mother ran small businesses for probably 45 years, usually in the local shop type of area, one of my brothers runs a small motors business in the Derwent Valley and another brother runs a furniture removal business. Of course I ran a small business when I worked in the childcare industry for a number of years as well.

As I have said, this bill allows small businesses with revenue under $2 million to defer gains or losses that would otherwise be made when transferring business assets from one type of entity to another. This is important because under the current rules a small business looking to incorporate or a company which wants to become a trust will incur a capital gains tax bill
for transferring assets from one business structure to the other. By removing impediments to genuine business restructures, small businesses will be given the flexibility they need to grow and thrive. As with any tax change, however, it will be important to ensure it works as intended. That is why we propose that Treasury review the change after two years of operation. On this side we do not want to see this useful rollover relief measure become another loophole for tax dodging.

These measures have strong support from within the financial community. For example, the Institute of Public Accountants commented on the exposure draft of the bill, and said:

The IPA is generally supportive of measures that reduce complexity and the compliance burden in the administration of taxation law, especially when it relates to small business. The proposed changes are intended to allow the business to develop and grow by allowing the business to change legal entity without incurring significant income tax liabilities.

They go on to say:

Allowing small business to select the most relevant structure to take account of the stage in the life of the business without being inhibited by certain tax costs provides more flexibility. State based taxes such as stamp duty may still be relevant for restructuring from one entity to another.

Currently, CGT roll-over relief is available for individual sole traders, partnerships and trusts that convert to a company structure. The proposed legislation extends the rollover relief to transfers of assets from a company to a sole trader, partnership or trust, occurring on or after 1 July 2016.

It is remarkable how little this government seems to care about small business given its importance to the Australian economy. Labor has a strong record on measures to support small business. On the other hand, the coalition's record since coming to office could be described, being charitable, as patchy. First they scrapped Labor's permanent instant asset write-off, only to bring back a temporary version—Senator O'Neill referred to it as a bit of a sugar hit for consumption—in the 2015 budget. The coalition also rammed back Labor's loss carry-back measure, which did so much to help small business with their cash flow. This measure allowed companies and businesses that were taxed similarly to carry back tax losses of up to $1 million to offset taxable income from an earlier year.

The loss carry-back was a recommendation of the Henry review, a rigorous and broad-ranging tax inquiry conducted for the previous Labor government. Unfortunately, we are yet to see any evidence that this government is serious about rigorous and broad-ranging tax reform, because this government has given no indication of when their promised tax white paper will be released. Recently, we heard the head of Treasury say that his department were waiting for direction from the government on whether the tax white paper was even dead or alive. At the same time the Minister for Finance was seemingly unaware that the Prime Minister had all but junked the white paper process, having indicated any tax plans the government has would be sprung on the Australian public on budget night. The little we do know about the tax white paper process is that the government has spent roughly $1.1 million on consultant fees alone. Over $1 million on a white paper that the Minister for Finance flippantly refers to as stationery.

This government's haphazard approach to reform, coupled with dramatic budget cuts to essential services creates a sense of unease for businesses and Australian families alike. Confidence has slumped since the 2013 election. I gave a speech in this place last year regarding the slump in confidence that has occurred because of the actions of this
The government has persisted with slashing health and education budgets. Jobs have been slashed and infrastructure spending has fallen off the radar. I am particularly disappointed about the 350 jobs that will be lost at CSIRO and the impact that will have on my home state of Tasmania. It is hardly surprising that consumers have pulled back on spending in such a gloomy climate. Consumer spending growth is currently at a sluggish 2.3 per cent. Less consumer spending hurts small businesses. The Prime Minister's flip-flopping on tax reform creates uncertainty for Australian consumers and small businesses alike. Labor believes in giving certainty to small businesses. We back this bill as it complements our own suite of policies that support the small business and start-up sectors.

Labor's plan includes offering a start-up year at university to young Australians eager to start their own enterprise; creating a $500 million smart investment fund that co-invests in early-stage and high-potential companies; backing the great ideas developed by Australian small businesses; and a partial guarantee scheme that helps to improve access to finance for microbusinesses. Labor's plan will spur a wave of small businesses that may benefit from the measures in this bill.

As small and microbusinesses grow and adapt to their markets they may require a business restructure. We support the removal of any impediments to genuine business restructure. We understand that small businesses need such flexibility in order to grow and survive. Under current rules, if a small business wants to incorporate or if a company wants to restructure to become a trust, the business will incur a capital gains tax bill when transferring assets from the old business structure to the new. This bill allows small businesses with revenue under $2 million to defer gains or losses that would otherwise be made when transferring business assets from one type of entity to another.

The eligibility for this measure will only apply to transfers where the ultimate economic ownership of assets does not change. The genuine restructure principle set out in the bill is designed to separate genuine restructures from artificial tax avoidance schemes. In keeping with Labor's commitment to stamping out tax avoidance, we want to ensure that this useful measure is deployed in the manner for which it is intended. We on this side of the chamber are always determined to ensure changes do not have unintended consequences and do not create loopholes for tax dodging.

Labor proposes a Treasury review in the small business restructure rollover measure after two years of operation. By then, Treasury should have been able to gain an insight into the operation of the measure and evaluate whether the intent of this bill has become a reality. We all know that Mr Turnbull rolled Prime Minister Abbott based on the great promise of new 'economic leadership' and to usher in a new politics, where slogans would give way to advocacy. I think three-word slogans have given way to 300-words slogans, but I have not seen much advocacy and I certainly have not seen much economic leadership. The new economic leadership that we were promised has absolutely failed to appear, and over 160 days later and some 13 or 14 ministers later—I have lost count—this completely dysfunctional government still has no tax policy. Indeed, it has no policies at all to help everyday Australians. The best they can offer is a weak scare campaign slogan on our policy. We are the opposition and we have the policy already. We put it out there and then they came up with this pathetic slogan and a really weak campaign about it, which of course has fallen
flat. One reason it has fallen flat is that they cannot even decide which scare campaign they
are actually running: are house prices going to go up or are house prices going to go down?

I am still waiting for good government to start I might add. I think we are up at good
government 3.0. I have not seen much evidence of it ever having started since the last
election. So devoid is the government of ideas and beliefs that they cannot even run a
consistent scare campaign. It is not like they do not have the opportunity to outline an
economic agenda. They just do not have an economic agenda.

The Treasurer very recently at the National Press Club had the perfect opportunity to
outline the government's economic vision. What happened? Mr Morrison gave one of the
worst speeches by a sitting Treasurer in living memory. It was 46 minutes long and most
people are referring to it as waffle. This was his moment to shine, and what did he do? He
absolutely failed. It was his moment to take economic leadership and define how he would
make the taxation system fairer for all Australians. He absolutely failed.

In the House last week, Labor moved to suspend standing orders so that the Treasurer and
his counterpart on our side, Mr Chris Bowen, would be able to talk about their ideas for 46
minutes each. And what happened? The government squibbed it. They could not even let Mr
Morrison stand up in the House for 46 minutes to talk about their ideas. The Treasurer went
running off, like one of his little unicorns or pixie horses or whatever he calls them—talk
about living in fantasy land—to talk about political numbers, which I think we all know is all
he really cares about. But I must get back on track. It seems that the government has realised
that its plan to increase the GST is unpopular—because it is so unfair—and just wants the
issue to go away for the time being. All that we got were platitudes and meaningless, glib
statements.

I have stated on previous occasions how utterly remarkable I find it that just weeks, maybe,
or months out from a federal election, the government do not have any plan on taxation. What
are they doing over there? They are all scrambling over each other trying to develop a policy,
with Mr Turnbull even seeking advice from former prime minister Howard over the weekend.
If I remember correctly, that is the sitting Prime Minister who lost his seat. He lost his seat
when he was Prime Minister. So I am pretty sure that the people of Australia are not really too
interested in what he has to say.

Today we are facing a $37 billion deficit as our economy switches gears and we continue
the long climb back from the depths of the global financial crisis. In 2012-13, major
companies shifted over $300 billion from their Australian arms to overseas parent or
subsidiary companies, but the Liberals just want to let multinationals wash their hands of
paying fair taxation. So they do have some views in regard to taxation! Generally, it is just
that the multinationals do whatever they want; who cares if they do not pay their fair share of
taxation? We want to close the loopholes there that allow multinationals to send their profits
overseas. Unlike the Liberals, who want to cut funding to schools and hospitals, we think that
multinationals should pay their fair share of tax, and then maybe those areas could be funded
appropriately. It really is incumbent on a government nearing the end of its first term to have
a plan for taxation. What have they been doing?

In contrast to this government, this excuse for a government, Labor does have a plan.
Labor are prepared to progress important reforms to our taxation system because we have a
plan which is fair and a plan which helps the nation.
We believe that, when the children of Australia grow up, they should be able to afford to buy a house. I myself have two children, aged 29 and 31. One lives in Sydney. Do you think he is able to buy a home? The deposit he would require is just atrocious, unless he lived close to Yass or somewhere like that and travelled every day. He has a job. He is 31 years old. He has been working for a number of years. He worked overseas for a number of years. He did pay his HECS debt while he was overseas, I might add, just in case anyone was in doubt about that. But he is having trouble to get enough for a deposit to be able to buy a home.

Mr Turnbull seems to think the great Australian dream is helping investors receive a tax subsidy to buy their seventh home. But I know that the great Australian dream for young people is to get their first home. My own children, and their friends, talk to me about how hard it is for them to save for a deposit for a home.

As I said, Labor have a plan to make the taxation system around housing fairer. The negative gearing and capital gains tax changes announced by Mr Shorten and Mr Bowen will deliver the most important structural budget reform in a decade. Why? Because they improve fairness and they make a contribution to tackling housing affordability. On negative gearing, Labor will modify the system so investment losses can only be offset against wage income for new properties. This will help channel investment into new housing supply to improve affordability. Of course, we are grandfathering the clause for anyone who has already purchased a home and is negative gearing; we will grandfather the arrangement for those people. We understand that a strong housing market is central to Australia's successful transition out of the mining boom and that directing investment towards new building starts will boost jobs, investment and growth, all of which are of dramatic importance to get Australia back on track.

Despite Mr Morrison peddling the propaganda used by those who benefit from the current arrangements, the current tax concessions on negatively geared property overwhelmingly go to those on the highest incomes. We know this because the government's own Re:think tax discussion paper tells us that less than one in seven Australians earning a middle income claim negative-gearing deductions— (Time expired)

Senator LINES (Western Australia) (12:35): I too rise to speak in support of the Tax Laws Amendment (Small Business Restructure Roll-over) Bill 2016. The bill amends the capital gains tax rules applying to small businesses that transfer assets as part of a genuine restructure. This measure was announced as part of the government's Jobs and Small Business package in the 2015 budget and will have effect for asset transfers taking place after 1 July 2016.

Businesses with revenue below $2 million will be able to defer gains or losses that would otherwise be made as a result of transferring business assets from one type of entity to another. Amending the Income Tax Assessment Act 1997 will provide greater flexibility for small businesses when changing their legal structure. The amendments allow deferral of gains or losses that would otherwise be incurred when a business's assets are transferred from one type of entity to another. The current laws create an obstacle to small businesses restructuring, because they may incur a significant tax liability in the process. This is important because, under the current rules, a small business looking to incorporate, or a company which wants to become a trust, will incur a capital gains tax bill for simply transferring assets from one business structure to another business structure. This new small business rollover would be
additional to the rollovers currently available where an individual, trustee or partner transfers assets to a company in the course of incorporating their business.

Labor understands that small business is a key driver of new jobs, and we understand the role that small business has in making Australia's economy much stronger. That is why we support this measure. It will make it easier for small business to change their structure, as their needs and activities change, without incurring big tax bills. Without this sort of change we might see that businesses do not take that step because of the risk of incurring additional costs.

We also know that small businesses make up the heart of the Australian economy; there are around two million small businesses in Australia employing almost five million people. Labor want to see small businesses treated fairly and to give them the opportunities and abilities, through these sorts of changes, to make their businesses work, because that paves the way for a $340 billion contribution to Australia's economy.

Labor supports small businesses. We support the removal of impediments to genuine business restructuring. Labor wants small businesses to have the flexibility they need to grow and thrive. In many rural and regional country towns across the country small businesses are at the centre of ensuring that those communities remain viable. Labor wants to see new businesses established. But there is a big financial risk when individuals or families make the decision to establish a new business or expand an existing business.

As with any tax change, it is important to ensure that the change works as intended. That is why Labor has proposed that Treasury review the change after two years of operation. We want to signal to small business that there is certainty in this new change. We also want small business to have certainty in knowing that if it is not working, or if it requires tweaking, there will be a review in two years and that they will not have to lobby or spend their time talking to politicians and lobbying government bureaucracies instead of looking after their businesses.

A review for a change of this sort is required. We do not want to see this useful rollover measure become another loophole for tax dodging. We do not want to see some smart accountant find those loopholes and exploit them, because that is not what is intended by Labor's support for this move. We support the move for genuine reasons. We want to genuinely enable proper businesses—legitimate businesses—in Australia to prosper and grow. We do not want to sponsor anything other than that, which is why that review period is critical.

We know from reports in the media and through the sorts of inquiries we have seen in the Senate that there are currently way too many tax loopholes, particularly in relation to multinational corporations—which are certainly not paying their fair share of tax—with report after report of corporations paying zero tax. The bill sets out a genuine restructuring principle which is designed to separate legitimate business restructures from artificial tax avoidance schemes.

What we have seen in the media is company after company using some currently available loophole to avoid paying tax—never mind them paying their fair share of tax; they are paying zero tax. That is not what Labor is supporting in this move. We want to ensure that a restructure will be considered to meet this principle when, for example, the business continues
to operate following the transfer under a different structure but with the same ownership; when the transferred assets continue to be used in the business; and when the transfer does not represent a divestment or a preliminary step towards facilitating the realisation of the value of the assets. Further, to be eligible for the rollover, both the transferor and the transferee of assets must be residents of Australia for tax purposes.

We think that the checks and balances are there in this bill, but the proof will be in the pudding. That is why it is critical that we have a review after two years. If things are going well, business is happy and there has been no rorting through unintended consequences, then that is fine. But review periods are there to make sure that new laws are working as they should—and that is certainly what Labor want to ensure with our support for this bill.

The government's interest in small business is brand new. What we have seen over the past two years is a government that has largely been missing in action when it comes to small business. First, they scrapped Labor's permanent instant asset write-off, only to bring back a temporary version as a sugar-hit for consumption. They also wound back Labor's loss carry-back measures which did so much to help small businesses with their cash flows. That was one of the policy areas that small business welcomed when Labor was in government.

If the government really wants to support small business, they must not go ahead with Mr Morrison's plan for a 15 per cent GST. We have heard Mr Turnbull be a little firmer in saying that it is off the table, but there is such chaos and differences of opinion within the government that you can never be sure. But if you make basic items more expensive for Australian families they will buy less of everything—that is the economics of that—and that would mean far less spending at small businesses across the country. Certainly when the Liberals first introduced the GST some 15 years ago, ABS data tells us the economy shrank in the six months that immediately followed. This mirrors the experience of countries like Japan, which saw its fragile economy slip into recession after raising its consumption tax in 2014.

Labor stand on the side of Australia's small businesses and oppose any increase to the GST. We oppose any moves that are counterproductive for small business. But Labor's backing for this bill comes in tandem with our own strong suite of policies to support small businesses and start-ups. These include our plans to offer a start-up year at university to young Australians looking to start their own enterprises, backing in great ideas through co-investing in early stage and high potential companies through a $500 million smart investment fund and improving access to finance for microbusinesses through a partial guarantee fund.

But Labor, in supporting the bill, recognise that it is modest reform. Obviously we support it, but it is modest reform. Unfortunately, as the government is in chaos, it does not form part of an overall tax package. It is not part of a comprehensive review or a comprehensive overhaul of the current system. It is tinkering at the edges. Fortunately for small business it is a good move, but in terms of a full tax review this is an amendment on its own, out there floating in the void, floating in the ether of the Turnbull government's 'no coherent tax plan'.

Australian voters could be forgiven for thinking that the Turnbull government backbench and the media are running the show; the 44 who did not vote in Mr Turnbull as Prime Minister. The number of backflips and flip-flops from the current Prime Minister surely sets a new record? The old Prime Minister, Mr Abbott: his legacy of broken promises certainly set a record; on and on they went. Those broken promises on his commitments—no cuts to health, no cuts to education, no cuts to the SBS, not cuts to the ABC just to name a few—defined the
Abbott government, and the current backflips and flip-flops will define the current Prime Minister and, indeed, the Turnbull government. We have seen backflipping and flip-flopping on the GST, on tax on superannuation and on capital gains tax, and last week what a debacle in the House on negative gearing. They could not even get their ministers on the same page. Allegedly, Labor’s policy is going to increase housing and it is going to decrease housing—they are not sure. And today we hear on the news that the backbench again is advising Mr Turnbull on tax policy, particularly in relation to negative gearing. Apparently, according to the backbench, there will be none.

If you follow the Turnbull government you would be more inclined to believe what the backbench say than what either the Prime Minister or his ministers say, because it seems that when the backbench speak, because what they say eventually trickles down and becomes policy of the Turnbull government. We saw that with the GST, where the backbench were in complete revolt around that and so eventually we saw it absolutely—we think; who knows—potentially ruled out by the Prime Minister. And we note that like his predecessor, Mr Hockey, Mr Morrison is now in witness protection, as he should be after that appalling National Press Club speech. He was a Treasurer who really had nothing to say about tax reform or the budget.

On all of those points—the GST, tax on the wealthy and their superannuation, on capital gains tax, on negative gearing—Mr Turnbull, before he became Prime Minister, held the completely opposite view to the one he holds today. Backflipping, flip-flopping: that is what we have seen from Mr Turnbull. He said one thing a year or two ago, just like with marriage equality. Apparently he is a supporter, and yet we are going down this expensive, unnecessary plebiscite, which is going to cost at least $160 million, when his own backbench are out there saying, ‘We don’t really care if the plebiscite says, ‘Let’s introduce marriage equality’”, because we’re not going to support it.’ Again, we have seen the backbench ruling the day. They have made it very clear to Mr Turnbull what their view is.

Obviously the views that Mr Turnbull now holds on those matters of tax are the views of the ultraconservative Tea Party backbench of the government. The only agility we have seen from the Turnbull government, in fact the only agility we have seen from the Prime Minister, is his ability to do backflips and flip-flops. Seriously, he could win a gold medal at the upcoming Olympic Games for the number of backflips and flip-flops that he has entertained Australian voters with. If only it were not so serious; if only the consequences did not then impact on ordinary people and on ordinary families’ abilities.

Why would Australian voters trust the Prime Minister to deliver on fair tax reform when we look at Mr Turnbull’s record, particularly in relation to the National Broadband Network? Small business of course rely on the NBN. As well as providing a fair framework and a framework on which they can operate and move, they also need to communicate. Certainly we have heard the stories of people in rural and remote Australia, who the Nationals have completely deserted, who have to move into town. They cannot run their businesses from their stations because their current internet service is so slow that they just cannot meet the grade. We have seen no support there.

But let us have a look at Mr Turnbull’s record, because people like to stand on their record. I am sure Mr Turnbull does not want to stand on his record as the communications minister because, quite frankly, it is a mess. Despite his backflipping and flip-flopping, there is no way
he can move away from taking full responsibility for what is happening with the National Broadband Network across this country. He was given a very important job, a big job, of continuing to roll out Labor's innovative NBN. He has well and truly messed it up. It is on the public record—it is a mess-up. According to a leaked confidential report—another one—which is there for all to see in an article by Mark Kenny in this morning's The Sydney Morning Herald, there is 'a litany of problems'. This is the record of the Prime Minister when he was Minister for Communications on the NBN: 'a litany of problems'. This report relates to the NBN that Mr Turnbull has overseen in his former role as Minister for Communications. The report goes on to say that the NBN 'is facing mounting delays and rising costs'.

No matter how those opposite try to dress it up, they have made one almighty mess of the NBN, and there is only one person responsible for that: the current Prime Minister, Mr Turnbull. He had one job to do: to deliver the NBN in a cost-effective way. We have seen a second-rate system being rolled out. We have seen now, according to this confidential leaked report—obviously someone wants the truth out there—that it is facing mounting delays, as all Australians know, and rising costs.

Now Mr Turnbull, the Prime Minister, the failed communications minister—good heavens, he is running the country! He could not run the NBN and now he is running the country. Is it any wonder that he has been unable to deliver a coherent tax plan or tax policy, a fair policy which ensures that big companies in this country go from paying zero tax to paying their fair share? We have seen in the past the ad hoc way in which Turnbull government has dealt with policy in and around taxation. We saw the dirty deal that the Greens did with the government on part pensions, which is going to put a serious burden on our ability to fund pensions into the future, because more Australians, through the Greens deal with the government, will need the age pension as they retire, thanks to that absolutely short-sighted deal that they did. I said last week and I say it again: the Greens have got their L-plates on and the government has its P-plates on. When you put those together you end up with an absolute mess. We have seen the deal that was done last week which will disenfranchise millions of Australians and potentially give the government control of the Senate. Heaven help us on tax policy then.

Senator SINODINOS (New South Wales—Cabinet Secretary) (12:55): I rise to sum up the debate on the Tax Laws Amendment (Small Business Restructure Roll-over) Bill 2016. I would like to begin by thanking those services who have contributed to this debate. This bill brings to a close the legislative work of this government to provide taxation support for small business through the Growing Jobs and Small Business package announced in the 2015 budget. The bill amends the tax law to allow small businesses to restructure their business without incurring capital gains tax liability at that time. Small businesses that find themselves within a business structure that does not suit their needs will now be able to change to a different structure without having to consider the capital gains consequences. The government is actively supporting Australian small business owners through the budget package of measures. We know it is important to provide cash flow and simplicity to that part of our economy, which is responsible for employing over 4.7 million Australian workers and producing over $340 billion in economic output. I commend this bill to the Senate.

Question agreed to.

Bill read a second time.
Third Reading

The ACTING DEPUTY PRESIDENT (Senator Gallacher) (12:57): As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator SINODINOS (New South Wales—Cabinet Secretary) (12:57): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Parliamentary Entitlements Amendment (Injury Compensation Scheme) Bill 2016

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator CAMERON (New South Wales) (12:58): I rise to speak in support of the Parliamentary Entitlements Amendment (Injury Compensation Scheme) Bill 2016. This bill implements a longstanding Labor commitment to provide members and senators with workers compensation insurance.

Parliamentarians are not employed by the Commonwealth and therefore the Commonwealth is currently unable to provide workers compensation insurance to parliamentarians without an express legislative authority. Prior to the introduction of the Parliamentary Entitlements Act in 1990, senators and members were covered for personal injury and disease sustained in the course of their duties of office by the Scheme for Payment of Special Compensation for Injury in Exceptional Circumstances. Between 1990 and 2002 four compensation payments for injuries to senators and members were made by way of act of grace payments. No payments in relation to workers compensation-type claims have been made to federal parliamentarians since 2002, following legal advice that any payments needed explicit authorisation under the PE Act or the Parliamentary Entitlements Regulations 1997. A number of reviews of parliamentary entitlements, including in the 2010 Belcher review, have acknowledged this oversight.

This legislation implements a 2012 Labor government commitment to implement three forms of insurance, being: (1) public liability, (2) management liability—that is, legal liability—and (3) workers’ compensation. Public liability and management liability—legal liability—insurance was completed in 2012 by the Gillard government. The Parliamentary Entitlements Amendment (Injury Compensation Scheme) Bill 2016—PICS—amends the Parliamentary Entitlements Act 1990 to give the minister the power to establish the parliamentary injury compensation scheme.

The scheme would apply retrospectively from 1 January 2016 and will provide compensation benefits for parliamentarians in relation to:

- an injury or disease, or an aggravation of an injury or disease, suffered by a member, arising out of, or contributed to by, the member’s activities as a member, Parliamentary office-holder or a Minister

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• an injury or disease, or an aggravation of an injury or disease, suffered by the spouse of the Prime Minister, arising out of, or contributed to by, the person’s official activities as the spouse of the Prime Minister.
• the loss of or damage to medical equipment used by a member or the spouse of the Prime Minister, arising in the course of their respective activities, and
• services, facilities and equipment intended to eliminate or minimise the risks to the health or safety of members or the spouse of the Prime Minister, arising in the course of their respective activities.

The bill will also allow the PICS to provide for preventative work, health and safety services, facilities and equipment. The spouse of the Prime Minister is also covered under this scheme while performing official duties in connection with the role of the Prime Minister. This is appropriate considering the requirement upon the spouse to conduct official duties in connection with the role of the Prime Minister as the head of government.

Claims under the PICS will be administered by Comcare. Benefits will be based upon the scheme applying to Commonwealth Public Servants under the Safety, Rehabilitation and Compensation Act 1988. The SRC Act scheme provides compensation benefits including:
• medical treatment
• incapacity to work
• permanent impairment
• household and attendant care services
• rehabilitation programmes
• alteration of place of residence or place of work
• modifications of a vehicle or article
• aids or appliances, or the repair or replacement of such aids or appliances
• death benefits, and
• funeral expenses.

Labor does have some concern that there is a lack of definition around what constitutes members' activities as a member, parliamentary officeholder or a minister. For example, it is not clear if this would include party business. Further clarification should be made on this point.

Members and senators should also be aware that all claims are subject to investigation by Comcare and would therefore be subject to FOI requests. This may present issues with FOI requests being made into the activities surrounding a claim as well as members' personal health details being disclosed. While there does not seem to be a feasible alternative to this, members should be made aware upon beginning the scheme that the potential for FOI requests exists. There is no provision for members to be able to cash out their entitlement with Comcare and to source their own insurance through a private insurance provider. This feature would be a good way for members to be able to find their own suitable scheme that would not be subject to FOI requests.

Despite these concerns, Labor supports the bill as it implements a longstanding Labor commitment to provide members and senators with workers' compensation insurance.

**Senator FIERRAVANTI-WELLS** (New South Wales—Minister for International Development and the Pacific) (13:04): Unlike most occupations in Australia, senators and
members have had no protection for workplace injuries and illnesses for the past 14 years. This bill is an important step towards remedying the situation by putting in place the powers to establish a parliamentary injury compensation scheme. I thank senators for their contributions and commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (13:05): As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator FIERRAVANTI-WELLS (New South Wales—Minister for International Development and the Pacific) (13:05): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Dairy Produce Amendment (Dairy Service Levy Poll) Bill 2016

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator CAMERON (New South Wales) (13:05): I rise to support Dairy Produce Amendment (Dairy Service Levy Poll) Bill 2016. The dairy industry has asked the government to remove the statutory requirement to hold a levy related poll of producers each five years. The Dairy Produce Amendment (Dairy Service Levy Poll) Bill 2016 gives the sector what it has asked for. The opposition supports the bill.

The purpose of the poll is to secure the views of levy payers in the industry about the adequacy of the levy from time to time. The new arrangement will require a poll only when the industry is proposing a levy increase. There is a safeguard: if 15 per cent of producers get together, they can request a poll in the event that they disagree with the decision not to conduct one.

The key objective is obvious: polls are very cumbersome and quite expensive. The dairy sector estimates that the poll cost them around $750,000 every five years. That is $750,000 that could be going back to research and development rather than on the conduct of a poll which has no real purpose in the event that the industry is not looking for a variation in the levy. The key players in this equation are the industry representative body, Australian Dairy Farmers, and the industry research and development corporation, known as Dairy Australia. Industry R&D and marketing are the reasons levy monies are raised, in the case of the industry owned corporations. R&D plays an important role in enhancing the productivity and competitiveness of Australia's agriculture, fisheries and forestry sectors. It can provide various other benefits including better and lower priced food for consumers and improved environmental and animal welfare outcomes.
Australia's spend on agricultural R&D is a round $1.5 billion annually. Three-quarters of that money comes from the Commonwealth and state governments. The public funding is delivered through an array of general and sector-specific programs, with the research in turn conducted by a mix of government and private research providers. A sizeable part of the Australian government's R&D efforts is provided to the rural research and development corporations, the so-called RDCs, and they have been the subject of some public debate in recent months. These corporations commission rural research on behalf of primary producers, some processors and the government. Producers typically contribute to the cost of this research primarily through statutory and voluntary levies, with most of the government's contribution provided on a matching dollar-for-dollar basis up to a value of industry input.

This is a bill which is very important to the dairy sector. I am advised that the dairy sector has consulted very broadly with levy payers and levy payers are comfortable with this new arrangement. On that basis, the opposition also is comfortable with the arrangement. We want to ensure that the sector is able to work as efficiently and as profitably as possible. Research is a very important component of that, particularly on the productivity front, and we are happy to do what we can, from opposition, to allow them to do so. Levies are never without controversy. Levy payers, producers, growers and farmers generally are often key to ensuring that their levy money is well spent. While things are not always perfect, our RDCs do a good job of making sure that the money is well targeted, spent efficiently, and leads primarily to enhanced productivity in the sector. There is no shortage of literature making the direct link between investment in research and development and, indeed, extension and productivity in the agricultural sector. That is why it is important that we continue not only to invest heavily and wisely but also to invest as efficiently as possible.

While this bill is welcome, I have to say that the performance of Minister Joyce in the rest of his portfolio has been utterly woeful. Nowhere is this more evident than his crazy decision to relocate the agricultural research and development corporations away from Canberra. His pork-barrelling and his waste of taxpayers' money by establishing a ministerial office in Tamworth, beggars belief.

First, I draw the Senate's attention to Minister Joyce's bullying of research and development corporations. He is bullying them into moving from Canberra to locations that they do not want to be in. Not only do they not want to be there, but also they have provided arguments as to why it is not in the national interest—not in the interest of employees, not in the interest of the RDCs—to move. One of the key ingredients in a successful research and development corporation is quality staff. At the moment, the staff of the Grains RDC, the Fisheries RDC and the others that Minister Joyce is forcing to move are based in Canberra. The majority will continue to live in Canberra as their home and to send their children to Canberra's schools. Why on earth the minister thinks highly efficient RDC staff, who have deep roots in Canberra, will uproot their families and move from Canberra to Armidale, Wagga or Ballarat on a ministerial whim is beyond any reasonable comprehension. Now, I have no problem with Armidale, Wagga and Ballarat. These are lovely places to live, but they are certainly not the most effective and most efficient places for these RDCs to be operating from. This is clearly another example of National Party pork-barrelling which is about trying to achieve an advantage over the opposition. It is about trying to build employment in regional areas when there are much more efficient and effective ways of dealing with
increasing employment in regional areas, other than destroying the RDC infrastructure that is in place.

Research and development corporations collect research funds through the levies that we are talking about this morning and they then contract out the research to various organisations. They might be universities, they might be governments and they might be CRCs or other suitably qualified organisations. But they do not do research themselves. For Minister Joyce to say that it is important that we put these RDCs close to the growers or producers because that is who they need to talk to is just rubbish. It is utter rubbish.

There is another very important point. It is important that if we are going to spend R&D money the most efficiently and effectively, we need to have competitive tension in the market. So when an RDC takes levy payers' money and engages a researcher it is basically putting something out to tender. Various universities might be interested in doing the research required and so might a private sector organisation. A government instrumentality may also be interested in doing the research. This competitive tension amongst researchers gives the RDC the opportunity to secure the best deal on behalf of the levy payer.

Minister Joyce says the RDCs should be up next to the University of New England in his electorate. It is not that they have to be close to the University of New England; it really is that Minister Joyce wants them up in his electorate. That is the bottom line here. ‘They do great work in agriculture,’ he said. And they do. UNE do good work in agriculture. But co-locating RDCs with universities will not create the necessary diversity of interests in carrying out research. This is not the way to conduct public policy. This is Minister Joyce again putting his own political ambition ahead of good public policy. This ‘decentralisation program’, as the minister misleadingly calls it, is about pork-barrelling for him and the National Party, not about good R&D for agriculture.

There are two categories of research and development corporations. Some are statutory bodies over which the minister has substantial control, and some are industry owned bodies over which he does not have such control. Minister Joyce is forcing the statutory RDCs out of Canberra for no good public policy purpose. It is revealing that he has not had any consultation with the industry owned corporations. He does not have the power to force the industry owned corporations out of Canberra. If he is so sure that pushing RDCs into National Party electorates is going to provide a better outcome for the agriculture sector, why has he not been talking to the industry owned corporations? It makes no sense. There is no rational policy here.

Still on pork-barrelling, the government also promised in its now utterly discredited agriculture white paper that it would provide $13.8 million to somehow encourage and help farmers, producers and growers to form cooperatives. At a time when CBH, the most successful cooperative in the country, is talking about demutualising and forming itself into a corporate entity, Minister Joyce is spending $13.8 million of taxpayers' money to tell farmers what sort of corporate structure they should have. Farmers, growers and producers will make their own decisions about this structure—sole trader, partnership, company, cooperative or whatever they like. They will look at the various tax advantages, possibly, and what suits them best. They do not need Minister Joyce to provide $13 million of taxpayers' money to help them work that out.
But it gets worse than that, because Minister Joyce took $200,000 of that $13.8 million and he gave it to the Rural Industries RDC and said, 'Give us the scoping work. Tell us how we might spend that $13.8 million.' Perhaps that is a good thing, because nobody, including this incompetent minister, has any idea how he is going to spend $13.8 million instructing farmers how to become cooperatives. I at least welcome the fact that he decided to spend $200,000 of it asking RIRDC to tell him how he might spend it. RIRDC did the work, they did their scoping study and they delivered that to the minister.

But the minister was not satisfied with that. He decided he would appoint a task force. He would ask the member for Page to go out and find out how he might spend $13.8 million. The member for Page went out and consulted with the sectors, allegedly. Probably most of the consultation took place in Page, which of course is a razor-edge marginal seat for the government. What we want to know now is what Mr Hogan, the member for Page, learned and what he delivered as a result of his consultation. We asked this question in estimates. We asked the secretary of the department, 'Can we have Mr Hogan's work, because this $13.8 million is sitting there and we want to know how it's going to be spent.' The department secretary, with the greatest respect, said: 'Well, we can't release that because we'd have to ask Mr Hogan. You know, it's his work. It might be considered a private document.' That $200,000 of public money was used to produce a private document, apparently—what a load of nonsense!

So we let that matter pass and moved on to the next subject. At least five hours later, we were advised by the officials that they had been unable to find Mr Hogan in this building. He was missing in action. Mr Hogan had disappeared. The man who was charged with providing advice to the agricultural community and rural community about establishing cooperatives could not even cooperate such that anyone knew where he was. He could not even cooperate to tell people where he was. For five hours or more, nobody could find the member for Page. He was missing in action and his plan on how to spend $13.8 million of taxpayer's money was missing. I do not know why they could not have just rung him. The government did not want to hand over Mr Hogan's report.

I suspect the reason the government does not want to hand over Mr Hogan's report is that it is now the government's intention to spend the $13.8 million in the electorate of Page. This is Mr Hogan's re-election fund. This is the National Party at its worst, using public money to try to advantage its political position. The government's intention to use the $13.8 million it allocated to tell farmers what structure they should embrace is being used to sandbag the electoral fortunes of the member for Page. No wonder they could not find Mr Hogan in the building on estimates night!

We look forward to Mr Hogan's report being tabled either in the Senate or in the other place—but I don't think we should our breath. I do not think the National Party or Mr Hogan are too keen to have this part of their election strategy laid bare, even though it is the public who are paying for this election strategy for the National Party. It is absolutely outrageous. We know that the National Party are experts at pork-barrelling. We know that the National Party use public money ruthlessly to support their own political agenda. And nothing could be clearer than what is happening with Mr Hogan in the seat of Page: the National Party have not changed their position. They are still out there with the pork-barrelling. They are still out
there trying to advantage themselves by using public money. It is an absolutely outrageous proposition.

I, with those concerns about the behaviour of the minister and the behaviour of Mr Hogan, would support the bill. I would commend the bill to the Senate. But the questions I have raised here today about this report, about the behaviour of the missing member, Mr Hogan, and about why we would be funding $200,000 so that there can be an investment of $13.8 million in the seat of Page—all have to be answered. In the national interest they all have to be placed before parliament so that we know what is going on. I do not know what made Mr Hogan an expert in cooperatives. I do not know whether he has any capacity to do this. I do not think he has. I have had a look at his CV and did not see that he has worked in cooperatives or that he has been an expert in that area. I do not think he has ever advised on any of these business issues outside of parliament. So how he suddenly becomes an expert, because the National Party want to do another pork-barrel in the seat of Page, is an issue that has to be live before parliament and before the Australian public.

The National Party's disregard for the public purse, the National Party's contempt for accountability of the public purse and the National Party's history of using public money to advance their own interests is, again, clear to be seen. They have got form in this area and they should be stopped. But I do not expect that the current Prime Minister, Malcolm Turnbull, to have any backbone or any courage to deal with this type of issue where there is a misuse of public money. It is clear that the current Prime Minister only looks after himself and that he only had one interest, which was getting to the Lodge and staying there. When you have the Deputy Prime Minister out ripping off the public purse and when you have the Deputy Prime Minister setting up his mates with hundreds of thousands of dollars of public money—and potentially $13.8 million worth of public money—there is a question to be asked.

If the Prime Minister had any authority within the coalition—which, by the looks of it, he has not—he would be ensuring that public scrutiny of the money that has gone to Mr Hogan is on the public record. He should simply say that the days of the National Party using public money to advance their political cause are over and that the National Party should not be allowed to have the disregard that they have for accountability and operating effectively in the public interest. This is a problem that needs to be fixed. I commend the bill, but the minister should be brought to book in relation to what is going to happen to this money.

Senator LEYONHJELM (New South Wales) (13:26): The agricultural industry collects more than $500 million a year in levies from primary producers. That money is spent on, mostly, R&D; some of it is spent on marketing, purportedly for the benefit of those industries that pay it. It is only reasonable, to my mind and I think to the minds of most levy payers, that those collecting and spending the levy funds are held to account on a regular basis by those who pay the levies. In other words, that there is representation as well as taxation.

Last year the Rural and Regional Affairs and Transport References Committee conducted an inquiry into the levy payment system. It heard evidence from dozens of levy payers to the effect that they were dissatisfied with the current system, to the effect that they did not know what was being done with the money and to the effect that they were not sure that they should continue to pay that money. It heard that if levy payers were able to have some say over
whether they continued to pay that money and some say over how that money was spent they would consider it only fair and reasonable.

This bill essentially says to those people: 'No, you are wrong. You do not need to have any say about how your money is spent. You do not need to have any say about whether or not you even pay that money. You are just going to keep paying it.' It is against the spirit of the recommendations of the Rural and Regional Affairs and Transport References Committee as well. The committee recommended the establishment of levy payer databases in all sectors so that levy payers could be consulted. But what would they be consulted about? Whether to keep paying their levies and how to spend that money.

The Dairy Produce Amendment (Dairy Service Levy Poll) Bill 2016 is essentially removing from dairy farmers their right to vote on their levies every five years. There are only two industries in which there is a right by levy payers to vote on whether or not to continue paying levies: the dairy industry and the wool industry. The wool poll is held every three years, the dairy poll every five years. The intention, and certainly the spirit, of the Rural and Regional Affairs and Transport References Committee recommendations is that such democracy should be extended, not reduced. This bill will remove from dairy farmers the right to have a say on whether or not to continue paying levies unless there is a proposal for those levies to change. It is directly contrary to the evidence that we heard from so many levy payers and it is also directly contrary to the spirit, if not the letter, of the recommendations of the committee.

The bill proposes that, once a levy is set, there is no opportunity for levy payers to have any further say on levies unless a change is proposed. It attempts to provide dissenting levy payers with an opportunity to petition for a poll. This is disingenuous, because it says that you will need 15 per cent of registered levy payers to demand a poll. Even in a corporation, you only need five per cent of shareholders to petition for action in a public company. This is taking the industry in exactly the wrong direction. It also sends a signal to all the other sectors that democracy is not something that is welcome. You are really wasting your time if you think you are ever going to get any say over how your levies are used or whether or not your levies are collected.

To validate that point, you just have to look at how this decision was arrived at. Dairy Australia says it conducted some kind of poll of its members in order to determine whether or not they were in favour of it. Fewer than 1,400 dairy farmers out of 6,288 levy-paying dairy farmers voted in favour of the proposals contained in the bill—that is just 22 per cent. It is hardly a ringing endorsement.

Dairy Australia says that the changes are proposed because it is too costly and time consuming to undertake a poll every five years. The fact is that neither the minister nor Dairy Australia made any attempt to put alternative proposals to levy payers that would have made voting easier and cheaper. Hasn't anybody ever heard of SurveyMonkey? How expensive does it have to be?

The fact is that the cost that Dairy Australia complains about, the $750,000, is attributable to campaign costs. Those are the costs incurred by those who will benefit from maintaining the status quo—including, coincidentally, the directors of Dairy Australia, who want a particular outcome. This cost is equivalent to allocating the election campaign costs of the
major parties to the Australian Electoral Commission and calling it the costs of running an election. It is a joke.

I am just a crossbench senator. I only have one vote. This issue is not going to go away though. One day, sooner or later, the minister will want my vote. The issue will still be here. I think now is the appropriate time to move my second reading amendment, which has been circulated in the chamber and, I understand, will be considered at the conclusion of the debate. I move:

At the end of the motion, add:

and the bill be referred to the Rural and Regional Affairs Legislation Committee for inquiry and report by 12 May 2016.

Senator BULLOCK (Western Australia) (13:33): I remember that when I first got here a lot of senators asked me, 'Which committees are you interested in?' My good friend Senator Sterle did not say that. He said, 'You're coming on the rural and regional affairs committee with me,' and I am so glad that he took that decision out of my hands, because it has enabled me to become more familiar with the issues confronting our agricultural industries and our hardworking farmers, who preside over the world's most efficient agriculture sector and in do so having always stood on their own two feet, having not had the benefit of the sorts of subsidies and protections that are so often offered by other countries in support of their farming sectors. Our agricultural industries are truly competitive on the world stage.

The shadow minister for agriculture often talks about the dining boom, about Australia being tied in the future, as it has been in the past, to the success or failure of our agricultural industries. Our industries are indeed very efficient and well placed to take advantage of the new opportunities that are opening up through our free trade agreements. There is an extent to which I would commend the government for the work that has been done on free trade agreements—notwithstanding the genuine and legitimate concerns raised with them with respect to investor-state dispute settlement procedures and with respect to protecting Australian workers and Australian labour standards in the context of those agreements. But there is no doubt that new opportunities are opening up for our agricultural sector in trade, and many of our agricultural industries are to be commended for the manner in which they take up those opportunities.

We heard from the Tasmanian cherry industry not only that they keep up with developing opportunities for trade but that they get ahead of the curve. The Australian cherry industry is not currently putting all its focus on developing the opportunities in China and South Korea; the Australian cherry industry is in India, opening the doors initially to get product recognition and understanding in that new market so that, in the event that we develop further trade arrangements with India, the industry is already there and established and is in a position where it can take full advantage of those opportunities that arise.

Of course, we are not alone in that regard. Other countries are looking to maximise their trading opportunities. In the event that the TPP comes to fruition, we will have to not only look to how we can best take advantage of those new opportunities but also compete with the other signatories to that partnership in relation to their efforts to expand their trade. So a number of countries around the world will be keenly waiting for the starter's gun to be fired on what will be another round of fierce competition in trade. The New Zealanders are not behind the door, particularly in the dairy industry, which is the subject of this bill. The New
Zealand dairy industry has done extraordinarily well in opening new markets in North Asia, and we will have to be on our mettle to catch up with them and the work they have already done in securing those markets.

If we are going to be successful, Australia cannot afford to rest on its laurels. We cannot afford to say, 'We have always been a highly-efficient agricultural producer and that advantage will see us through into the future.' We need to understand that in the world market our competitors are also continually working on improving their productivity and efficiency, and we need to be in that game with them, working to ensure our quality, our presentation, our marketing, our production and our costs are kept world competitive so that we can make the most of the trading opportunities are delivered to us. That requires a commitment both by the industry itself and by the Commonwealth to continuing investment in research and development and in marketing. That responsibility has been recognised by Australian governments of both persuasions and by industry through our system of agricultural levies. There is a wide range of agricultural levies—far wider than I had originally thought—which apply in almost every sector of the agricultural industry to ensure that money is directed to improving productivity through research and development and in marketing our goods overseas so that Australia does not miss the opportunities that are before it.

In supporting research and development and marketing, industries and government work together. The levies are collected from industry—some are dedicated to marketing, some to R&D. In most cases the government matches the R&D expenditure so that there is a pool of money supported by the government to be invested in the research that will see our agricultural industries into the future. The fact that it is a co-payment between industry and the government means that the industry has skin in the game and has a financial interest in ensuring that the levy moneys are expended appropriately and to the greatest good of the agricultural sector.

That engagement by industry raises some legitimate concerns for them. They would naturally be concerned about what proportion of their levy money goes into research and development and what proportion goes into marketing. That might change over time. There might be pressing problems demanding R&D today and new marketing opportunities opening up tomorrow, and the money that is available needs to be directed to where it can be most effectively used. The split between research and development and marketing is an issue about which those who pay the levy have a direct interest. Then there is the level of the levy—some levies are set in dollar terms or, more commonly, a percentage. It may be that in a bumper year a percentage delivers a great deal of money; it may be that levy-taking organisations develop surpluses on which they can rely. Perhaps from time to time levy payers might say, 'Well, we don't really need to pay as much in levy payments because our organisation has a surplus.' The answer to that may well be that the industry is cyclical and goes through boom times and lean times; They need to develop a surplus during the boom times so that they have adequate money to deploy on R&D and marketing during the poor times. But the level of the levy is certainly something of concern to levy payers and something about which they might want to have a say. Similarly, levy payers might be quite interested in exactly where their research dollar is being spent. I know, for example, there are some crops that are common to Queensland and Western Australia, and yet the growing conditions, the pests and the problems confronted by the industry in Queensland are quite different to those in Western
Australia. I can well imagine a Western Australian levy payer being quite concerned if year after year all the research and development money was spent on solving the problems in Queensland.

Having engaged with the agricultural sector through the requirement on the industry to fund levies, there are issues arising from their engagement over which levy payers might reasonably be expected to show concern and over which from time to time there may be disputes—people saying that the levy is too high or inadequate or that more should go into marketing and forego the co-payment from the government. It is to be expected that those who pay the piper—the levy payers—would want some say in determining the sorts of problems that may arise either in allocating the priorities for R&D expenditure or the level of the levy or, as I said, the split.

Remarkably, in some of our industries consultation by means of a vote is simply not possible, because, notwithstanding the fact that we have been collecting levies from all of the participants in the industry for years, we do not have accurate, reliable and available lists of levy payers. I must say I was astonished when I found this out. Money is being collected from all of the participants in the various industries, but we do not have a list so that we can go back to those people and say, 'Do you think these priorities are appropriate? Do you think the level of levy payment is appropriate? Do you think we are spending the right amount on marketing or R&D?' We do not ask them, because we do not have, in most industries, a list of levy payers. I must admit I find that absolutely staggering. Often that is because of privacy issues: 'We could not possibly give you a list of the people who pay the levy because that information might be private.' I think in the hierarchy of priorities—and this is only my personal view; I am not speaking on behalf of anyone else here—to which we assign things we may have gone a little overboard in the area of privacy. In another connection, we do not have accurate, comprehensive data on severe injuries sustained through motor vehicle accidents. We do not have the data because people say, 'These people who go to hospital with severe injuries, we cannot possibly give you that information—it is private.' Privacy prevents us from having access to the data that could guide the future of Australian motor vehicle design rules, that could highlight whether the very pleasing downward trend overall in fatalities that we are seeing on our roads is matched by an upward trend in people spending their lives in wheelchairs. This information is absolutely necessary for the government in order to make appropriate rules around road safety, and yet we do not have it because people are so concerned about privacy.

Thirty years ago, if I wanted to check and see that a shop assistant was getting the appropriate wages and conditions I would just go in and do a time and wages check. But these days if shop assistants have a roster problem and I say I would like to see the roster, they say they are sorry but they cannot show me the roster because it might impinge upon somebody's privacy. As for seeing their payment records—you cannot see them, they are private. Those people—and there are one or two—who are ripping off their employees blind keep the records which would incriminate them from public view on the basis that they are private, when the public good is served in ensuring people receive their appropriate award wages and conditions. So privacy is used as an excuse to stop access to important information. I think it is nonsense, and it is largely privacy that prevents us from having a comprehensive list of levy
payers so that we can ask them their view about how their money—that is raised for their benefit—is expended.

I know that Senator Leyonhjelm, who has just spoken, is very keen on having votes for everybody. I think the Wagin Woolorama is on shortly, and Senator Leyonhjelm is a champion of the wool poll. He is a great enthusiast for everybody being required to vote. People might think that Senator Leyonhjelm is in favour of less regulation, but that is not the case. Senator Leyonhjelm loves regulation—he wants to ensure that every agriculture levy payer regularly votes on how their levies are disposed of. So Senator Leyonhjelm stands for more regulation. The view of the different industries is not the same on this matter. In some industries everybody appears to be perfectly happy with the status quo—happy with the amount of the levy raised, happy with the way moneys are expended, not seeking to make any change at all. There are some agricultural industries where the levy payers are crying out for a greater say in how much levy they pay and how moneys are expended but they are denied that opportunity either because there is no available list, as a result of privacy considerations, or because those who currently control the decision making pursue their vested interests and ensure that the capacity to make a decision with regard to the expenditure of considerable sums of money is not taken out of their hands—they guard that power and do not forgo it.

With the ballots, in practice there are industries where the barriers for entry are very low and people move in and out of the industry on a seasonal basis. For example, Senator Urquhart might decide to grow vegetables in Tasmania this year but next year decide to get out of the vegetable growing industry, and it is impractical to keep an accurate list of participants in some agricultural sectors because of the ebb and flow of those participants. Those sectors of the industry would be denied the opportunity of having a say over the level of their levies or how they are expended. Finally, there are those who have the infrastructure in place but who do not want to exercise it. That is where I believe we are at with the dairy industry. The dairy industry is in the fortunate position of having an accurate list of participants such that a poll could be conducted on any number of questions pertaining to their levies, but they appear to have genuinely decided that they only wish to exercise that opportunity to vote on levies in extraordinary circumstances. I am prepared to accept the industry's word that they are fair dinkum in saying it is only when 15 per cent of industry participants petition for a poll that they need to have a poll. If that is what they want, I am more than happy to accede to that request.

The industry says this measure will save them $1 million every five years, in terms of the cost of conducting a poll, and $1 million will buy a lot of research and development. If that is their wish, I am more than pleased to go along with it and support this bill, which will remove the requirement for them to have a poll. An extra million dollars can be directed towards R&D; it can be directed towards developing new markets. I am advised today by the whip that there is ancient precedent for milk baths in Egypt, and perhaps the Australian dairy industry could milk that marketing opportunity. I am also told by the whip that if I can mention in my speech Cleopatra having a milk bath, there is a prize—I do not know what the prize is but I am shortly to claim it!

like to tell Senator Bullock that apparently a milk bath is wonderful for your complexion. It is certainly something worth thinking about.

Senator Fierravanti-Wells: Are you trying to give him a hint?

Senator URQUHART: You never know, Senator Fierravanti-Wells! This bill has largely been driven by the industry itself after undertaking consultation amongst its members, which is a really important thing to think about. This bill has been the subject of consultation amongst the industry's members—it is not something that has been opposed; it has been considered within the industry. The consultation was prompted by the dairy levy payers, who raised concerns about the cost of conducting a levy poll every five years. We have heard a lot about this from previous speakers. That poll was held regardless of whether there was any proposal for changes on the table. Every five years, the dairy farmers would have to pay up for consultation and pay up for a levy even if there was going to be no change, which seems quite ludicrous to me. Clearly, this is not the best use of scarce and precious levy funds.

I understand that the industry-led consultation was both extensive and inclusive, and it should be congratulated for undertaking such a comprehensive process. Australia's dairy industry has approximately 6,000 levy payers. They are all hardworking dairy farmers and they are all looking for value from their money and from their levy investments. They cannot afford to throw money around. They want to look at what is the best value that they can get for their money. They are looking for the most efficient use of their money to identify opportunities to boost growth and productivity, and they are looking to make savings and avoid unnecessary spending wherever possible. I am comfortable that that is what this bill actually delivers for all those dairy farmers.

Every single Australian dairy levy payer was contacted at least once and given the chance to have input on the proposed changes. It does not happen very often that all players within a sphere of responsibility or interest are given the opportunity to take part, but they were. The input included a formal vote. This process identified that savings of $1 million could be made by changing the requirements around dairy levies. Again, the industry should be congratulated for a consultative approach that resulted in better outcomes that have widespread support.

The outcome of the consultation led the industry to advocate for the changes in the bill that are before us today. This bill amends the Dairy Produce Act 1986, to remove the requirement for a dairy levy poll to be held every five years. Additional subordinate legislation will also offer strong safeguards and protections for levy payers. This legislation will require the industry services body to establish a levy poll advisory committee, which will consider the levy rate every five years. This legislation will also require the industry services body to hold a levy poll if a variation to the rate is recommended by the advisory committee, and it will include a mechanism for group A members, or dairy farmers who pay the dairy levy, to request Dairy Australia Limited, DAL, to conduct a levy poll if they disagree with the levy poll advisory committee's decision not to convene a levy poll.

As I mentioned earlier, these measures will allow industry to save up to $1 million every five years. The industry has estimated that changes could also deliver more than $750,000 that can be directed straight back into industry programs.

Labor has spoken to industry leaders about this bill and we recognise that it is industry-led reform that has broad support. We also recognise that the consultation process has been
excellent and congratulate the dairy industry leadership for developing and advocating for a measure that will encourage more effective and efficient use of levy dollars. It will enable more money to be spent on research and development, a really important area in dairy's operations.

R&D has a proud history of having dramatic impacts on growth and productivity. Because of this, the industry broadly welcomed the Liberals' pre-election promise that they would spend an additional $100 million in this area over four years. But this hope quickly turned to dismay when the Abbott-Turnbull government cut more than $100 million from agricultural research and development across the budget. There were cuts to the CSIRO, cuts to forestry, cuts to cooperative research centres and, appallingly, a serious cut to the Rural Industries Research and Development Corporation. What about the $100 million promise? Today, we are quite possibly only three months away from an election. So how much of this pre-election commitment has been delivered by the Abbott-Turnbull government?

The government is 2½ in power and only $26 million has been spent. Three-quarters of the promise is yet to be delivered and, given it seems the government now has a plan to cut and run to the next election, it is very unlikely that our agriculture sector will see another cent. Any reasonable person would concur that this amounts to a serious broken promise. In the face of these broken promises and debilitating cuts at the hands of the Liberal government, I again congratulate the industry for its proactive, consultative approach and effective outcomes, such as the bill before us today. But in order to facilitate an ordered transition to the new system, time is of the essence. The last date that a new levy recommendation could be made is in April 2017, meaning Dairy Australia would need to start work early on convening the industry based advisory committee and giving it enough time to commission the necessary research and analysis that will be needed to inform the options that will be included on the levy ballot paper.

If a 2017 poll is to proceed, these steps will need to be well advanced by the second quarter of 2016, so the industry is looking to have this bill passed in both houses as soon as possible. Labor will not stand in the way. We are very comfortable that this has been an effective consultation, led by industry, that has resulted in sensible savings that can be returned back to the industry. By any measure, the dairy industry is enormously valuable and very important to the economy and jobs in my home state of Tasmania. There can be no doubt that Tasmania's dairy industry continues to be one of the brightest spots in our state's economy. In 2011, Tasmania's dairy sector had a gross value of $802 million. Around $166 million worth of produce is exported internationally and $619 million worth goes interstate. In 2011, the industry employed more than 2,000 Tasmanians—

Debate interrupted.

**QUESTIONS WITHOUT NOTICE**

**Economy**

**Senator POLLEY** (Tasmania) (14:00): My question is to Senator Brandis, the Minister representing the Prime Minister. Is former Prime Minister Abbott right to say that Mr Turnbull has failed to produce his own credible economic narrative?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:00): Senator Polley, I must say I
have been a little busy lately and I have not actually had the time to read Mr Abbott's contribution. But I am sure—

**Opposition senators interjecting**—

**Senator BRANDIS:** Well, I have not read it. But I am sure, Senator Polley, that the main point that Mr Abbott would be making in his contribution is that the broader economic narrative of coalition governments is always to create a more prosperous nation through lower taxes, more jobs and more incentives. That has been the overarching narrative of both the Abbott and Turnbull governments. It will continue as long as there is a coalition government, and it will always come to an abrupt and catastrophic end whenever there is a Labor one.

**Senator POLLEY** (Tasmania) (14:01): Mr President, I ask a supplementary question. Given that Mr Abbott has produced 4,000 words on his economic vision for Australia and Mr Turnbull has to date produced none, when will Mr Turnbull advise his own backbench of his economic plan?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:01): Senator Polley, I think what you are asking is: when is Mr Turnbull going to write a 4,000-word essay? I think Mr Turnbull is busy with other things. But, Senator Polley, might I point out that I and most of those who sit behind me on the front bench were members of the Abbott government, as was Mr Turnbull, and we were proud to be so. We were very, very proud to be so, because that was the government that began the task of budget repair, that was the government that got our borders under control, that was the government that began the process of restoring defence spending from the catastrophic levels to which it had fallen under the government of which you were a part, Senator Polley; and that was the government that began to put pride back into the people of Australia after the years of chaos and mediocrity—six years of chaos and mediocrity—that they suffered during the period of the Labor government.

So, Senator Polley, we were very proud of the Abbott government, just as we are very proud of the Turnbull government, because coalition governments, unlike Labor governments—(Time expired)

**Senator POLLEY** (Tasmania) (14:02): Mr President, I ask a further supplementary question. I refer to Mr Abbott's statement: … one of the strongest endorsements of the Abbott government's economic policy has been Malcolm Turnbull's pledge to maintain it …

If the government's economic policy remains the same, what was the rationale for the change in their leadership?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:03): Senator Polley, as you know, I am not a political commentator, so I am not going to give you a commentary on political events of some six months ago. But I will directly address the first part of your question, because, like the Abbott government was, the Turnbull government is committed to the great task of getting our budget back under control. It is committed to the great task of lower, simpler and fairer taxes. It is committed to the great objective of getting our borders under control. It is committed to the great objective of proper public administration. It is committed to the great objective of putting more Australians back into work and creating hundreds of
thousands more jobs than there were during the period that your political party was in power. It is committed to all of those values and objectives that all coalition governments, whether during the period of Mr Abbott's prime ministership or, now, Mr Turnbull's prime ministership, are always committed to.

Building and Construction Industry

Senator SESELJA (Australian Capital Territory) (14:04): My question is to the Minister for Employment, Senator Cash. Is the minister aware of any recent examples of behaviour in the ACT which highlight the importance of the Heydon royal commission in securing criminal referrals? Do those examples include the use of threatening conduct or language? What was that conduct or language?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:04): I thank Senator Seselja for the question—and, yes, I am. The Heydon royal commission heard evidence that Halafihi Kivalu, a former senior official of the ACT branch of the CFMEU, allegedly blackmailed a building contractor over a residential property in Yarralumla between 2012 and 2013, and a second project in Braddon in 2013. Mr Kivalu allegedly accepted payments totalling $135,000 from one Elias Taleb. The payments were, in Mr Kivalu's words, to 'get some people off your back'. Mr Taleb's evidence to the royal commission was that Mr Kivalu said:

… words to the effect of 'it will be 50 grand for this job, and if you don't pay someone else will, and they will get the job'.

When asked if he felt he had any choice other than handing Mr Kivalu the money, Mr Taleb stated as follows:

Basically, if we don't do … whatever—

whatever the CFMEU wants—

they usually go to the site, harass everyone … just giving us a hard time …

At the hearings of the royal commission in Canberra—

The PRESIDENT: Pause the clock.

Senator Kim Carr: Mr President, on a point of order: in light of the comments you made this morning on the question of sub judice, does that apply to citizens who are currently before the courts?

The PRESIDENT: This is beyond my knowledge, as to what matters are before a court.

Senator Brandis: Mr President, on the point of order: Senator Cash is quoting directly from findings of the Heydon royal commission, as she indicated in her answer. The primary question which Senator Cash was asked included the words:

Do those examples—

that is, examples of behaviour discovered by the Heydon royal commission—

include the use of threatening conduct or language? What was that conduct or language?

She is being directly relevant; she is being carefully consistent with your statement this morning, Mr President; and she is merely acquainting the Senate with findings that have been made by the Heydon royal commission.

Senator Wong: Mr President, on the point of order—
Government senators interjecting—

The PRESIDENT: Order, on my right!

Senator Wong: I do not have the benefit of the minister's briefing on this. But, if this matter is before the courts, then I would refer you to Senator Brandis's previous contributions in relation to these matters, where he has clearly said that matters that are before the court ought not be the subject of debate in here.

The PRESIDENT: Order! I have listened to the points of order and I have taken further advice from the Clerk. I will listen carefully. The minister is obviously aware of this matter and where this matter lies and what jurisdiction is handling the matter. So, providing the minister does not stray into a territory that she should not, the minister is in order.

Senator CASH: Again, I was quoting from the royal commission documents at hearings of the royal commission in Canberra. Mr Kivalu also conceded receiving approximately $100,000 from two employers. Following the royal commission hearings, Mr Kivalu was charged with blackmail. Yet again, this case just highlights the reason that we needed the Heydon royal commission. If we had not had the Heydon royal commission, matters such as these would never have been brought to light.

Senator SESELJA (Australian Capital Territory) (14:08): Mr President, I ask a supplementary question. Can the minister advise the Senate as to whether the former ACT Labor subbranch president, Mr Kivalu, has indicated his plea?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:09): Yes, I can. It has been reported that Mr Kivalu has indicated that he will plead guilty to blackmail charges stemming from the matters that came to light through the trade union royal commission.

Opposition senators interjecting—

Senator CASH: Those opposite—and, yet again, you can hear them today—have said, consistently, that the Heydon royal commission was a waste of time. Yet what we have coming out of the Heydon royal commission is 93 referrals. We now have the case of Mr Kivalu, and he has indicated that he will be pleading guilty to blackmail charges. Yet again those opposite conveniently deny the truth. All they ever do when matters like this are raised is deny, deny, deny. We know what the shadow minister, Mr O'Connor, thinks of this type of behaviour. He just dismisses concerns about abhorrent, unlawful behaviour on building sites by saying that the sector is a 'rough and tough industry'. (Time expired)

Senator SESELJA (Australian Capital Territory) (14:10): Mr President, I ask a further supplementary question. Can the minister advise the Senate whether there are any other findings from the Heydon royal commission of inappropriate or intimidating behaviour on building sites in the ACT?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:10): Yes, I can. Several CFMEU officials, including Mr Kivalu, were present at a Fyshwick building site in 2012 claiming that it was a safety inspection. Whilst present, the officials were found by the commission to have deliberately stopped a concrete pour. The actions of the union officials during the visit were such that one of the contractors called triple 0, stating: …they’re wanting us to step up and have a fight. We’re not here to fight them.
Despite police attendance at the building, the royal commission found that no specific safety issue was ever identified. This, yet again, shows that those opposite do not take safety seriously. They will never stand up to the appalling tactics used by the CFMEU when they utilise safety as part of the disguise for an industrial agenda.

**Opposition senators interjecting—**

The PRESIDENT: On my left!

Senator CASH: When you cry wolf on a safety issue, the only people you offend are the members of the union. *(Time expired)*

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**Broadband**

Senator McLUCAS (Queensland) (14:11): My question is to the Minister for Communications, Senator Fifield. In this place on 22 February this year the minister said that the rollout of the Prime Minister's copper NBN was 'accelerating'. But NBN documents dated 19 February 2016 reveal that the Prime Minister's copper NBN is in crisis and that nbn co has failed to meet even a third of its internal rollout target. Was the minister informed that the NBN rollout was behind schedule before or after he made his statement?

**Opposition senators interjecting—**

The PRESIDENT: Order, on my left!

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (14:12): I thank Senator McLucas for her question. I think colleagues would be aware that perhaps Senator Conroy and Mr Clare in the other place have been getting around the place from time to time, opening up their trench coats, saying to walking journalists going past them, 'Psst, psst, I've got something here.'

**Opposition senators interjecting—**

The PRESIDENT: Order, on my left! Minister, you have the call.

Senator FIFIELD: This may come as a surprise to some people, but you cannot necessarily take the construction that *The Sydney Morning Herald* or *The Age* puts on something as necessarily accurate. But the good news is that the NBN rollout is going well. 1.8 million households have the opportunity to connect to the NBN. There are currently about 820,000 premises that have elected to do so. I can share with you that under the previous government only 51,000 premises activations had occurred. Fifty-one thousand under Labor and 820,000 under the coalition—

The PRESIDENT: Pause the clock.

Senator McLucas: Mr President, I raise a point of order on relevance. I asked the simple question: was the minister informed that the NBN rollout was behind schedule before or after he made his statement? Can I ask you to bring him back to the question.

The PRESIDENT: I will remind the minister of the question. Minister, you have 24 seconds in which to respond.

Senator FIFIELD: The point that I am making, which may have alluded Senator McLucas, is that I do not accept the premise of her question that the NBN is behind schedule.
The NBN is on track to have 2.6 million premises available this financial year to connect to the NBN. (Time expired)

Senator McLucas (Queensland) (14:14): Mr President, I ask a supplementary question. I refer again to the nbn co documents, which reveal: … all other significant milestones of FTTN— fibre to the node— continue to remain behind target. Is this correct?

Senator Fifield (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (14:15): As I was saying, nbn co is on track to have 2.6 million premises able to connect to the NBN this financial year. It is on track to have one million activations in total this financial year in aggregate.

I should draw something to the attention of the chamber—that is, under the previous government only—

Senator Wong: Mr President, I rise on a point of order going to direct relevance. There was only one question. It was this: 'I refer again to nbn co documents which reveal that all other significant milestones of FTTN continue to remain behind target. Is this correct?' That is the question. Could the minister please address it?

The President: Order! Minister, I remind you of the question; you have 28 seconds.

Senator Fifield: I have already addressed that part of the question. Under this government, every milestone in the corporate plan has been met over the last six quarters. In contrast, only 15 per cent of the previous government's target—

Senator Conroy: Mr President, I rise on a point of order. The question is very simple, and the minister is deliberately flouting your ruling. He is deliberately quoting statistics that are not relevant to the actual question you have asked him to address. I ask you, Mr President, to draw him back to the question about the FTTN rollout. Mr Turnbull's rollout and his rollout, not other rollouts.

The President: I did hear the minister say in his answer, prior to you getting to your feet, that all milestones are currently ahead.

Senator Conroy: That is not an answer to the question he was asked!

The President: I cannot arbitrate on the details of the question. I can hear a question, and I can hear an answer. And in the latter part of his question I heard relevance. I will ask the minister to continue.

Senator Fifield: I have been talking about the past, the present and the future. I have covered all bases in that regard. But I do not accept the premise of Senator McLucas's question, so therefore it is impossible for me to satisfy it. (Time expired)

Senator McLucas (Queensland) (14:17): Mr President, I ask a further supplementary question. Isn't it true that Mr Turnbull has nearly doubled the cost and more than doubled the time frame for getting his second-rate NBN to all Australians?

Senator Fifield (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (14:17): As a result of the approach that this
Senator WILLIAMS (New South Wales) (14:18): Mr President, I, like Senator Seselja, have a question for the Minister for Employment, Senator Cash. Is the minister aware of any examples of behaviour in my home state of New South Wales that highlight what happens to those who work in the construction sector if they anger the CFMEU? Do those examples include the use of threatening conduct or language and what was the conduct or language?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:19): I thank Senator Williams for his question. And in response to Senator Wong's interjection 'Is this all you've got' the answer clearly is no, but I think all Australians know that this is a very, very important part of our policies going forward. Under no circumstances do any of us on this side of the chamber condone bullying, thuggery and intimidation on worksites in Australia.

Senator Wong: Neither do we!

Senator CASH: You do! In relation to Senator Williams's question, interestingly the CFMEU have a new campaign. It is called 'Stand Up. Speak Out'. However, this campaign does not apply to those in the union who choose to speak out on their concerns about senior union officials. For example, a Mr Brian Fitzpatrick stood up and spoke out against questionable union dealings with one George Alex. The royal commission found that Mr Fitzpatrick then received a death threat from one Mr Darren Greenfield, which was described as follows:

You have gone too far this time you—
expletive—
fat—
expletive—
You’re dead!! I’m going to kill you!!
You understand?! I don’t care how many police you’ve got with you, [I'm coming over there tomorrow and] I am going to kill you!! You’re dead!!
The royal commission also found that there was:
... the failure on the part of senior [CFMEU] officials to undertake any proper and considered
investigation into the incident, and the subsequent victimisation of the complainant by those same
officials ...

What is so startling about the example that I just gave is that Mr Greenfield remains an
official of the CFMEU, but—guess what?—Mr Fitzpatrick does not.

Senator WILLIAMS (New South Wales) (14:21): Mr President, I ask a supplementary
question. Is the minister aware of any other examples from New South Wales that further
highlight this culture of fear and intimidation in this sector?

Senator Cameron: Why don't you ask a question about rural jobs?

Senator WILLIAMS: And Senator Cameron should listen to the answer.

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public
Service, Minister for Employment and Minister for Women) (14:22): Unfortunately, yes, I
am. The Senate will of course be aware that CFMEU official Mr Luke Collier, who was
recently jailed for violent assault, has a history of intimidation and harassment in the
workplace. The Heydon royal commission found that on 24 July 2014, at the Barangaroo site
in Sydney, Mr Collier threatened a building inspector, saying: '[Expletive] dog. You're a
[expletive] grub, why are you here? Go away. You're lower than a paedophile, you grub.' On
another occasion, Mr Collier pointed to one of the building inspectors and broadcast the
inspector's name and mobile telephone number to the crowd and encouraged the workers to
call the inspector, later also saying to another inspector, 'You think all I've got is your phone
number.'

Senator WILLIAMS (New South Wales) (14:23): Mr President, I ask a further
supplementary question. Is the minister aware of any findings from New South Wales which
demonstrate officials misusing or abusing their power in the construction sector?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public
Service, Minister for Employment and Minister for Women) (14:23): Unfortunately, yes, I
am. In September last year, $272,500 in fines were imposed on the CFMEU and its officials
Chad Bragdon and Anthony Kong for breaching right of entry laws at the Sydney Domestic
Airport site in 2013. The two CFMEU officials had stopped a concrete pour, which they d
not have the power to do. They also refused to produce their right of entry permits and, when
asked to identify himself, Mr Kong said he was crocodile hunter Steve Irwin. The Federal
Court rejected the officials' excuse that they were on site for safety reasons, stating:
They behaved in a manner which was abusive and misleading. Their conduct can only be described as
contemptuous of the limits to their power and the people on site with whom they were dealing.

Climate Change

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (14:24):
My question is to the Minister representing the Prime Minister, Senator Brandis. At the Paris
climate conference, the Prime Minister paraded Australia's climate pollution reduction targets,
woeful though they are. The report today by land carbon experts CO2 Australia shows that
increased tree clearing right around the country will undermine Australia's ability to meet our
obligations under the Paris agreement and, in fact, would wipe out the abatement achieved
under the Emissions Reduction Fund. In Queensland alone, land clearing has doubled since
then Premier Newman axed our tree clearing laws, and the delay in reintroducing those laws
is leading to further panic clearing. You have given out $670 million of taxpayers' money, but you are letting the bulldozers run rampant at the same time. When will this government step in to avoid that destruction, or is the Prime Minister happy for Australia to fail to meet its Paris climate reduction targets?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:25): Thank you very much indeed, Senator Waters, for drawing my attention to that report. The report about tree clearing which you have referenced is not a report with which I am familiar, but I will have a good look at it and if I have further information I will get back to you.

On your broader point, I can tell you that Australia will meet its obligations. In fact, Australia is running ahead of its obligations. Australia is running ahead of its targets. We subscribe to the Paris agreement aiming to keep global warming to well below two degrees, and also allowing some countries to pursue efforts to limit their increases to 1.5 degrees. 187 countries have already submitted emissions reduction targets covering 96 per cent of global emissions.

As I am sure you know, Senator Waters, Australia's 2030 target of 26 to 28 per cent emissions reduction is comparable to similarly situated countries. It doubles our current target and halves our per capita emissions. It is a point I have made to you before, and you do not seem willing or able to accept it, but Australia's per capita emissions reduction target is the second highest of any of the G20 nations. Our per capita emissions reduction target is the second most ambitious of all the G20 nations. Contrary to the assertion in the premise of your question, Australia is ahead of its already announced emissions reduction targets. In your question you have pointed to no basis to believe that, being ahead, we will not continue to be ahead or at least to reach our emissions reduction targets, ambitious though they are.

Senator WATERS (Queensland—Co-Degut Leader of the Australian Greens) (14:27): Mr President, I ask a supplementary question. I look forward to Senator Brandis reading that report. As well as the enormous climate implications, tree clearing destroys wildlife habitat, causes erosion, leads to more run-off pollution into reef catchments and denies farmers the opportunity to be paid a fair price for storing carbon. When will the federal government take real action on global warming that stops forests being cleared and supports farmers to improve their soils and protect precious vegetation?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:27): As I said, I will look at the report on forestry and land clearing. Our ultimate good faith on this issue can be seen by the fact, as I said in answer to your primary question—sorry to be repetitive—that we have adopted the second most ambitious per capita emissions reduction targets of any G20 nation: 26 to 28 per cent reduction by 2030. We are meeting and indeed exceeding that—as of today, we are ahead of the targets that we had previously committed to.

If I may say so, with respect, Senator Waters, the way to test whether Australia is serious is in two ways: to ask how ambitious our targets are—and they are some of the most ambitious in the world—and to ask whether we have met or exceeded them. We have.
Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (14:28): Mr President, I ask a further supplementary question. Those targets would still leave us as the largest per capita emitter in the world. Australia only met its first targets—

Government senators interjecting—

The PRESIDENT: Order on my right. Senator Waters?

Senator WATERS: Mr President, can I ask that the clock be restarted?

Honourable senators interjecting—

The PRESIDENT: Order on both sides. Senator Waters, we will start the clock again.

Senator WATERS: Australia only met its first international climate target because of land clearing restrictions in Queensland. Now that those laws are largely gone and the bulldozers are back, when will this government stop cooking the books by relying on that carried-over emissions credit, which five other nations have said they will not rely on?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:29): The integrity of Australia’s reporting on emissions reductions has not been called into question by any credible authority. You seem, by your question, to suggesting that because of an alteration to pass policies there may be some reason to call that accounting into question. I do not see that that is the case. If so, that is an observation for the future.

However, it remains the case—and you have not disputed it in anything you have said in this period of questions—that of the 19 other G20 nations Australia’s emissions reduction targets, judged on a per capita basis, are more ambitious than 18 others. They are more ambitious than 18 of the 19. You say they should be more ambitious still, but in comparative terms they are among the most ambitious in the world. (Time expired)

Building and Construction Industry

Senator McKENZIE (Victoria) (14:30): Mr President. I also have a question for the Minister for Employment, Senator Cash. Is the minister aware of any examples of behaviour in my home state of Victoria which highlight a culture of intimidation in the construction sector? Do those examples include the use of threatening conduct or language? What was that conduct or language?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:31): I do not know about you, but it continues to amaze me that those on the other side—even when they hear the answers to the questions and the filthy behaviour that has been engaged in—continue to run cover for these types of people. They refuse to condemn them. I honestly ask you, how do you sleep at night?

Look at CFMEU state secretary John Setka. John Setka threatens public servants at the ABCC, saying:

... just remember one thing, when this is all over, and they don't exist any more ... we'll remember them because we know every—

expletive—

one of them. We will never forget them.
Then there was a flyer, which we heard about at Senate estimates, that was circulated on construction sites in Melbourne. This is what it said to the workers:

To all the dogs out there, remember when you pick up the phone to the ABCC rats, we will know about it, and who will protect you when the rats can't even protect themselves?

Do you know what they put on the back of those flyers? They put the personal details of inspectors, including home addresses, phone numbers, where they went on holidays and the names of their spouses.

But those on the other side have the audacity to come into this place, stand up and say they do condemn this type of behaviour. Look in the mirror; look at this type of behaviour. If it was undertaken in any other workplace in Australia, quite frankly, criminal charges would be brought against you in breach of safety legislation. But those on the other side, hypocrites as they are, can only feign outrage at the language that is used in the Senate.

Senator Cameron: All the Oscars have been awarded!

Honourable senators interjecting—

The PRESIDENT: Order on my left and right.

Senator McKenzie (Victoria) (14:33): Mr President, I ask a supplementary question. Is the minister aware of any other examples from Victoria which highlight that certain officials have contempt for the law?

Senator Cash (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:34): I will pick up on Senator Cameron's interjection that all the Oscars have been awarded. Senator Cameron, unfortunately this is not a show; it is not a game. This is real life behaviour on construction sites in Australia, and you sit there and you give a thumbs up to this type of behaviour. Quite frankly, you are a disgrace when you stand there and you do not condemn this type of behaviour.

Senator Wong: Mr President, on a point of order: the minister just suggested that Senator Cameron gave a thumbs up to this behaviour. That is inaccurate. It is inaccurate, it is offensive and it ought to be withdrawn.

The PRESIDENT: Senator Wong, you have now clarified that aspect, so I do not think that any further comment needs to be made about it.

Senator Cash: Well, if those on the other side do not find this behaviour offensive—

Senator Wong interjecting—

The PRESIDENT: Order! I do not want have backchatting to the chair by anyone, but you highlighted the imputation and it has now been highlighted. There is no further need to discuss it any further. You have highlighted the fact that it was incorrect.

Opposition senators interjecting—

The PRESIDENT: I am sorry, I am not going to enter into debate about this.

Senator Wong: I requested a withdrawal. You ignored it.

The PRESIDENT: No, I am not ignoring that at all. I do not want to enter into debate with anyone. You have highlighted the fact that that was not correct, and that is now
highlighted on the *Hansard*. This is question time. I am not going to go into debate about everything unless there is disorder.

**Senator CASH:** As I said, even if those on the other side will not condemn this vile behaviour, the Federal Court certainly did, fining the CFMEU—following its blockade of the Grocon site—a record $1.2 million for contempt of court, plus a further $151,000 for breaching workplace laws. The Federal Court found the officials behaviour:

… bespeak a deplorable attitude, on the part of the CFMEU, to its legal obligations …

**Senator McKENZIE** (Victoria) (14:36): Mr President, I ask a further supplementary question. Is the minister aware of any specific examples of behaviour carried out by senior figures in the construction sector which should be condemned by all Australians?

**Senator CASH** (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:36): Again, unfortunately, yes, I am. The behaviour should be condemned by all Australians. Information sheets with inspectors' personal details, which have been circulated on building sites, have been used for deplorable reasons. At Senate estimates, it has been revealed that female building inspector received a series of unsolicited and unwelcome phone calls from the Victorian assistant secretary, Shaun Reardon. The inspector also received a call in which an anonymous individual said that he and seven other men were going to come around to her house and gang-rape her. This is the type of behaviour, regardless of which side of the chamber you are on, regardless of whether or not you have or have not been a member of a union, or the CFMEU, that you should condemn because the effect it has on these people is disgraceful.

**The PRESIDENT:** Order! Order on my left! I have just taken advice from the Clerk in relation to the point of order raised by Senator Wong. In relation to that advice, I did not understand exactly what Senator Wong was asking. She was asking for the minister to withdraw the imputation. I thought you had cleared the record, Senator Wong, and the Clerk has advised me that, yes, it is an imputation on a senator. So minister, can I ask you to withdraw that imputation.

**Senator CASH:** Thank you, Mr President, I withdraw.

**The PRESIDENT:** Thank you, Minister, and I apologise for the confusion.

**Environment**

**Senator WHISH-WILSON** (Tasmania) (14:38): My question is to the Minister representing the Minister for the Environment, Senator Birmingham. In the 2013, the coalition promised to continue action to stop whaling in the Southern Ocean by committing to send a Customs vessel. What action is the government now taking to monitor the illegal Japanese whaling in the Southern Ocean? And can the minister update the chamber on how many whales have been illegally slaughtered this year?

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (14:38): I thank the senator for his question. This government, as indeed all of the preceding governments of all political persuasions, is very disappointed by Japan's actions in relation to whaling in the Southern Ocean. The Australian government has raised the matter regularly at the highest levels of government, including by the Prime Minister, the foreign minister and the environment minister. We remain opposed to all forms of commercial whaling and strongly support the global moratorium on commercial whaling. The Australian government
welcomed the decision of the International Court of Justice, in March 2014, that found that Japan's whaling program in the Southern Ocean was not for the purposes of scientific research and ordered that program to cease. It is Australia's view, and the view of many other countries, that the International Whaling Commission has not completed its review of Japan's new whaling program and that Japan should refrain from any whaling until this process is completed, in late 2016. The International Court of Justice has found Japan's whaling program was unlawful and not for the purpose of scientific research.

The PRESIDENT: Pause the clock. Senator Whish-Wilson, do you have a point of order?

Senator WHISH-WILSON: I have a point of order on relevance. My question related to the promise by the coalition—Senator Colbeck and Minister Hunt—to send a Customs vessel to patrol and monitor Japanese whaling. I asked if that had occurred and what information they could share about how many whales have been slaughtered in the Southern Ocean this summer?

The PRESIDENT: I will remind the minister of the question and advise the minister that he has 54 seconds in which to answer.

Senator BIRMINGHAM: It is the Australian government's view that Japan should not be undertaking these actions and we have made that very clear to the Japanese government. It is also the view of the Australian government that in terms of what may be happening in the Southern Ocean these are matters that we will not specifically comment on, but we will make sure that we follow all the proper processes in our engagement with Japan and other nations through the International Whaling Commission with the evidence becomes available as it does through all of the usual IWC processes.

Senator WHISH-WILSON (Tasmania) (14:41): Mr President, I ask a supplementary question. The government has previously announced these details. In 2013, Minister Hunt said, 'The government must make a statement immediately. Have whales been slaughtered in Australian waters, if so what are they going to do about? Whaling should never be occurring but for it to occur in Australian waters is an utter failure in Canberra.' This was when he was in opposition. Was Minister Hunt right then? And what is different, now, three years later? Why won't you disclose information about what the Japanese are up to in the Southern Ocean?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:41): I am not sure if Senator Whish-Wilson is suggesting that action is occurring in Australian territorial waters? If he is, then I would be interested and happy to come back to the chamber on any specific claims that he may make. But otherwise, of course the Australian government does monitor Japan's actions overall, very closely, and we continue to make the strongest possible representations, not just directly to Japan, but through all of the proper processes including through the IWC.

Senator WHISH-WILSON (Tasmania) (14:42): Mr President, I ask a further supplementary question. On that subject, back in October last year when Japan pulled out of the International Court of Justice, with issues related to whaling, the government made several statements about seeking further legal advice. Can the minister update the chamber on what this legal advice entailed? And outline what legal steps the Australian government is taking to prevent future whaling in the Southern Ocean?
Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:42): I am sure it will come as no surprise to Senator Whish-Wilson, because I think we discussed these matters in Senate estimates as well, that we will not be releasing the government's legal advice on these matters either through Senate estimates or through the Senate chamber. These are matters that inform government thinking and it would potentially be prejudicial to any future action the government may take to release such advice through the Senate.

Building and Construction Industry

Senator EDWARDS (South Australia) (14:43): Is the Minister for Employment, Senator Cash, aware of any examples of behaviour in my home state of South Australia which highlighted a culture of contempt for the law among certain individuals in the construction sector? Do those examples include the use of threatening conduct or language? What was that conduct or language?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:43): I thank Senator Edwards for his question. In November of last year, the Federal Court found the CFMEU and eleven officials had contravened right-of-entry and coercion provisions on building sites in South Australia. On each occasion, the union officials refused to produce their right-of-entry permits and to comply with right-of-entry law. Instead, they forced their way onto the site and behaved in an improper manner. In particular, CFMEU organiser Mark Gava entered the Flinders University site and demanded that a CFMEU flag be moved to a crane hook. When the occupier refused, Gava replied, 'If you don't do it, we will stop the job'. Another CFMEU organiser also said, 'If you don't put it up there, we'll bring back 10 brothers tomorrow and stop the job.' Gava forced his way onto a TAFE site with other organisers and stated, 'We'll be doing whatever we want.'

While waiting for a meeting with workers to commence at the Adelaide Oval site, CFMEU organiser Darren Roberts was discussing not having provided notice of entry and stated, 'This is the new way of the world,' and, 'Right of entry is a farce.' Mr Roberts became aggressive towards the site manager at the Adelaide Oval site and at one point said, 'I just want to smash someone now.'

Yet again these are examples from a list that clearly shows a pattern of behaviour and the entrenched culture of industrial unlawfulness in the CFMEU on building and construction sites in Australia. It is very clear that the current system is not stopping this type of behaviour and must be changed.

Senator EDWARDS (South Australia) (14:45): Mr President, I ask a supplementary question. Is Minister Cash aware of further examples from South Australia which highlight this culture of contempt for the law in the construction sector?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:46): I will also say to Senator Edwards that, when you get rid of this type of behaviour—this bullying, intimidation and thuggery—on building and construction sites throughout Australia, you ultimately improve productivity and job prospects for all Australians.
Jimmy O'Connor, a CFMEU official, has been ordered to pay $12,000 for contempt of court after he threatened a subcontractor that the CFMEU would ‘go to war’ unless the subcontractor employed a particular person affiliated with the CFMEU. In October 2014, the court fined the CFMEU and five of its officials a total of $152,500 for acting in an improper manner while seeking to exercise right of entry at the Adelaide Oval. Again, in New South Wales, Victoria, South Australia and the ACT, the pattern of behaviour is there.

**Senator EDWARDS** (South Australia) (14:47): Mr President, I ask a further supplementary question. Can Minister Cash advise the Senate if the Federal Court has made any findings about the CFMEU’s record of compliance with the Fair Work Act in my home state of South Australia?

**Senator CASH** (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:47): Yes, I can. The Federal Court has described the CFMEU’s record as ‘dismal’, stating:

The element of deterrence is particularly important in the present case because of the CFMEU’s long record of non-compliance with industrial legislation … It is apparent that the penalties imposed in the past have not caused the CFMEU and its officials to comply with the … Fair Work Act.

The Federal Court has also imposed fines of over $205,000 on the CFMEU and 10 officials for right of entry breaches on four Adelaide construction sites. The court said in relation to CFMEU organiser John Perkovic that his conduct was 'particularly egregious' and that he 'engaged in sustained intimidatory and abusive conduct' and attempted to 'belittle, humiliate and intimidate' a government employee.

**Clean Energy Finance Corporation**

**Senator SINGH** (Tasmania) (14:48): My question is to the Minister for Finance, Senator Cormann. Does abolishing the Clean Energy Finance Corporation remain government policy, and will the savings continue to be reflected in the budget?

**Senator CORMANN** (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:48): The budget will be delivered on the second Tuesday in May.

**Senator Singh:** Mr President, I rise on a point of order. I ask the minister to answer the first part of my question, which was: 'Does the Clean Energy Finance Corporation's abolition remain government policy?'

**The PRESIDENT:** Senator Singh, there is no point of order. The minister has answered the question and I cannot direct him to answer any further.

**Senator SINGH** (Tasmania) (14:49): Mr President, I ask a supplementary question. Does abolishing the Clean Energy Finance Corporation remain government policy?

**Senator CORMANN** (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:49): I believe I answered a similar question in the primary question. Obviously the budget will be delivered on the second Tuesday in May. Until such time, all of the policy positions and policy decisions of the government are reflected in the current budget.

**Senator SINGH** (Tasmania) (14:50): Mr President, I ask a final supplementary question. I refer to the recent Ernst & Young country attractiveness index, which shows that under this
government Australia has dropped from fourth most attractive place to invest in renewable energy to 13th place. How much further will we fall as an attractive investment destination if the Turnbull government succeeds in abolishing the Clean Energy Finance Corporation?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:50): That is of course a hypothetical question, and I do not accept the premise of the question. The second point I would make is that the worst thing that could happen to the attractiveness of Australia as an investment destination across the board would be the return of a Labor government, which of course would bring back Labor's disastrous carbon tax, which would cost jobs, cost investment and have a very negative impact on economic growth across Australia.

Building and Construction Industry

Senator REYNOLDS (Western Australia) (14:51): My question is to the Minister for Employment, Senator Cash. Is the minister aware of any examples of bullying and intimidation on building sites in my home state of Western Australia? Do these examples include the use of threatening conduct and/or language? If so, what was that conduct or language?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:51): I thank Senator Reynolds for her question. Yes, I am, and, yes, they do. In July of last year the Federal Court fined the CFMEU and its official Bradley Upton $24,000 for racially abusing a site representative on a construction site. The court described the conduct as 'disgraceful behaviour' and found that Mr Upton made 'obscene remarks' to a site representative and told another to hit him after he became agitated about the meeting room assigned for discussions with workers. Mr Upton said to a site representative: 'Is this [expletive] acceptable to you? Is this [expletive] good for you [expletive] Americans … We won’t put up with you [expletive] Americans here.' The court also found that Mr Upton's conduct was:

… deplorable particularly so for someone acting in his official capacity … The language used as well as being repeatedly obscene, had a particularly nasty racist overtone.

In relation to the CFMEU the court said:
The CFMEU has a significant record of non-compliance with the provisions of industrial legislation.
The court also said:

There is a history over a number of years of contraventions of industrial laws by CFMEU officials for whom the CFMEU is responsible and which have involved those officials, variously, in using obscene and threatening language, making threats of assaults and in some cases involving scuffles and physical altercation.

On this side of the chamber, we refuse to stand up for bullying, intimidation and thuggery on worksites in Australia.

Senator REYNOLDS (Western Australia) (14:53): Mr President, I ask a supplementary question. Is the minister aware of any further examples from Western Australia of senior figures in the building and construction sector who show contempt for the law?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:53): Yes, I am. The Federal Court imposed a fine of over $35,000 on the CFMEU and Joe McDonald, who is the National
President and the WA Assistant State Secretary, for making a threat against a construction company and subsequently conducting a picket with the intent to coerce the company to alter the amount to be paid to the subcontractor. The Federal Court found as follows:

Mr McDonald is a very experienced industrial relations operative. He has a significant history of failing to comply with industrial laws. There can be no suggestion that he was unaware of the unlawful nature of his actions.

In the ACT, New South Wales, Victoria, Queensland and Western Australia there is a pattern of behaviour. Why did the Federal Court have to say: 'Has there ever been a worse recidivist in the history of the common law?' (Time expired)

Senator REYNOLDS (Western Australia) (14:55): Mr President, I ask a further supplementary question. Is the minister aware of any reasons which would make it difficult to condemn the behaviour that she has outlined in question time today?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:55): Yes, I am. I think the simple reason is, as we know, that last year the CFMEU donated over $720,000 to the coffers of the Labor Party. Since 1995, the CFMEU has bankrolled the Australian Labor Party to the tune of $14 million. The CFMEU is the Labor Party's third-largest donor. I think that anybody listening would say that, with $14 million in donations from the CFMEU, it is pretty obvious why those on the other side continue day after day, despite the evidence that is presented to them—

The PRESIDENT: Pause the clock. Senator Cameron, a point of order.

Senator Cameron: My point of order is in relation to the coalition's electoral donations. We do not even know where they come from.

The PRESIDENT: That is no point of order. That is abusing the provision of points of order.

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:56): So $14 million over many years is the price that the Labor Party pay for looking the other way.

Senator Kim Carr interjecting—

The PRESIDENT: Senator Carr, your colleague is waiting to ask a question.

Taxation

Senator GALLAGHER (Australian Capital Territory) (14:57): My question is to the Minister representing the Prime Minister, Senator Brandis, and relates to negative gearing. Are retrospective changes to negative gearing on the table?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:57): Senator Gallagher, the Prime Minister has made the coalition's position on this matter perfectly clear.

Senator GALLAGHER (Australian Capital Territory) (14:57): I am not sure it is perfectly clear to anyone else. Mr President, I ask a supplementary question. I refer to the Minister for Finance's previous statement that the coalition opposes retrospective tax changes as 'a matter of principle.' Is this still the government's position?
Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:57): It has always been the position of coalition governments to have an in-principle opposition to retrospectivity.

Senator GALLAGHER (Australian Capital Territory) (14:58): Mr President, I ask a further supplementary question. Can the minister explain how it is fair that someone buying their second, fifth or tenth property gets more help from the government than somebody who is trying to buy their first?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:58): Because the government has no such proposal in mind, I do not accept the premise of your question.

Building and Construction Industry

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (14:58): My question is to the Minister for Employment. Is the minister aware of any examples of behaviour in my home state of Queensland which highlight a culture of intimidation in the construction sector? Do those examples include the use of threatening conduct or language, and what was that conduct or language?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:59): In answer to Senator O'Sullivan's question: yes, I am, and yes, they do. Whilst I answer this question, perhaps those on the other side might just want to pause for a moment and think, 'What if it were my son or daughter that Senator Cash was referring to when she read out the evidence in relation to the answers to this question?'

If my son or daughter were being spoken to in this way in the workplace, I can almost assure them I would be up and condemning the employer and asking for action to be taken.

The Federal Court found that, at the Common Ground project in Brisbane, CFMEU official Paul Cradden said to a member of Grocon staff, 'I think you'd know better than to go against the unions,' and, 'You know when all this [expletive] is over, it's just beginning for you then isn't it, the union covers the whole of [expletive] Australia.' The court also found what Mr Cradden told a subcontractor who asked, 'What are the consequences to my business if I bring my boys on site?' One would think that is a legitimate question to ask. This is what Mr Cradden told the subcontractor: 'You want to know what the consequences are? You would be committing industrial suicide.' In a penalty judgment, the Federal Court said that 'there can be no doubt' the CFMEU’s behaviour in this case:

… was neither unique to that site or to those times. Rather, it displayed a paradigm example of behaviour described by the Honourable Terence Cole … in the Final Report of the Royal Commission into the Building and Construction Industry.

Yet those opposite would still have us believe that there is no unique culture of lawlessness within the construction sector in Australia.

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (15:01): Mr President, I ask a supplementary question. I thank the minister for that very comprehensive answer. Is the minister aware of any findings from my home state of Queensland which demonstrate that certain figures in the construction sector have a contempt for the rule of law?
Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (15:01): Yes, I am. CFMEU official Mark O’Brien has been found by the Federal Court to have abused a Grocon employee, using language including ‘piece of [expletive]’ and ‘lowest sort of [expletive] dog ever’. Then again we hear from the other side that they are yet to condemn Mr O’Brien, whom the Federal Court found did use the offensive language in question. The Federal Court also found that the individual respondents in this case are exemplars of the union organisers and delegates displaying a disregard or contempt for the rule of law. Again, until those opposite stand up and disown and condemn completely this type of behaviour, they again cannot be taken seriously when they feign outrage and concern for workplace intimidation and harassment. (Time expired)

Senator O’SULLIVAN (Queensland—Nationals Whip in the Senate) (15:02): Mr President, I ask a further supplementary question. Can the minister inform the Senate of the importance of tackling cultural problems in the building and construction sector?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (15:02): For so many reasons, we need to tackle this type of behaviour within the building and construction sector. But, of course, one of the primary reasons is that it is about jobs and about growth. The construction industry in Australia is our third largest employer. It employs over one million people. It is expected to make a significant contribution to employment growth going forward, growing by 137,900 over the next five years. It is undeniable that this sector is absolutely important to the Australian economy. But, after everything we have read out today, in almost every state in Australia, who would want their son or daughter to be part of the 137,900 people who are expected to go into this industry whilst it is still littered with bullying, intimidation and thuggery?

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Broadband

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (15:04): I move:

That the Senate take note of the answer given by the Minister for Communications (Senator Fifield) to a question without notice asked by Senator McLucas today relating to the National Broadband Network.

When Malcolm Turnbull released his strategic review in December 2013, he said it was ‘the most thorough and objective analysis of the National Broadband Network ever provided to Australians’. He also said:

Importantly, all forecasts in the Strategic Review have been arrived at independently by NBN Co and, in the view of the company and its expert advisors, are both conservative and achievable.

This, as we have all come to understand, was simply empty waffle. Let us go through the highlights.

Mr Turnbull said his second-rate NBN would cost $29.5 billion. We know now that it will cost almost double that, up to $56 billion. He said he would get his second-rate NBN to all homes in Australia by this year, 2016. This time frame has now more than doubled, to 2020.
And he said that his second-rate copper NBN would cost $600 per home. This cost has nearly tripled, to $1,600 a home. He said it would cost $55 million to patch up the old copper network. This cost has blown out by more than 1,000 per cent, to more than $640 million. He said that 2.61 million homes would be connected to the pay TV cables by 2016. NBN is now forecasting they will connect only 10,000 homes by June 2016. So they are only 2.6 million homes short of their target, but let's just ignore that! Mr Turnbull also said that his second-rate network would bring in $2.5 billion in revenue in 2016-17. This has crashed to only $1.1 billion. He has blown a $1.4 billion hole in NBN Co's revenue forecasts. Just today, yet another leaked document from NBN Co has revealed that Mr Turnbull's second-rate copper NBN is hopelessly delayed and over-budget. Internal documents reveal that NBN Co has met less than a third of its internal rollout targets for Mr Turnbull's second-rate copper NBN. These delays are due mostly to problems with connecting mains power to Mr Turnbull's large street-side copper cabinets. These delays are entirely of Mr Turnbull's own making.

The great tragedy about this and the rest of the litany of failed targets which are revealed in this document is that every single one of them was forecast in the transition-to-government documents. It is not as though this has suddenly been discovered—all of these problems were identified clearly before Mr Turnbull undertook this path. But, no, he is magic: he is able to transform the real world into his own private moments of 'just believe everything I say and ignore everything I have said before'. What we see in this document is that Mr Turnbull's copper NBN is coming in over-budget, despite recent assurances from officials who sat at Senate estimates and told us all that it was on target.

It would be remiss not to mention directly Senator Fifield's answers to the questions, because Senator Fifield quite deliberately avoided answering any question that was asked of him today. (Time expired)

Senator RUSTON (South Australia—Assistant Minister for Agriculture and Water Resources) (15:09): I must say it is quite extraordinary that we should be standing here today taking note of NBN again. Since we changed government in 2013, I cannot think how many times we have discussed the NBN. It always seems that, if Senator Conroy continues to bring these things up in question time and we take note of them, he can defend the legacy he left us, which was the NBN at the time. I notice that today's questions seem to be largely around a media story this morning about some leaked documentation that made its way into the media. Senator Conroy might well remember the Melton trial site leaked document. Once again we have exactly the same situation, where the documents are always the ones that have not been verified—they have not been peer reviewed.

Senator Conroy interjecting—

Senator RUSTON: Unfortunately, Senator Conroy seems to think that, if he can find a scrap piece of paper in the rubbish bin, it can be turned around to be a factual claim about what is going on. It is really quite distressing. Senator Fifield put on the record in question time today that the NBN is on track to meet its targets for the financial year—within budget as set out in the company's corporate plan—and any suggestion to the contrary is just wrong. Who is correct here—Senator Conroy who appears to think that scavenging through rubbish bins and finding pieces of information is more credible than the information that is put on the public record—

Senator Conroy: The truth!
Senator RUSTON: by the minister, as it was with the previous minister and now Prime Minister?

Senator Conroy interjecting—

Senator RUSTON: I think the opposition is trying to defend the indefensible. There was so much money wasted under the previous administration. My understanding is that in excess of $6 billion was spent to deliver access the broadband to fewer than three per cent of premises in Australia. Mr Deputy President, you do not need to be a Rhodes scholar to extrapolate that out: if you have $6.5 billion to get to three per cent of premises, how much is it going to cost to get to all premises? Many of those premises with early access to the NBN rollout under the previous administration were those that were easier—the low-hanging fruit concept, which is often used in this place to describe taking the easy stuff first. This government is not going for the easy or the low-hanging fruit first. As well delivering the NBN as quickly as possible to the greatest number of people and as cheaply as possible, we are trying to deliver it first to those people who have very poor access or have no access. Instead of focusing on where you will get the quickest return for your money, we are trying to deliver this more equitably to all Australians.

The other thing we always seem to fail to mention in the narrative about the NBN is the fact that, unfortunately, we have to be able to afford to deliver everything. Senator Conroy and the gold-plated NBN he proposed rolling out—

Senator Conroy: Those gold-plated satellites are shocking!

Senator RUSTON: I would not go on about satellites, Senator Conroy, because we know what happened with your interim satellites: all the people who were supposed to get access to the satellites because they could not get NBN by other means missed out because we oversold it to the providers and then they rolled it out to everybody. So we ended up with too many people on the satellites, but those on the satellites had a very poor service, while those people in remote areas of the country, who could not get access to the NBN by other means, were disadvantaged by the crazy way that those opposite dealt with the interim satellite. I find it very surprising that Senator Conroy would raise satellites as a point of contention here, when his track record on satellites has to be among the worst in the world.

In the last couple of seconds I have, let's go back quickly to the budget. The reality is that we have had delivered to us one of the worst budget positions you could ever imagine and we have tried to be responsible and manage our government within the constraints that the budget has given us. (Time expired)

Senator McLUCAS (Queensland) (15:14): I rise to speak on the motion that the Senate take note of answers given by Minister Fifield today on the NBN. The second-rate NBN of the now Prime Minister but former communications minister Mr Malcolm Turnbull had another sad chapter in its history today, with the leaking of yet another internal document that is full of damning data that shows that cost blow-outs and delays in the rollout of the NBN are certainly occurring out there in NBN land. Senator Ruston seem to think there is some scrap of paper that has been found in someone's rubbish bin. It is disappointing that a frontbencher from the government side would try to say that this is a document that can just be forgotten and not be taken any notice of. This is a comprehensive internal document that warrants
proper scrutiny and warrants an understanding of how dire these problems actually are so that we can find out where we are up to with the rollout of this second rate NBN today.

That is the background to why I asked questions in question time today of Minister Fifield. My first question, the substantial question, was not answered at all. I pointed Senator Fifield to the fact that on 22 February this year the minister said in this chamber that the rollout of the Prime Minister's copper NBN—the second rate NBN—was 'accelerating'. This document that has been released today is dated 19 February 2016—some three days prior to Senator Fifield saying that the NBN rollout was accelerating. I asked a reasonable question: was the minister informed that the NBN rollout was behind schedule, as this document clearly shows—not a little bit behind schedule but desperately behind schedule—before or after he made his statement? When did he know that what he had said in this chamber was not accurate? Senator Fifield said that he did not accept the premise of my question. I now invite Senator Fifield to go back and look at the Hansard of both 22 February and of question time today and think about whether or not he needs to revisit the answer he gave to my question today. I also asked to Senator Fifield whether all other significant milestones of fibre to the node—FTTN—continued to remain behind target, as this document clearly states. He said no, he did not think that was a good thing, that was true, and then he spent a lot of time criticising Labor.

I have recently taken on the role of chair of the Senate Select Committee on the NBN. The NBN is not a policy area that I have spent a lot of time with in the past, so a lot of this is a new to me. I am now engaged in a level of policy detail and rollout detail that I was not as up to date with before. Frankly, this project is a disaster. After all of the criticism by the government of Labor's NBN rollout, it is frankly amazing that Mr Turnbull and now Minister Fifield can defend their record. When they came to government they had a coming-into-government document that predicted that if the policy approach taken by the now government was taken, saying this when they were in opposition, they would end up with this sort of mess. They knew. It was not surprising. But then Mr Turnbull released his strategic review in December 2013 and he said it was the most thorough and objective analysis of the NBN ever provided to Australians. My colleague Senator Conroy has gone through all of those empty promises that we have now realised—and it is double the cost. Minister Turnbull said then the NBN would cost $29.5 billion—it is now up to $56 billion. If you doubled the rollout cost of any project, you would be sacked. In fact, then Minister Turnbull was promoted.

Senator BERNARDI (South Australia) (15:19): I can perfectly understand how one could be lulled into a sense of deep slumber through Senator McLucas's defence of the NBN. It is wise for us to consider exactly how the NBN came about. The NBN may have been conceived through a determination to bring the benefits of high-speed internet to Australian consumers, but it was a program that was supposed to cost $4 billion—until the giant fingers, the passion fingers, of Senator Conroy and his colleague, his mentor, the man who he admired so much, former Prime Minister Rudd, got on a plane together and got a box of peanuts and a napkin and a pen and the rest is history—on a VIP jet it was determined, over some popcorn and peanuts and a napkin, that tens of billions of dollars would be spent. The NBN was drawn on the back of a napkin, and the Australian people have been paying the price for that lack of planning ever since.

Since that time Senator Conroy has been involved in what can only be politely termed legacy sandbagging, where he has sought to run interference and pile up case after case after
case about why his napkin plan was suitable and appropriate for Australia. Let me tell you, right from the word go it has failed the public interest test. It has failed the public interest test not because having a fast broadband network across the country is not in the interest of Australians—it probably is; should the government be doing it, there is a matter of politics in that—but the fact is that it has gone from $4 billion to $8 billion to $16 billion to $32 billion to about $49 billion of taxpayer money being thrust into it. Senator Conroy likes to criticise the fixing that is being been done by this government, but the fixing being done by this government is because of the falsehoods spun out of the previous government. The 2010 corporate plan claimed that the NBN would pass one million premises with its fixed line network by 30 June 2013. We can understand there is a bit of hyperbole around that one million premises, but no-one really thought the then government would have overestimated their own abilities by nearly eightfold.

The fact is that, after three years, it managed to reach 165,000 premises—not the one million that Senator Conroy and his ilk said—and it cost so much more than was scheduled. That is because there was a complete lack of planning, a complete lack of consideration of the national interest, a complete lack of any prudence and any cost-benefit analysis, and that is because the people around it were not grounded in reality.

I know that Senator Conroy seeks to blame former Prime Minister Kevin Rudd for the failings of this. Kevin Rudd has many failings on which we could expound for a long time in this chamber, but we are not going to, because Mr Rudd was driven to make these irrational and not sensible decisions by none other than Senator Conroy and his famous napkin. Senator Conroy could have retired and gone into the void of the Kevin Rudd legacy. He could have retired, got out of parliament and hidden away from the poor decisions. Senator Conroy did not want to do that. So he stayed in this place and has tried to monster and bully people into accepting his version of events. Unfortunately, the truth is somewhat departed from where Senator Conroy is locating himself, and this is the point about the NBN. Yes, it has some benefits—

Senator Conroy: Mr Deputy President, on a point of order: I think it is traditional when you have a conflict of interest that you declare your conflict of interest. I think it is very important that Senator Bernardi declares that he has fibre to the home at his home and loves it. I think that is a complete conflict of interest in this debate.

The PRESIDENT: I have had enough, Senator Conroy. Senator Brandis, on the point of order.

Senator Brandis: Mr President, on the point of order: I notice Senator Conroy never takes these standing orders or the procedures of this Senate seriously. Plainly, from the moment he opened his mouth, that was not a point of order and he should have been ruled out of order at once.

The PRESIDENT: Ultimately, that is a conclusion I have come to. I could have ruled him out of order, but I had to give him an opportunity to at least say what his point of order was. There is no point of order.

Senator BERNARDI: The cavalier manner in which Senator Conroy regards the Senate's standing orders does resemble—with less catastrophic consequences, I must say—how he went about designing the NBN. What I think he did is that he drew a map of Australia on his
coaster and pointed to Sydney and then drew a line to Adelaide, one to Melbourne and somewhere else and he said: 'There we go! That is $5 billion.' But it was not. It was nearly $50 billion, and he did not even get it to some of the regional centres. He could not maybe draw that many lines all at once, but the point is, Senator Conroy has spent his time in this place tearing down something that we are trying to build and fix. (Time expired.)

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (15:25): I too rise to take note of an answer from the Minister for Communications to a question from Senator McLucas in regard to the National Broadband Network. The minister's answers today were thoroughly disappointing as is the government's record so far on this whole sorry saga.

Senator Bushby: They were pretty good.

Senator BILYK: Senator Bushby, I will get to you and your interest in NBN and how much you hope to pay for it in a minute. Ever since the government adopted its farcical multitechnology-mix policy, it has become clearer each day that the abbreviation MTM more appropriately stands for Malcolm Turnbull's mess, and we have heard it a number of times. The phrase 'fast, affordable, sooner' that underpinned his government's pre-election promise on the NBN, has to be one of the greatest frauds visited on the Australian people. It is an absolute joke. After 2½ years in government with the promise to deliver the NBN to every home and business, and all they have to show for it is a measly 29,000 fibre-to-the-node connections and not one HFC connection. That is absolutely incredible. And every time we think that Malcolm Turnbull's mess cannot possibly get worse, the problem deepens.

The latest results are detailed in a report leaked to Fairfax Media. I note that the minister did not deny that the report existed or that the figures were inaccurate. It was pretty interesting to watch what he did not actually say, as opposed to the rather disappointing answers that he gave. But we see this whole disaster about NBN deepening right before our very eyes. It is no wonder that the government has done everything it can to hide their mess, because it wants to cover up their bungles and cost blow-outs. Despite this government's promise for greater scrutiny and transparency, it has shrouded the NBN in a veil of secrecy that would make Kim Jong-un blush.

This leaked report that we have been talking about shows that nbn co has only reached one-third of its target for construction completions. While 1.4 million premises should have been approved at the date of the 19 February report, only 660,000 premises, or less than half of the target, were approved. And there is a 23 per cent increase in the cost of construction per premise, up from $1,114 to $1,366. This is on top of the disaster that we already knew about. We already knew the cost to Mr Turnbull's second-rate NBN was supposed to be $29.5 billion. It has almost doubled under the current government to $56 billion. Mr Turnbull promised to complete the entire rollout by the end of this year, but it is now projected to be completed by the end of 2020. Only 14 per cent of Australian premises will have the NBN by the government's self-imposed deadline. The cost of fixing the old copper network—this is a doozy—has blown out by 1,000 per cent, with the government having to purchase 8.5 million metres of new copper.

I have spoken before on quite a few occasions in fact in this place on the local consequences of Malcolm Turnbull's mess. in response to a question I asked in Senate estimates, nbn co revealed that they had reached only eight per cent of under-served premises by the end of last financial year, despite Mr Turnbull's promise to prioritise the rollout to the
worst served areas. One of those areas—Senator Bushby, you might be interested in this—is the suburb of Howden. I know you know where Howden is. It is a suburb just south of Hobart, quite near my electorate office in Kingston. It is category E for broadband availability, and they are still waiting for NBN. So they are in the worst of the five categories for broadband availability and they are still waiting for NBN.

It was pretty disappointing to see them left off the list of the nbn co's latest rollout plan, the second time it has happened. We spoke to nbn co about Howden being left off the list previously and they made the same mistake again—they left them off again. This was not only after we had spoken to them but after nbn co had come to public meetings, where the 600 residents of Howden were so concerned they had a petition that I tabled in this place not that long ago in regards to the way they have been treated and the whole issue around lack of availability in Howden. As I said, Howden is not some far flung out reach of Australia—

(Time expired)

Question agreed to.

Environment

Senator WHISH-WILSON (Tasmania) (15:30): I move:

That the Senate take note of the answer given by the Minister for Education and Training (Senator Birmingham) to a question without notice asked by Senator Whish-Wilson today relating to the monitoring of whaling activities in the Southern Ocean.

The summer is coming to an end. Unfortunately we have no information at all on whether it has been another summer of slaughter in the Southern Ocean. Every summer, unfortunately, illegally, the Japanese government sends its harpoon boats to the Southern Ocean to kill whales under the guise of so-called scientific whaling. This is totally unacceptable to most Australians. It has been challenged through international courts by Australian governments and by other governments, especially through the ICJ, the International Court of Justice. Japan only recently had its whaling activities deemed to be illegal by that court yet it continues very disappointingly to flout its nose at the international community and send harpoon boats south.

Minister Greg Hunt sat on Peter Garrett's tail for years when he was environment minister. He would put out media releases every week asking what the Labor government was doing about illegal whaling in the Southern Ocean. Now that he is Minister for the Environment, he has the perfect opportunity to actually stand up on this issue and make it very clear that he has taken his responsibilities as the federal environment minister seriously. After all that stuff he said for all those years—there is blood in the water and a blind eye in Canberra—all the rhetoric, the emotive language he used, he has now got a chance to prove that he is not a phoney and that he meant what he said.

His government and Senator Colbeck, who was here earlier in question time, through his fishing portfolio, made a promise written into their documents to the Australian people going into the 2013 federal election that they would send a Customs vessel to monitor illegal Japanese whaling activity in the Southern Ocean. I have been asking for the last three summers: where is the Customs vessel? What have you observed? That promise has been broken. We are coming to the end of the summer and we are only months away from the federal election. It is a clear broken promise. While they campaigned on this in opposition and
told the Labor government they should send the Customs vessel to do what it was bought for—an ice rated vessel that was bought for the Southern Ocean—this government has failed to keep its promise. There has been no Australian presence in the Southern Ocean.

Two years ago Minister Hunt borrowed an aircraft at a significant cost to the Australian Antarctic Division, an A319, went over and took some happy snaps of the Japanese whaling fleet, which no-one never got to see, and reported that all was fine. If that is it, if that is our presence, if that is our deterrence and if that is the extent of our monitoring of the illegal Japanese whaling in the Southern Ocean then it does not come anywhere near enough for most Australians who care deeply about this issue.

This is one environmental issue—I can only think of one or two others I know of—that cuts across all political boundaries. It does not matter who you are, you do not want to see these magnificent creatures of the ocean being slaughtered by grenade tipped harpoon boats for so-called scientific whaling, which we know is a total farce. In fact it is a total lie by the Japanese government. They have been caught out by the International Court of Justice. They send these boats down there to collect these whales and whale meat for sale. They sell it on the internet. It is totally unacceptable in this day and age for us to be doing that with what is in Australia a federally protected species whose numbers are slowly coming back, which is something I am happy to report. It is not the time to be getting weak on whaling.

We have heard a lot in the last week around the defence white paper and what has been going on in the South China Sea, especially around the Spratly Islands. Of course Japan is one of the nations in our region involved in tensions around the Spratly Islands. We have heard a lot about the global rules based orders. Japan is not respecting a global rules based order when it comes to whaling. They are quite happy to flout that and do what they feel they want to do, much to the detriment of our environment. If they can do it on whaling, eventually they may do it on bluefin tuna and other resources of the sea. This is a very important issue.

The Australian government, while they say they protest and they have raised this at the highest levels, have failed and they should have sent the Customs vessel down there to monitor the Japanese fleet and let them know that we are there and we are watching our whales.

Question agreed to.

NOTICES

Presentation

Senator Lindgren to move:
That the Senate—

(a) notes that:

(i) the Queensland Government’s North Stradbroke Island Protection and Sustainability Act 2011 will phase-out sand mining by 2019,

(ii) there is a commitment from the North Stradbroke Island community to address future gaps and challenges by utilising mining forward estimate contributions that could be injected into supporting the local economy,

(iii) a strategy of ecotourism cannot replace the economic disadvantage that will befall the unprepared community, and
(iv) the Australian Workers’ Union has labelled the phase-out of sand mining on the island by 2019 as ‘a kick in the guts’ for hundreds of workers living on the island and in the bayside communities; and
(b) calls on the Queensland Government to extend the mining lease to be compatible with the Council of Australian Governments ‘Closing the Gap’ agenda.

**Senator Di Natale and Senator Gallagher** to move:

That the following bill be introduced: A Bill for an Act to amend certain territory legislation to restore legislative powers concerning euthanasia and to repeal the *Euthanasia Laws Act 1997*, and for related purposes. *Restoring Territory Rights (Dying with Dignity) Bill 2016.*

**Senator Smith** to move:

That the Senate—

(a) notes that:
(i) from 1 March 2016, Australians will have access to a new generation of medicines for the treatment of chronic hepatitis C infection in adults,
(ii) more than 230,000 Australians are currently living with hepatitis C, and each year about 700 deaths are attributable to chronic hepatitis C infection,
(iii) around 10,000 Australians are diagnosed with hepatitis C each year, and
(iv) less than two per cent of Australian patients currently seek treatment for the deadly and debilitating disease;
(b) recognises the Federal Government is investing more than $1 billion to make the new treatments available on the Pharmaceutical Benefits Scheme from 1 March 2016;
(c) acknowledges the breakthrough cures could all but eradicate hepatitis C within a generation; and
(d) commends the Government, the Department of Health, the Pharmaceutical Benefits Advisory Committee, Hepatitis Australia, physicians, patients and all those who have worked tirelessly to ensure the broadest possible access to these new medicines.

**Senator Waters** to move:

That the Senate—

(a) notes that:
(i) the Tibetan Plateau is the largest source of freshwater beyond the Arctic and Antarctic, a major driver of the global climate, the source of most of Asia’s major rivers, and an area of great significance to the global environment, and
(ii) traditional nomadic herding has provided Tibetans with resilient livelihoods and ensured the health of Tibetan grasslands, including maintaining biodiversity and soil carbon;
(b) expresses concern that:
(i) Tibetan nomads are leaving the grasslands, and that their displacement will have harmful impacts on their livelihood and culture as well as on Tibet’s fragile environment, and
(ii) construction of large dams and water diversion projects in the headwater regions will impact the environment and the livelihood of millions of people in the region;
(c) notes China’s many positive steps towards addressing the challenges of climate change, including reducing dependence on coal; and
(d) calls for acknowledgement of:
(i) the important role Tibetan nomads play in ensuring the health of Tibetan grasslands, and
(ii) the importance of Tibetans having a say over decisions that affect their land and livelihoods.
Senator Rhiannon to move:

That the Senate—

(a) notes that:

(i) Canberra Airport currently displays large and prominent advertisements by some of the world’s biggest weapons manufacturers,

(ii) weapons of war are inappropriate images to greet visitors to our national capital, especially with direct international flights to Canberra to begin later in 2016, and

(iii) Canberra and Australia should be identified to visitors as places of unique historical, natural and cultural attractions, and not as primarily concerned with war machinery;

(b) congratulates the more than 1,500 citizens from Canberra and elsewhere who have petitioned Canberra Airport Management to remove the weapons advertisements; and

(c) supports their campaign to remove the weapons advertisements.

Senator Simms to move:

That the Senate—

(a) acknowledges:

(i) that the South Australian automotive manufacturing industry has been an important part of the South Australian economy for over 50 years,

(ii) this difficult time for South Australian employees in the car manufacturing industry due to the scheduled closure of Holden’s Elizabeth plant, and

(iii) that globally, electric car manufacturing is one of the fastest growing industries in the world; and

(b) calls on the Government to:

(i) develop a strategy to support South Australian workers as they transition into new jobs due to the closure of Holden’s Elizabeth plant, and

(ii) refocus automotive industry assistance to encourage investment in the manufacture of electric and other non-fossil-fuel-powered vehicles.

Senator Collins to move:

That the Senate supports the following reforms to the regulation of political donations:

(a) a donation disclosure threshold of $1,000;

(b) a ban on overseas donations;

(c) a $50 cap on anonymous donations; and

(b) action to prevent donation splitting that avoids disclosure obligations.

Senator Ryan to move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:

- Aged Care Legislation Amendment (Increasing Consumer Choice) Bill 2016
- Corporations Amendment (Life Insurance Remuneration Arrangements) Bill 2016
- Migration Amendment (Character Cancellation Consequential Provisions) Bill 2016
- Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016
- Tax Laws Amendment (Norfolk Island CGT Exemption) Bill 2016.
That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the Commonwealth Electoral Amendment Bill 2016, allowing it to be considered during this period of sittings.

Presentation

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (15:36): I give notice that, on the next day of sitting, I shall move:

That the provisions of paragraph 5 to 8 of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings. Aged Care Legislation Amendment (Increasing Consumer Choice) Bill 2016, Corporations Amendment (Life Insurance Remuneration Arrangements) Bill 2016, Migration Amendment (Character Cancellation Consequential Provisions) Bill 2016, Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016 and Tax Laws Amendment (Norfolk Island CGT Exemption) Bill 2016.

I also table a statement of reasons justifying the need for these bills to be considered during these sittings and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

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

COMMONWEALTH ELECTORAL AMENDMENT BILL 2016

Purpose of the Bill

The Commonwealth Electoral Amendment Bill 2016 (the Bill) amends the Commonwealth Electoral Act 1918 (the Electoral Act) to improve the Senate voting system by giving electors control over their own voting preferences, require that there be unique registered officers for federally registered parties, and allow for political party logos to be printed on ballot papers.

Reasons for Urgency

Passage is necessary in the 2016 Autumn sitting period to enable the Australian Electoral Commission (AEC) to accommodate the amendments in this Bill, including changes to their electronic counting software, EasyCount. The AEC has advised the Government it will require up to three months incorporating these changes. The AEC will also be required to develop material for the purposes of educating the public about the changes well in advance of the 2016 election.

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

AGED CARE LEGISLATION AMENDMENT (INCREASING CONSUMER CHOICE) BILL

Purpose of the Bill

The bill will give effect to the first stage of the aged care reforms announced by the Government in the 2015 16 Budget, to provide more choice and flexibility for consumers receiving home care.

Reasons for Urgency

Passage of the bill in the 2016 Autumn sittings will allow the legislative framework, including the required amendments to the Aged Care Principles, to be in place by mid-2016. This is necessary to provide certainty to businesses and allow sufficient time for communication, change management and transition activities with the aged care sector, including consumers and carers, prior to the changes commencing in February 2017.
COURPORATIONS AMENDMENT (LIFE INSURANCE REMUNERATION ARRANGEMENTS) BILL

Purpose of the Bill
The bill seeks to make amendments to the Corporations Act 2001 to support reforms to the regulatory framework for life insurance as proposed by industry and announced by the Assistant Treasurer on 25 June 2015.

These reforms would facilitate industry's proposed solutions to conflicts of interest identified in the Australian Securities and Investments Commission Report 413: Review of retail life insurance advice.

Reasons for Urgency
Passage is necessary in the 2016 Autumn sittings to ensure that the life insurance advice industry's proposed steps to reduce conflicts of interest in relation to life insurance remuneration can be operational by 1 July 2016.

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

MIGRATION AMENDMENT (CHARACTER AND CANCELLATION CONSEQUENTIAL PROVISIONS) BILL

Purpose of the Bill
The purpose of this bill is to improve coherency and consistency in the character related provisions of the Migration Act 1958 (the Migration Act), following the amendments made by the Migration Amendment (Character and General Visa Cancellation) Act 2014 (the Character Act).

Reasons for Urgency
The measures in the bill are necessary to ensure that the substantive amendments to the Migration Act made in 2014 by the Character Act are given their full effect and that the character provisions operate consistently throughout the Migration Act.

The measures in the bill reflect the Government's clear and continuing commitment to ensuring that non citizens who pose a character risk to the Australian community are dealt with effectively and efficiently.

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

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

Purpose of the Bill
The purpose of the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill is to:

- Amend the GST law to apply GST to digital products and other services imported by consumers.
- Revise the operation of the GST cross border rules to reduce the circumstances in which non resident entities are required to register and account for GST by:
  - transferring liability to GST registered entities carrying on an enterprise in Australia; and
  - changes to GST-free rules and registration requirements for non-residents.
- Amend the farm management deposit provisions in the income tax law to:
  - increase the cap on farm management deposits from $400,000 to $800,000;
  - reintroduce early access provisions for farmers experiencing severe financial difficulty; and
  - allow the use of farm management deposits to offset business loans.

Reasons for Urgency
Introduction and passage of the bill during the 2016 Autumn sittings is required to give taxpayers and the Australian Taxation Office sufficient time to put in place systems and processes to allow for the efficient administration of the tax system and a smooth roll-out of Tax Time 2016.

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

TAX LAWS AMENDMENT (NORFOLK ISLAND CGT EXEMPTION) BILL

Purpose of the Bill

This bill will exempt assets acquired by Norfolk Island residents before 24 October 2015 from capital gains tax.

Reasons for Urgency

As this measure is to commence on 1 July 2016, introduction and passage of the bill during the 2016 Autumn sittings is required to provide certainty to Norfolk Island residents and in relation to their need to make a valuation of CGT assets as at 1 July 2016.

Senator Moore: On the motion that was moved, I am just double checking that had nothing to do with proceeding without formalities?

The DEPUTY PRESIDENT: The minister has not moved anything. He has simply given notice that he will move something on the next day of sitting. All he has done is seek leave to incorporate the statement of reasons into Hansard.

COMMITTEES

Finance and Public Administration Legislation Committee

Reporting Date

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:37): by leave—I move:

That the time for the presentation of the report of the Finance and Public Administration Legislation Committee on the Social Security Legislation Amendment (Community Development Program) Bill 2015 be extended to 2 March 2016.

Question agreed to.

BUSINESS

Rearrangement

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (15:38): I move:

That the following general business orders of the day be considered on Thursday 3 March 2016 under consideration of private senators' bills: No. 80 Restoring Territory Rights (Assisted Suicide Legislation) Bill 2015; and No. 68 Parliamentary Joint Committee on Intelligence and Security Amendment Bill (No. 1) 2015.

Question agreed to.

NOTICES

Postponement

The Clerk: Postponement notifications have been lodged in respect of the following:

General business notice of motion no. 911 standing in the name of Senator Hanson-Young for today, proposing the introduction of the Migration Amendment (Free the Children) Bill 2015, postponed till 2 March 2016
COMMITTEES

Reporting Date

The Clerk: Notifications of extensions of time for committees to report have been lodged in respect of the following:

Environment and Communications Legislation Committee—
2015-16 additional estimates—extended from 1 March to 16 March 2016.
Foreign Affairs, Defence and Trade Legislation Committee—2015-16 additional estimates—extended from 1 March to 15 March 2016.
Foreign Affairs, Defence and Trade References Committee—mental health of returned Australian Defence Force personnel—extended from 29 February to 15 March 2016.
Rural and Regional Affairs and Transport References Committee—
aspects of road safety in Australia—extended from 2 March to 3 June 2016.
Perth Freight Link—extended from 25 March to 29 April 2016.

BUSINESS

Leave of Absence

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:40): by leave—I move:
That leave of absence be granted to the following senators on 3 March 2016:
(a) Senator Birmingham for personal reasons; and
(b) Senator Ruston on account of parliamentary business.
Question agreed to.

NOTICES

Withdrawal

Senator SIMMS (South Australia) (15:41): I withdraw business of the Senate notice of motion No. 1 referring a matter to the Education and Employment References Committee standing in my name for today.

The DEPUTY PRESIDENT: Thank you, Senator Simms. That is a timely withdrawal, given that that is exactly where I am now going. We will now move to business of the Senate notices of motion.

COMMITTEES

Foreign Affairs, Defence and Trade References Committee

Reference

Senator LAMBIE (Tasmania) (15:41): I seek leave to amend general business notice of motion No. 2 standing in my name for today proposing a reference to the Foreign Affairs, Defence and Trade References Committee relating to the Australian Defence Force's resistance to interrogation training program in the terms circulated in the chamber before asking that it be taken as a formal motion.
Leave granted.

Senator LAMBIE: I move the motion as amended:

(1) That the following matter be referred to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 10 May 2016:

The operation of the Australian Defence Force’s (ADF) resistance to interrogation (RTI) training, with particular reference to:

(a) what training methods are used;
(b) whether these training methods are in accordance with Australia’s international obligations and Australian domestic laws;
(c) the effectiveness of existing ADF supervisory control measures;
(d) the ongoing mental health and wellbeing of personnel who have participated in RTI training; and
(e) the matters raised in questions to Lieutenant General Campbell during the 2015-16 additional estimates.

(2) That the Senate:

(a) notes that Lieutenant General Campbell acknowledged during estimates questioning that video and other electronic records were made by the ADF of RTI training; and
(b) calls on the Minister for Defence (Senator Payne) to provide the committee, under special circumstances which protect serving and former ADF personnel identities and operational security, with all recordings made by the ADF of RTI training by 15 March 2016 to assist the committee with the inquiry.

The DEPUTY PRESIDENT: The question is that business of the Senate notice of motion No. 2, as amended, be agreed to.

The Senate divided. [15:47]

(The Deputy President—Senator Marshall)

Ayes .....................34
Noes .....................27
Majority ...............7

AYES

Bullock, JW
Carr, KJ
Conroy, SM
Di Natale, R
Ketter, CR
Lazarus, GP
Ludlam, S
Madigan, JJ
McEwen, A (teller)
McLucas, J
Muir, R
Peris, N
Rhiannon, L
Siewert, R
Singh, LM
Wang, Z
Whish-Wilson, PS

Cameron, DN
Collins, JMA
Dastyari, S
Hanson-Young, SC
Lambie, J
Lines, S
Ludwig, JW
McAllister, J
McKim, NJ
Moore, CM
ONeil, DM
Polley, H
Rice, J
Simms, RA
Urquhart, AE
Waters, LJ
Xenophon, N
Senator Bilyk did not vote, to compensate for the vacancy caused by the resignation of Senator Ronaldson. Question agreed to.

**DOCUMENTS**

Commonwealth Scientific and Industrial Research Organisation

Order for the Production of Documents

Senator WATERS (Queensland—Co-Leader of the Australian Greens) (15:49): I move:

That there be laid on the table, no later than 9.30 am on 3 March 2016, the following documents held by the Commonwealth Scientific and Industrial Research Organisation (CSIRO), or the Minister representing the Minister for Industry, Innovation and Science, relating to the restructuring of the CSIRO Oceans and Atmosphere division:

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

(b) documents from November to December 2015 demonstrating the consultation that was undertaken with the Oceans and Atmosphere Flagship Research Program Leaders in preparing the above briefing;

(c) any written communication from Dr Alex Wonhas or Dr Larry Marshall to the CSIRO Oceans and Atmosphere division subsequent to the briefing mentioned in paragraph (a) requesting a proposal for more extensive restructuring;

(d) documents from January 2016 demonstrating any consultation that was undertaken by Dr Lee with the Oceans and Atmosphere Flagship Research Program Leaders in developing the proposal for more extensive restructuring;
(e) all written communication from December 2015 until the present between the CSIRO Oceans and Atmosphere Flagship and either Dr Wonhas or Dr Marshall in relation to any proposed more extensive restructuring including:

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

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

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

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

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

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

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

(j) any written communication between Dr Marshall and CSIRO staff concerning clean coal technology from November 2015 until the present.

Question agreed to.

MOTIONS

Breastfeeding

Senator MOORE (Queensland) (15:50): I, and also on behalf of Senator Siewert, move:

That the Senate—

(a) acknowledges Australia's National Breastfeeding Hotline which:

(i) provides invaluable advice to 80,000 mums every year, and is run at an extremely modest cost to taxpayers due to the fantastic work of hundreds of volunteer counsellors who answer up to 6,000 calls every month, and

(ii) requires long-term funding to provide certainty for this vital service for Australian mums; and

(b) notes that:

(i) the benefits of exclusive breastfeeding requires strategies to share maternal lactation costs more widely, such as additional help with caring for children, enhanced leave and workplace lactation breaks, and suitable child care, and

(ii) although the World Health Organization recommends babies are exclusively breastfed for the first 6 months of their life, by 3 months of age, 60 per cent of Australian babies are getting some formula milk.

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (15:50): by leave—The Australian government recently approved continued funding to the national breastfeeding hotline for 12 months from 1 July 2016 and continues to have discussions with the Australian Breastfeeding Association regarding longer term funding. There is very strong evidence that breastfeeding gives babies the best start in life and provides lasting health benefits. It also helps mothers recover faster from pregnancy and reduces the risk of breast and ovarian cancers later in life.
The toll-free 24-hour telephone helpline provides breastfeeding information and peer support for mothers and their families. This can be especially important for women and babies in rural and regional Australia, who can get the information and advice they need without travelling long distances. Australia’s dietary guidelines recommend exclusive breastfeeding of infants until six months of age, with introduction of solid foods at around six months and continued breastfeeding until the age of 12 months and beyond if both mother and infant wish.

Question agreed to.

**Agriculture Exports**

**Senator WILLIAMS** (New South Wales) (15:51): I move:

That the Senate notes that:

(a) the 162 members of the World Trade Organization have agreed to end agricultural export subsidies;

(b) over time, these countries will no longer have the right to subsidise their agricultural exports, which will make Australian farmers more competitive in markets such as meat, dairy, sugar and wine;

(c) Australia has a reputation for producing clean green produce and is developing strong markets amongst Asia’s growing middle-class, following trade deals with three of our four largest export markets;

(d) Australia’s exporters have been benefiting from the Japan-Australia Economic Partnership Agreement since its entry into force in January 2015 – in the 2015 calendar year, when compared to 2014, fresh/chilled beef export values increased by 22 per cent as tariffs fell from 38.5 per cent to 31.5 per cent; tariff falls from 12.8 per cent to 7.6 per cent saw Valencia orange exports up by 35 per cent; and export sales of fresh table grapes and shelled almonds increased more than ten-fold as their tariffs dropped from 7.8 per cent to 5.9 per cent (in season), and 2.4 per cent to zero, respectively, and over the same period, large bulk wine exports doubled as the tariff was completely removed, and export sales of rolled oats were up more than 50 per cent;

(e) Australia’s exporters are also making the most of the Korea-Australia Free Trade Agreement, also in force for more than a year – in the 2015 calendar year, when compared to 2014, exports of shelled macadamias more than doubled as the tariff was reduced twice from 30 per cent to 18 per cent; export values for chipping potatoes jumped 64 per cent when a seasonal tariff dropped from 30 per cent to zero for the December-to-April Australian growing season, fresh beef export values to Korea increased by 37 per cent, frozen beef was up 30 per cent, and bottled wine jumped by 54 per cent, as tariffs on those products fell, and other export products to see significant growth included navel oranges, and fresh asparagus;

(f) to complete the trifecta, exporters to China are capitalising on the two tariff cuts that have already taken place under the China-Australia Free Trade Agreement since 20 December 2015, which the National Farmers Federation previously estimated may save Australian farmers up to $300 million in 2016 alone; and

(g) the Australian Government is ensuring access to premium overseas markets is maintained and enhanced with the appointment of a further five agricultural counsellors in Vietnam, Malaysia, Saudi Arabia, China and Thailand which are worth close to $14 billion to our exporters.

Question agreed to.

**Child Poverty**

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (15:52): I move:
That the Senate—
(a) notes that:
   (i) after in-depth discussions with over a thousand young people and a national survey of 5,400 young people, the final report of the Australian Child Wellbeing Project found that of young people in years 4, 6 and 8:
      (A) between 20 and 25 per cent worry that someone close to them will not have enough to eat,
      (B) 10 to 20 per cent sometimes go to bed hungry because there is not enough food at home, and
      (C) more than 2 per cent often or always go to bed hungry, and
   (ii) the Australian Council of Social Service estimates that 17.7 per cent of children live below the poverty line; and
(b) calls on the Australian Government to adopt a comprehensive anti-poverty strategy, including measures to combat child poverty.

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (15:52): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave has been granted for one minute.

Senator RYAN: The Australian Child Wellbeing Project report highlights that most children are doing well and are satisfied with their lives. Financial assistance is provided to families, including through family tax benefit, to support parents in raising their children in a way that best meets their needs. Our proposed family tax benefit savings will enable us to continue to support those most in need, including working families, low-income families and single parents, while ensuring our family payments system remains sustainable in the long term. In addition, both federal and state governments provide funding to support school breakfast programs Australia wide to ensure students receive a wholesome, nutritious breakfast on a regular basis.

Question agreed to.

Coolcalalaya Station

Senator MUIR (Victoria) (15:53): I move:

That the Senate—
(a) notes that:
   (i) the Lane family has transformed Coolcalalaya Station into:
      (A) a holiday destination for thousands of families each year,
      (B) a property with tourist infrastructure, such as a licensed restaurant, campgrounds, accommodation and hundreds of kilometres of 4WD tracks, ranging from scenic to challenging,
      (C) a location that now hosts local events which draw tourists into the region from all over Australia,
      (D) a location used by schools located in the midwest of Western Australia for school camps, and
      (E) a retreat where service members suffering mental health issues can stay free of charge to help with their recovery,
   (ii) the Lane family has also built an off-road driver training business based around this property that:
      (A) teaches the ethics and responsibilities in relation to off-road driving, and

CHAMBER
(B) delivers nationally-accredited training via local technical and further education to: the general public, the Western Australia Department of Agriculture and Food, and State Emergency Service volunteers,

(iii) on 15 September 2015 the family was advised from the Pastoral Land Board that they needed to cease trading immediately and remove all possessions and all trace of their business by 30 June 2016, and

(iv) the Lane family state that they have the support for their activities from: members of the local Indigenous community, Northampton Shire, the Federal Member for Durack (Ms Price), the state Member for Geraldton (Mr Blayney), the state Member for Pilbara (Mr Grylls), the state Member for Moore (Mr Love), and the Western Australian Deputy Premier (Ms Harvey); and

(b) calls on the Federal Government to:

(i) acknowledge the positive social and economic benefits the Lane family contributes to their local community, and

(ii) request Western Australian coalition senators to contact Mr Redman MLA and ask that he grant a section 91 licence to allow the Lane family to remain at Coolcalalaya Station while the issues surrounding the general lease application are resolved.

Senator MOORE (Queensland) (15:53): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave has been granted for one minute.

Senator MOORE: Pastoral leases are entered for a very modest sum by state governments for purposes of grazing livestock. Generally pastoralists are allowed small-scale tourist activities to augment pastoral income. There are difficulties in allowing pastoral leases to take on large-scale activities in tourism and other industries. Other operators in the region who need to buy or lease land commercially argue that pastoralists would have an unfair advantage and that, if public lands are going to be used for that purpose, all operators should have the right to compete. The state minister is obviously having to take into consideration the precedent this would set for the other 500-plus pastoral leases in WA. The kind of change to the use to pastoral land suggested in this motion is best done on a regional basis, such as was done on the Ningaloo coast, where some tourism concessions were made available for pastoralists.

Question negatived.

Taxation

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (15:55): I move:

That the Senate—

(a) notes that the assertions by:

(i) the Assistant Treasurer (Ms O'Dwyer) that reforming negative gearing and capital gains tax concessions would force up house prices, and

(ii) the Prime Minister (Mr Turnbull) that reforming negative gearing and capital gains tax concessions would force down house prices; and

(b) calls on the Government to clarify which house price scare campaign it wishes to proceed with.

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (15:55): Mr Deputy President, I seek leave to make a short statement.
The DEPUTY PRESIDENT: Leave has been granted for one minute.

Senator RYAN: This motion is a ridiculous stunt and will not be supported by the government. Labor wants to rip away a once in a lifetime opportunity for families to get ahead by investing in a property. Around two-thirds of those who declared a net rental loss in 2012-13 had a taxable income of $80,000 or less and 72 per cent of claims were a net rental loss of $10,000 or less. There are 10 times more negative-gearers who are nurses, teachers and Defence Force personnel than those who are surgeons and anaesthetists—more than 100,000 claimants compared with fewer than 10,000. Under Labor, investors accessing negative gearing will now only have the option of going to the new home market and, if they happen to be a first home buyer, they will be competing with all of them.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (15:56): Mr Deputy President, I also seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave has been granted for one minute.

Senator LUDLAM: Senator Ryan, I acknowledge that this motion is somewhat tongue in cheek but the issue is extraordinarily serious. Senator Ryan has just done a game on his colleagues in the other place from the Prime Minister down. Any time questions around concessions for housing, housing affordability or homelessness—any of the issues that the opposition have raised and any of the issues the Greens have raised—are brought to the floor of this chamber or the other you step up for investors—families, mums and dads, but always for investors. You have no way of seeing the situation through the eyes of people who are homeless or renting, the entire generation who have been priced out of affordable housing. You just did it again, Senator Ryan. You had a perfect opportunity to tell us that you actually care about housing affordability and that you intend to do something about it, but you will not and that is why you are losing this debate. It is time you told us what your plans are for housing affordability.

The DEPUTY PRESIDENT: The question is that general business notice of motion No. 1050 be agreed to.

The Senate divided. [16:01]

(The Deputy President—Senator Marshall)

Ayes ....................32
Noes ....................27
Majority ...............5

AYES

Brown, CL
Cameron, DN
Collins, JMA
Di Natale, R
Hanson-Young, SC
Lambie, J
Leyonhjelm, DE
Ludlam, S
Madigan, JJ
McEwen, A (teller)
McLucas, J
O’Neill, DM

Bullock, JW
Carr, KJ
Dastyari, S
Gallagher, KR
Ketter, CR
Lazarus, GP
Lines, S
Ludwig, JW
McAllister, J
McKim, NJ
Moore, CM
Peris, N
Senator Urquhart did not vote, to compensate for the vacancy caused by the resignation of Senator Ronaldson

Question agreed to.

Immunisation

Senator DI NATALE (Victoria—Leader of the Australian Greens) (16:04): I move:

That the Senate notes that:

(a) in the past 20 years, Australia has an excellent record of achievement in the prevention of disease through immunisation;

(b) in the most recent annual data records (2012), there were 1,897 adverse events following immunisation;

(c) a no-fault vaccine injury compensation system would provide critical cover for those exceptionally unfortunate instances where a patient experiences an adverse event with a vaccination;

(d) nineteen other countries, including the United Kingdom, the United States of America and New Zealand, have a no-fault vaccine injury compensation system, and such a scheme would enable Australia to compensate the families where there is this extremely rare instance of long-term vaccine injury; and
(e) high rates of immunisation reflect public trust in its benefits, and such trust would only be strengthened by the knowledge that the community will look after the few unfortunate casualties of a highly successful immunisation program.

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (16:04): I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator RYAN: The government is currently in negotiations with the states and territories on the establishment of a National Injury Insurance Scheme, a federated model of separate state-based no-fault schemes that provide lifetime care and support for people who have sustained a catastrophic injury. This is as recommended by the Productivity Commission in 2011. One stream of work in these negotiations is discussions to provide cover for medical accidents, where issues such as causality and the scope of such cover will be elements of the negotiations.

Question negatived.

DOCUMENTS

Infrastructure Investment Program

Order for the Production of Documents

Senator McEWEN (South Australia—Opposition Whip in the Senate) (16:05): At the request of Senator Conroy, I seek leave to amend general business notice of motion No. 1026 standing in his name for today, concerning an order for the production of documents relating to the communications campaign funded from within the Infrastructure Investment Program.

Leave granted.

Senator McEWEN: I amend the motion by omitting ‘3.30 pm on Tuesday, 1 March 2016’ and substituting ‘3.30 pm on Tuesday, 15 March 2016’. I move the motion as amended:

That there be laid on the table by the Minister representing the Minister for Infrastructure and Transport, no later than 3.30 pm on Tuesday, 15 March 2016, the following documents in respect of the $18 million ‘communications campaign’ funded from within the Infrastructure Investment program, as referred to in the 2015-16 Mid Year Economic and Fiscal Outlook (MYEFO) released in December 2015:

(a) all correspondence, including emails and attachments, between officials of the Department of Infrastructure and Regional Development and any of the following ministers and/or staff in their offices:

(i) the Prime Minister,
(ii) the former Prime Minister (Mr Abbott),
(iii) the Minister for Regional Development,
(iv) the Minister for Infrastructure and Transport,
(v) the former Deputy Prime Minister and Minister for Infrastructure and Regional Development (Mr Truss),
(vi) the Treasurer,
(vii) the former Treasurer (Mr Hockey),
(viii) the Minister for Finance,
(ix) the Minister for Industry, Innovation and Science and Leader of the House, and
(x) the former Minister for Education and Training and Leader of the House (Mr Pyne);
(b) all correspondence, including emails and attachments, addressed to or from the Service Delivery and Coordination Committee;
(c) documents showing how the campaign will be funded;
(d) all documents held by the General Manager, Communications and Parliamentary, Corporate Services Division in the Department of Infrastructure and Regional Development or her direct reports;
(e) all correspondence, including emails and attachments, between officials of the Department of Infrastructure and Regional Development and external parties, including but not limited to Mitchell & Partners Australia Pty Ltd and the Wallis Consulting Group, dated 1 January 2015 or after; and
(f) any other documents held by officials of the Department of Infrastructure and Regional Development which refer to the infrastructure 'communications campaign' mentioned in the MYEFO.

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (16:06): I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator RYAN: The advertising campaign for the Infrastructure Investment Program will increase knowledge amongst Australian road users of the need for investment in transport infrastructure. Research undertaken by the Department of Infrastructure and Regional Development shows that 85 per cent of people want to receive information about the Australian government's investment in this area. The campaign will go through the proper channels before rollout and is subject to the government's guidelines and independent scrutiny by the Independent Communications Committee. Government advertising expenditure has been lower since the coalition was elected in 2013, and I note that during the 2013 campaign the previous government ordered the Department of Finance and Deregulation to run an advertising campaign, contrary to longstanding caretaker conventions.

The DEPUTY PRESIDENT: The question is that general business notice of motion No. 1026 be agreed to.

The Senate divided. [16:11]

(The Deputy President—Senator Marshall)

Ayes ....................36
Noes ....................27
Majority ...............9

AYES

Brown, CL
Cameron, DN
Dastyari, S
Gallacher, AM
Hanson-Young, SC
Lambie, J
Leyonhjelm, DE
Ludlam, S
Madigan, JJ
McEwen, A (teller)
McLucas, J
Muir, R
Peris, N
Rhiannon, L

Bullock, JW
Carr, KJ
Di Natale, R
Gallagher, KR
Ketter, CR
Lazarus, GP
Lines, S
Ludwig, JW
McAllister, J
McKim, NJ
Moore, CM
O'Neill, DM
Polley, H
Rice, J
Senator Urquhart did not vote, to compensate for the vacancy caused by the resignation of Senator Ronaldson

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Taxation

The DEPUTY PRESIDENT (16:13): The President has received the following letter from Senator Moore:

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

Prime Minister Turnbull's failure to be upfront about his tax plans.

Is the proposal supported?

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

The DEPUTY PRESIDENT: I understand that informal arrangements have been made to allocate specific times to each of the speakers in today's debate. With the concurrence of the Senate, I shall ask the clerks to set the clock accordingly.
Senator CAMERON (New South Wales) (16:13): Thank you, Mr Deputy President. I am pleased to speak on this debate. I want to bring the Senate's attention back to what Prime Minister Turnbull said when he was sticking the knife into the then Prime Minister, Tony Abbott. He said:

Ultimately, the Prime Minister has not been capable of providing the economic leadership our nation needs.

... ... ...
... we need a different style of leadership.
We need a style of leadership … that respects the people's intelligence, that explains these complex issues and then sets out the course of action we believe we should take …
We need to respect the intelligence of the Australian people.

... ... ...

We need to restore traditional Cabinet government. There must be an end to policy on the run and captain's calls.
That was Prime Minister Turnbull on 14 September 2015. For a time, we did get a change of style, but not much else—and nothing on the issue of taxation. Never has a government been so ill prepared for an election on the issue of taxation as the Turnbull government is. We know that, according to the Turnbull government, according to the Treasurer, there were no discussions on changes to the taxation system while the former Prime Minister, Tony Abbott, was in power. So nothing has been being done on taxation—absolutely nothing. We have seen no economic leadership—absolutely no economic leadership.

How can Prime Minister Turnbull talk about respecting people's intelligence, when he attacks the Labor Party's sensible proposals on negative gearing and capital gains tax, saying they will smash housing prices? That was a scare campaign that really did not get off the ground. It was a scare campaign that was torpedoed by the Assistant Treasurer, Kelly O'Dwyer, who the other week said that Labor's policy will increase the cost of houses for all Australians. So, on the one hand, you have the Prime Minister saying our policy will smash housing prices and, on the other hand, you have a cabinet minister saying it will increase the cost of housing. That does not add up, and this is what happens when you do not have a well-thought-through policy, this is what happens when you resort to scare campaigns and this is what happens when you are not delivering on the promises you made when you became Prime Minister.

The style of leadership changed, but the policies did not change. Did we see a respect for people's intelligence? No, we did not. We got another scare campaign. Instead of a three-word slogan, we got a four-word slogan. That is all we got from Prime Minister Turnbull. Did Prime Minister Turnbull, as he said he was going to do, when he put the knife into former prime minister Tony Abbott, actually explain the complex issues? No, there was not a word of explanation. He did not go near any of the complex issues and try to explain them. He just ran a scare campaign. I do not know if he has restored traditional cabinet government, but, if he has, it is not a very effective cabinet government, the Prime Minister and Assistant Treasurer Kelly O'Dwyer could not get their lines right about whether house prices would be smashed or go up.
Prime Minister Turnbull did say he was going to end captain's calls, but he made a couple of captain's calls during question time responses that that the back bench scratching their heads and left the extreme right of the Liberal Party out in rebellion against any changes to the capital gains tax system and any changes to negative gearing. And yet this is a policy that is in place. This negative gearing policy costs the budget between $3 billion and $6 billion, depending on how it is calculated.

What we as the Labor opposition have managed to do is kill the biggest attack ever on families in this country; that was an increase to the GST. The coalition just ran away from the argument. We did not get an argument that there would be a respecting of people's intelligence. We did not get an empty policy on the run. They just cut and ran from the GST. The coalition cut and run. They did that because they have to accept what we have been arguing for some time—that the GST hurt those who were the poorest in the country the most. Yet we have this issue of negative gearing when we have a housing crisis in this country; when young families cannot afford to get into housing—they just cannot actually get a deposit to get into housing—because the costs are so high; when homelessness is a huge problem in this country; and when health and education are being hammered, with $80 billion taken out of the health and education budgets by the Abbott government's first budget in 2014-15, that budget that Labor stood against, saying, 'We are not prepared to have ordinary families absolutely decimated under that budget.'

What that was designed to do was initiate a debate on tax, where the debate would focus on the GST and the state governments, because they would be starved of money for health and education and they would be forced to argue for a GST. Well, that worked until the fact came out that the GST was an unsustainable attack on ordinary families.

I go back to negative gearing. Apart from the conflicting views we have had from the Prime Minister and the Assistant Treasurer, leading economists such as Chris Richardson, Saul Eslake and John Daley have endorsed Labor's policy. Chris Richardson said that the policy 'has the potential to help provide better outcomes for all Australians'.

I know that out in the western suburbs of Sydney, where I spend a lot of time, a tarted up fibro, ex-housing-commission home is $930,000—on the outskirts of Parramatta! How does this line up with housing affordability? It is an absolute disgrace. It is about $1.3 million, $1.4 million to get a newer home in the western suburbs of Sydney. How does this make housing affordable? What we have said is that you cannot just look after the white-shoe brigade; you cannot just look after the rich investors; you cannot simply look after those that fill the election coffers of the coalition. You have to look after ordinary Australians so that they get a fair go against the investors with four, five, six or seven homes and up to 30-odd houses in their portfolio.

When you can go down to the bank and get a million-dollar mortgage, as some young professionals can, how does that fit with a blue-collar worker with one income trying to get a house anywhere in the Sydney basin? It just is impossible. One of the problems has been negative gearing, and it is a problem that this government has had absolutely no courage to deal with. It has reverted back to sloganeering. It has not looked at the economics. It has not accepted that we need a decent tax policy and that we need to help young people get into houses in this country. (Time expired)
Senator IAN MACDONALD (Queensland) (16:24): I hope that, in making a speech on negative gearing, Senator Cameron has talked to some of his colleagues in the Labor Party in the Senate who, I read in the paper, take advantage of negative gearing. Perhaps that is why he is such an expert; he has had some discussions with them. But I always find it difficult to follow Senator Cameron in a debate, because how do you argue that Snow White was not pure? How do you argue against a fairy story? What you heard from Senator Cameron today—and often—is pure fantasy.

I have been around this parliament for a while, and the only piece of serious taxation reform that has ever been introduced into this parliament in the long time I have been here has been introduced by Liberal-National Party governments. In 1998, 2003, 2004, 2005, 2006 and 2007 the coalition cut general taxes for everyone. We also abandoned Labor's carbon tax and mining tax. We are the party of reduced taxes—of lower tax—and more sensible government spending. The Labor Party are all about just taxing, taxing and taxing.

I was in this parliament before an election that the Labor Party thought they were going to lose. They legislated—the one time they did legislate—for tax cuts for the general taxpaying population. They actually legislated for it. Unexpectedly, they won the election, and the first thing they did in the new parliament was repeal the legislation that they had passed a couple of months earlier. So how can anyone have any credible thoughts about the Labor Party when it comes to taxation and economics? We all know that the binding tax introduced by the self-appointed 'world's greatest Treasurer' was a tax that raised no money. That is the extent of the Labor Party's taxation involvement.

I keep saying—and nobody has been able to prove me wrong—that there is only one coalition person who ever mentioned the 15 per cent GST, and that was me when I made public to the Treasurer that I would not be supporting it, for reasons I mentioned then. The only other people I heard talking about the 15 per cent GST were Labor politician after Labor politician—a Labor Premier of South Australia. So I just cannot understand how Senator Cameron could come in here and deliver a fairy story about taxation and economic reform and expect anybody to believe him.

The GST had to happen in Australia. It was not always popular—it was a very difficult thing to do—but it was needed. We did not just promise it. We took it to an election and said to people: if you elect us, this is what is going to happen. It will be good for the country. It will be good for you. But, most importantly, it will be good for your kids and grandkids—and Australia supported us. We had a mandate and we introduced it. But, in the months leading up to that election on the GST, the Labor Party slammed the GST and said: we will abolish this should we get into power. That was Labor's policy: abolish the GST. Now, as things would happen, Labor eventually got into power. Did they abolish the GST? Did they take any steps at all towards abolishing the GST? They just took the money and ran and talked about increasing taxes even further. They have no credibility whatsoever in relation to taxation.

The Australian voters are not mugs. The Labor Party are not mugs either, I have to say. If you talk to anyone seriously, they say: we love having Labor there because they spend all this money. They do things that we think we will benefit from. Then we suddenly work out that it is costing us money, so we know that we have to elect Liberal-National Party governments so that the economy can get back on track yet again. It is a common saying. It is what they talk
about at barbecues: we give Labor a go every now and again. They get a new leader who looks different, like Mr Rudd—

Senator O'Sullivan: Ms Gillard.

Senator IAN MACDONALD: I am trying to think of the new member of the Senate who has just entered the chamber. They have attractive looking—

Senator Payne: It's Senator Gallagher.

Senator IAN MACDONALD: Senator Gallagher, thank you. I keep confusing her, because I get the pronunciation wrong, with Senator Alex Gallacher. Senator Gallagher looks good. She had some wins, apparently, in the ACT. But you need more than people who look good like Mr Rudd. People liked him, they responded to him, but they quickly saw that he was just another Labor leader and, as soon as was possible, the people of Australia got rid of him.

I want to make this point yet again, as I often do: people say, and the Labor Party says, the government should spend this, the government should spend more and more. I keep saying to people the government does not have any money at all. The government does not spend money. The government just uses taxpayers' money, and taxpayers, strangely enough, never want to give us more money to spend. This is the conundrum that unfortunately the Labor Party never understand. The suggestion of Labor having good economic management is nothing but a fairy story, and I know that most people of Australia understand that.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (16:31): I think the government's problems on this tax reform debate, indeed the government's problems under its former Prime Minister Tony Abbott, can be sheeted home to the simple proposition that really is its underlying philosophy. That proposition is this: this government, consistent with their philosophy, want to reduce taxes—income taxes, corporate taxes—and the cost of doing that is that we then do not have the revenue to fund essential services, things like health care, education, or to fund vital public infrastructure. The simple proposition that this government is putting forward to the Australian community is: 'We want to lower taxes. It is a pretty simple equation. The cost of doing that is that we won't be able to afford the current healthcare system and education system you enjoy.'

The government need to use all sorts of language around budget emergencies, how the country is going to rack and ruin and how we are on the same path that Greece is on and so on because, in order to justify that proposition on taxes, they need to ensure that the Australian community is adequately scared into supporting this vision. It is what they tried to do with the 2014 budget. They softened people up. We had a budget emergency. Things were worse than Greece. We needed to take drastic action. So the 2014 budget was handed down, and it reflected those priorities. There have been all sorts of commentaries and analyses about why that budget failed so dismally—that it was poorly sold, it was misunderstood and so on—but they totally miss the point. That budget was very clearly understood by the Australian community. They understood what this government was trying to do—that is, to erode our tax base, and the consequence of that was Medicare co-payments, money ripped out of schools, money ripped out of hospitals, slashing income support for young people who cannot find a job. And do you know what? The Australian community rejected it. They rejected it outright. They said to this government, 'We don't support where you are trying to take us.'
And that is the problem with where this tax reform debate has got to. We have a government that have tied themselves up in knots. We know what they would like to do, but they are simply unable to do it because the Australian community have said very loudly, very clearly: 'We don't like it.' The government do not have the courage to run an argument that says, 'We think that we should lower taxes and we think that the cost of that should be that we do not fund the services that we currently fund in the same way.' That is why we have this nonsense about healthcare spending being unsustainable. Healthcare spending is only unsustainable if you choose it to be. If you pay for it, it is sustainable. If you invest in education, it is sustainable. How is it that you can have a two per cent target for Defence spending, and yet our current spending on health care is unsustainable? It is a nonsense argument.

The problem that this government have is that there is a profound lack of honesty in what they are trying to prosecute when it comes to their debate around tax reform. They need to have a bit of courage. They need to recognise and come clean with the Australian people. Our view around tax reform is very, very simple: yes, we do believe in raising revenue to pay for things like health care and education. One way to do it is to end those unfair tax breaks that exist within the tax scheme. We do think it is important to fund infrastructure—we want to build up Medicare, we want to invest more in public schools—and if the cost of that is ending these are unfair tax breaks, then let us do it.

One of the other objectives of tax reform is to do something around that huge and growing gap between the rich and the poor in this country. That is a real issue. We have growing income inequality in Australia, and it is corrosive in all sorts of ways—not the least of which is that it is a huge drag on the national economy. And by ending those unfair tax breaks within the property market and within the supermarket and so on, we can do something about that growing level of income inequality. Tax reform should be about taxing externalities. That is why we support a price on carbon. In fact, things like an increase in the tobacco excise is also part of that. And of course getting money moving in the right places, boosting productivity. There is nothing productive about parking money in the property market, within super and so on in an effort to minimise the amount of tax that you pay. That is why the Australian Greens have been leading the debate on negative gearing. More than a year ago we put out policies on that front, on superannuation and of course ending huge subsidies for the fossil fuel industry. A bit of courage and vision, that is what you guys need.

Senator LINES (Western Australia) (16:36): You would be forgiven for thinking the song I Don't Like Mondays by the Boomtown Rats might be the PM's favourite song—it is certainly a song that has become synonymous with the kinds of gaffes that he seems to make on Mondays that then continue for the rest of the week. Last Monday's I Don't Like Mondays gaffe was on the capital gains tax. Was it in, out, off or on the table? The Prime Minister said in the parliament last Monday:

... increasing capital gains tax is no part of our thinking ...

That is what he said last Monday. But, as we all know now, within hours of making that statement it was not the backbenchers this time but the Prime Minister's own office in damage control telling journalists, 'Oh no; the government is still considering the capital gains tax.' Then, if we were in any doubt about what was being considered—what was on or off the table, in or out—that was confirmed later when the talking points on the capital gains tax
were leaked from the Prime Minister's office, saying capital gains tax is still being considered. I do not know how you can have your own office contradicting what you say. You would think that if they went into damage control they might back the Prime Minister in, but they did not. They came out and contradicted their own boss. That is extraordinary.

Again, thinking of the Boomtown Rats and I Don't Like Mondays, Monday this week has not got off to a very good start either, because today in the news we had the Prime Minister's own department voting down their enterprise bargaining agreement. Why are they doing that? They have done it overwhelmingly, not once but twice. Twice now they have voted it down, because the public servants in that department, the Prime Minister's department, just like Australian voters, can smell a rat. They have certainly smelt a rat on what is fair and what is not. The agreement that has been voted down seeks to take their rights away, which is what the Turnbull government wants to do to ordinary Australians—make life harder. That is what they are doing, so public servants in the Prime Minister's own department, this Monday, have said, 'We do not like that deal and we voted it down.'

The Turnbull government usually demonises the CPSU—'It's all the union's fault.' We have not heard that yet, but it is very difficult to do that when it is your own department that has voted the agreement down. When the Prime Minister walks through that department maybe he scurries through with his head down, when significant numbers—I think 68 per cent—voted that agreement down. It has been universally knocked off by the PM's own department, so I doubt that we will hear the usual union sledging that goes on that somehow it is the CPSU's fault when in fact, today, public servants in the Prime Minister's own department have voted it down.

That is another bad start to the week. Certainly the Prime Minister's department, those hardworking public servants, like Australian voters, are just looking for a fair deal. They want to see a government that proposes fairness in their system, but that is not going to happen with this government, because it is only interested in the big end of town, not ordinary, hardworking Australians.

Then we have that debacle by the poor old Treasurer, who now, I think, is missing in action. He has not said much out in public recently. There was that appalling National Press Club speech, almost on the eve of his budget, when he should have had a clear idea of what he was going to say; what was on the table and off the table; what was being considered and what was not; except that a few days before that, because of public pressure and pressure from the Labor Party, the GST was finally ruled off the table by Malcolm Turnbull. Remember that day: the Prime Minister said the GST was off the table, then we had one of his own ministers, Senator Cash, saying that actually it was on the table. Again we have a cabinet minister and the boss, the Prime Minister, saying completely different things.

I think the only group you can believe, whether you like their policies are not, are the backbench, because when they say things it seems to work. We seem to have reviews of the Safe Schools programs; we seem to have all sorts of things happening when the backbench speak. I think the Turnbull government is being ruled by the backbench, so let us see what the backbench are saying about tax policy, because that will give us a much clearer idea of what is in and what is out, what is on the table and what is off the table, from the backbench. The backbench is out there today, and I think they were out there even last week, agitating around negative gearing. We know some of the backbenchers, like many of us in this place, have
negatively geared properties. I put on the public record last week that that includes me, but I think Labor's policy on negative gearing is a good one. It is a sound one. But what you will hear from those opposite is just a trashing of that policy. They are trying to scaremonger. Despite the Prime Minister saying that three-word slogans were out and we would now have considered debate and somehow consult with the Australian people—the Australian people like Labor's policy on negative gearing, which grandfathers existing properties and looks at new properties into the future, despite what you will hear from those opposite, because they have never, ever let the facts get in the way of a good story.

Mr Morrison, the Treasurer, has now been left with just looking at far more modest measures. That is really how he has to define his budget. When the backbench have finished within, I am sure it will be even more modest, because the backbench, as I understand them, do not want any change, so I doubt that we will have any change, because they are the ones who are accurate.

Mr Turnbull has made many comments. He had that wonderful desire to do something about bracket creep. We have not heard the backbench talk about bracket creep, so I am not quite sure the view of the Turnbull government is, but certainly he was immediately contradicted by the finance minister, who said that bracket creep, apparently, was not the problem that it used to be. Yet it was a signature part of the Treasurer's rhetoric in his conversations until and even at the National Press Club, where I think he mentioned bracket creep, although I would be happy to be corrected.

Senator Gallagher: Two weeks is a long time.

Senator LINES: Thank you, Senator Gallagher—two weeks is a long time, but I think we can rely on information from the backbench. That is where policies are going. Certainly, the Treasurer has said that investor tax concessions were being looked at very carefully. He said he would not do anything crazy. That is relief—I guess we would all think that was a good thing. So no crazy things, although I am not quite sure what his definition of crazy is, because their first budget after being elected was crazy. That, along with three-word slogans, brought down the Prime Minister.

But again, it is very confusing because apparently we brought down the Prime Minister because he was not really doing the job; yet when we look at the new Prime Minister, Mr Turnbull, he seems to be just lining up with the old policies. I am not quite sure why we changed Prime Minister, because we have got a new Prime Minister who up until last week did not use three-word slogans but he tried that last week in the parliament and failed dismally. He tried to invoke his inner Mr Tony Abbott and it did not really work for him that well, even though he still supports all of those policies. I am not quite sure even where we are up to with the old three-word slogans.

Apparently, the Treasurer said that there were excessive excesses with the GST, and now today we have seen the Prime Minister and the Treasurer not being able to name any. Goodness me, this is shocking. This is tax policy led by the backbench and the media. There is no clear, coherent plan. Those in the know are now saying the only party that has got coherent policy out there around tax is Labor—of course, we have. But we have been our consulting; we have got good policy on the table. (Time expired)
Senator BACK (Western Australia) (16:46): At some time in the second half of this year, the Australian people will have to make their minds up about who they trust to manage our economy into the future. It is a critically important question at any time, but especially so now as we have the black clouds hanging over the world economy. The next five to six years are going to be very difficult for this country, this region and the world generally. This is the reason why the Turnbull government is consulting widely, taking advice from every sector and not rushing precipitously into decisions.

The contrast is clear, and that contrast is with the alternative: the Labor government of the last six years. It was a government that was not able to carefully consider options and a government that was not able to stand back to consult widely from broad, cross-section of the community before they made their precipitous decisions and set about destroying what was a very, very sound economic circumstance in this country. That was one of no net debt, no deficits and cash in the bank.

Let me just reflect on a couple of those quickly, like the Gillard memorial halls. That, as we know, largely wasted around $16 billion of expenditure. There was a circumstance in Victoria where by the time the money actually came to be spent there was not a need to do it, but they could not claw it back. There was a circumstance in New South Wales where we know there was fast overcharging of poor quality properties, where schools had the situation of classroom blocks being knocked down to put temporary classroom blocks in place that were inferior. We had to—through the exercise of the committee of which I was a member—organise Mr Brad Orgill and his group to do an in-depth evaluation, in which he came up with the failure of what was a precipitously organised program.

I then move to the mining tax, a tax which excluded Mr Martin Ferguson—probably the only person on that side who had any knowledge at all of the resources and energy sector—from a series of negotiations with major miners. They were told by this side and by people in the community generally that the mining tax would earn no net income at all—and it did not. Companies paid millions of dollars to be able to prove they would not be paying the tax. But worse than that, Mr Swan—the then world's best Treasurer—made the estimate as to how much money he would make from this mining tax and then spent it. As time went on, we knew very well that the mining tax would make no money and that it would cost more. Imagine a tax, even from a Labor government, that actually cost more than it brought in. So then we had a circumstance where it had to be reversed. I could go on further: pink batts. I could talk about the vehicle leasing scheme, et cetera.

Now, I turn to the latest of the failed examples of poor planning by an incompetent group, which is now in shadow ministry, and that is negative gearing. The property sector is the largest sector in the nation: it accounts for 11½ per cent of our national wealth and it creates more than 1.1 million jobs in this economy, more than mining and manufacturing combined. Understand that there are some 840,000 Australians with taxable incomes below $80,000 a year who negatively gear property. That includes, let me read them out: 530,800 teachers; 52,000 retail workers; 35,900 nurses and midwives; and 200,600 hospitality workers. But understand that—because I will get to why it is such a poor policy by Mr Shorten and his group—91 per cent of the Australian community who negatively gear have only one or two properties, so we are talking about nine per cent.
Why is it such poor policy? That is because what Labor proposes would be to allow negative gearing only on new property. But what happens to that property? Whether it is purchased and built by a homeowner initially or by an investor, immediately once it is sold it ceases to be eligible for negative gearing. Therefore, this great idea of encouraging people to only negatively gear in new properties by its very definition has a very, very short time frame. So what we know will inevitably happen is that we will see a deterioration of prices in that sector, including in all of residential construction.

It was put to me on the weekend—and I do not believe it; I do not think Labor is so cynical—that residential construction, one of the biggest employers in the construction sector, is not unionised. I refuse to believe that Mr Shorten’s motive would be to try to bring down a sector simply because it is not unionised. But we know the importance of the supply to construction, the real estate industry, real estate sales industry, property management, strata management, property maintenance industries and property investment itself.

That is why the proposal by Mr Shorten and his group is a poor one. Yes, I negatively gear. Yes, inevitably what happens is that over time—if you invest wisely—your properties end up positively geared. I have two properties positively geared, so they are now net contributors to the Australian tax system. It is not just the negative gearing but the capital gains tax over time that is important. I asked a staff member from my branch office in Esperance—one who I have the pleasure of saying is here in Canberra with me at the moment—what her attitude and position is. With her permission, I will tell you. She is a single young person on a moderate income. She has a teaching qualification. She invested, initially, in a small rental property. I think she invested with another family member. To quote her: ‘I considered negative gearing to be my risk insurance. I would probably not have invested in property as a means of wealth creation if I did not have the safety net of negative gearing. The money earned of course has been saved.’ She has built equity and she is now in a position to put a deposit down on a home for herself, in Esperance. As she said, ‘I would not have built an investment property as it is stressful, time consuming and risky. But having a small, cheap, older home there waiting was easy and it created wealth.’ And she in fact is part of that numeric of teachers who have been involved in this process.

I say in conclusion that the people of Australia have got a simple choice in the second half of this year. Do they want a responsible Prime Minister who will consult widely and will use the breadth of his own business expertise over time and that of his colleagues to actually come up with tax policies that will work into the future, that will put us back into a position of surplus again, so that we can meet the black clouds that are over this country. That is who I say the Australian people need to select—not the pattern of the past, that we had a Labor government that followed on from the Keating government, which built-up $95 billion of debt, and now we have about $600 billion of debt.

I finish with the comment by Senator Scott Ludlam today about affordable housing. I join with him, it is a critically important issue we have to solve it. (Time expired)

Senator LAZARUS (Queensland—Leader of the Glenn Lazarus Team) (16:54): The Turnbull government is in a panic at the moment, or should I say paralysis. All they seem to be worried about is how they can game the system to take control of the Senate so they can ram through legislation to force hardworking Australians to dig deeper, while multinational
companies make billions of dollars in our country and pay very little or no tax. Malcolm Turnbull is like a sparkler.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Senator Lazarus, you should refer to the Prime Minister as Mr Turnbull or as Prime Minister.

Senator LAZARUS: Prime Minister Malcolm Turnbull is like a sparkler. He was all fizz and excitement at the beginning of his leadership and now he is burnt out and we are left feeling like we are holding a smouldering stick. The only difference between a sparkler and Mr Malcolm Turnbull is that people like sparklers. Meanwhile, the Turnbull government is in paralysis. My home state of Queensland is still in drought, farmers are still taking their lives, unemployment is at record high levels and jobs are going overseas. We still do not have any water infrastructure solutions, our farms are being sold off to the Chinese; and CSG mining companies are continuing to poison our people, to contaminate our water and to destroy our farmland. There is absolutely no tax policy in sight. There is nothing in sight: no policy, no action, no ideas, no strategy—nothing. There is just a plan to take ownership of the Senate so the big end of town and other countries can take control of our country.

Prime Minister Malcolm Turnbull and Minister Morrison have repeatedly said that 'tax reform is a vital issue for the prosperity of Australian businesses and families', but they have failed to provide any solid proposals. The coalition has already announced that if they could get away with it they would hit families with an increase in the GST to 15 per cent.

Now, we have seen them flip and flop on the capital gains tax and that they are out to help homeowners, but preferably those with five homes or more. What we need in Australia is help for hardworking Australians and a policy to stop the sell-off of our country. The Turnbull government needs to stop going after people who are struggling and start going after the big end of town. We are repeatedly hearing from the Turnbull government that big companies produce jobs, wealthy investors need assistance more than the average Australian and that we need to trim the fat by going after pensioners, students, and low income earners.

What I would like to see is the Prime Minister and Treasurer stop fighting over their own lack of a strategy and stop blaming their lack of effective governance on the crossbench. The Turnbull government should get its own house in order, stop attacking Australian families and go after the multibillion dollar companies paying less tax than the average income earner. And, Malcolm Turnbull, you need to come up to the Queensland gas fields as you promised.

The ACTING DEPUTY PRESIDENT: Order! Senator Lazarus, as I mentioned you should refer to members in the other place by their appropriate titles.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (16:57): I am pleased to be able to speak to this motion moved by Senator Moore about the Prime Minister, Mr Turnbull, and his government and their collective failure to be up-front about tax plans that are going to affect every Australian. In the lead-up to an election, you would have thought they would have something a bit more coherent and a bit more concrete when it comes to the taxation system in Australia, but so far we are yet to see it.

I was pleased to note that earlier today in the chamber we did pass a tax bill in this place. That was a bit of a novelty. That was passed with bipartisan support and was intended to provide some certainty—in particular, to small business, because as we know it is small business, which is the biggest employer in Australia and has the biggest share of the economic
pie, that is most at risk from the failure of this government to develop any coherent economic or tax policy.

Since Mr Turnbull seized the prime ministership from Mr Abbott, Australians have been told repeatedly that everything is on the table with regard to tax. But it is a pretty untidy table because we have not been told what exactly is on the table. We have not been told how long anything that has been put on the table is going to stay on the table and we have not been told when there is going to be a real tax policy put on the table. Is anything that is proposed in the tax sphere by this government going to remain on the table for longer than the next Press Club statement or longer than the time until the next question time when we hear conflicting responses from government ministers, or will it be there until the next faux pas from some coalition frontbencher criticising or contradicting other government ministers.

The Prime Minister and the Treasurer, who you would have thought would have been intimately involved in this process of developing a tax policy for this country, have not been able to come to a coherent plan on tax. They have offered nothing but conflicting messages and poor salesmanship, and now they have resorted to the Abbott strategy of scaremongering about Labor's impressive tax policy that we are rolling out, in particular with regard to negative gearing and capital gains tax, taxing multinationals as they should be taxed and all the other things that we have put on the table and are leaving on the table so that the Australian people know what Labor stand for when it comes to tax. What we stand for is a fair tax system. We would not have a clue what this government stands for when it comes to tax, except looking after the big end of town.

I was talking about Mr Turnbull and Mr Morrison. Now it seems that they are barely able to talk to each other. The Prime Minister and the Treasurer in the lead-up to a federal election need to have a tax policy, but where is Mr Morrison? After the catastrophic slideshow at the National Press Club earlier in the month, Mr Morrison seems to have disappeared from the scene. We hear that the Prime Minister has outsourced development of tax policy for his government to his head of department. You would have thought by now the government would have a tax policy, but no. We hear—and it has been affirmed by some backbenchers—that there is a review of tax policy underway by Mr Parkinson. It is disturbing in the lead-up to an election that we are at this stage of developing a tax policy. But we are used to this flip-flopping.

I think I heard a senator speaking previously talking about that with regard to tax, because of course there was the whole GST saga. At one point there was going to be an increase in the GST. Then there was not going to be an increase in the GST. Then there was maybe going to be an increase in the GST. Then there was a definite no about an increase in the GST. Then Minister Cash from this place through a curveball when she appeared on Sky News and contradicted the Prime Minister by saying that the government could not rule out an increase in the GST. Well, that was not very comforting for small business or Australians, I can tell you. We had the same thing with regard to negative gearing from the Assistant Treasurer just last week, contradicting her Prime Minister. These things do not instil confidence in the people of Australia.

We need a coherent tax policy. Labor have one. I am proud of it. We will be rolling out more of it, too. The difference between Labor and this government is that we know what
needs to be done for Australia. We need a fair tax system. That is what I and my Labor colleagues will be working towards.

**Senator SMITH** (Western Australia—Deputy Government Whip in the Senate) (17:02):
This afternoon I also rise to join in on this matter of public importance submitted by Senator Claire Moore from Queensland. You have to hand it to the Australian Labor Party. When it comes to pure shamelessness, they are second to none. Labor senators have brought a motion to this parliament which accuses someone else of not being up-front about tax plans. You could not make this up if you wanted to. The party of Julia 'there will be no carbon tax under a government I lead' Gillard now comes into this chamber and complains that other people are not being up-front about their tax plans. I suppose you have to concede, though, that what the Australian Labor Party lacks in credibility on these issues it sure makes up for in pure hide.

Let's go through some of the facts. Firstly, quite contrary to claims in this motion, the government has made it entirely clear what it doing in relation to tax. The government is carefully and methodically working through the elements of the tax system and making an assessment about what changes will be most effective in providing greater incentives for Australians to work, save and invest. Once that work is complete, the government will make an announcement. That announcement will be made before the next election. That is as proper, methodical and careful as it needs to be. The people of Australia will have the opportunity to make their decision based on policy choices that are clear and that will be well known. That is the responsible approach to take.

I understand that it is an approach which is entirely foreign to the members of the Australian Labor Party, as the traumatic experience of the Rudd-Gillard government and its litany of policy disasters amply demonstrates. There is a reason the government are taking this approach. It is that experience has taught us that our approach works and that the approach of those opposite does not.

As senators will be aware, this week marks the 20th anniversary of the election of the Howard government in 1996. In its first term, that government embarked upon what the then Prime Minister described as 'the great tax adventure'. Mr. Howard said that the government would be careful and methodical in reviewing the tax system. He said that any changes would have to pass a number of basic tests. Mr Howard said that the changes must generate more employment, help boost exports and generate higher living standards. He said the tax changes must encourage risk taking and provide greater economic incentives. All of that sounds very much to me like what the current Prime Minister has been saying for the past week—that the government is committed to tax reform measures that 'will both be fair and provide greater incentives to work, save and invest'.

As we all recall, the Howard government undertook that detailed work over the course of its first term, just as this coalition government has been doing. On 13 August 1998, John Howard and Peter Costello announced a significant tax reform package. Just over two weeks later, on 30 August 1998, John Howard called a federal election for 3 October of the same year. It is a campaign I recall well, having had the privilege of being on his staff at the time. So, for all the hysteria we hear from the Labor Party in this place, it turns out that, in fact, this government is following a well-established precedent.

The coalition makes no apology for taking its time to get the detail right, because the damage that can be done by the alternative approach is one that was on full display over the
six Labor years when those opposite were in government. The Rudd-Gillard government made a good many promises on taxation, just as they made a good many promises about delivering budget surpluses. In neither case did Labor's good intentions amount to anything.

The last Labor government introduced tax increases and also abandoned income tax cuts it had promised prior to the election. That stands in marked contrast to the record of the Howard government, which announced tax cuts in 1998, again announced tax cuts in 2003, again announced tax cuts in 2004 and 2005 and again announced tax cuts in 2006 and 2007, all the while delivering surplus budgets and paying off the $96 billion in debt that had been inherited from the previous Keating Labor government.

This coalition government is now being criticised by the people who spent $80 million on a wide-scale review of the tax system, known as the Henry tax review, and then proceeded to ignore the bulk of what that review found. The Prime Minister and the Treasurer of the day, still the member for Lilley, fought between themselves over the release of that tax report—as many of us recalled when watching The Killing Season on ABC TV last year. If Labor's last term in office is going to be remembered for anything aside from its horrific legacy of debt, then it surely will be for the endeavours, or lack of endeavours as it turned out, in the field of tax.

Let us just turn specifically to two tax initiatives of the previous Labor government and why they demonstrate more clearly than anything else the reason Labor cannot be trusted on the issue of tax and tax reform. Remember the mining tax? People in my home state of Western Australia certainly do. It was a tax that was designed to slug an industry that is absolutely crucial to the economic growth of Western Australia. It was introduced by a Labor government because it had blown the budget surplus and had to find some means of plugging that budget hole. As if Labor's motivation was not bad enough, its methods were even worse. Remember when the mining tax was first proposed under Kevin Rudd, in his first iteration as Prime Minister, it was projected to raise around $50 billion in revenue. The version of the tax that Julia Gillard cobbled together saw a significant write-down of that projection to $26.5 billion—a notable reduction but still a significant amount of revenue. The problem was not that first downwards revision of projected revenue to be raised by the mining tax but that the reductions kept coming and coming and coming.

In February 2012, the member for Lilley, still the Treasurer, was forced to concede that in the first six months of its operation Labor's mining tax had raised just $126 million, falling ridiculously short of the suggested tens of billions originally projected. It then emerged that only around 20 mining companies had actually been required to pay the minerals resource rent tax but that another 145 had been required to go through the process of compliance—that is, enduring the time and expense of employing accountants, lawyers and other various advisers and submitting reams of paperwork—all for a tax they were not actually required to pay. This, apparently, was the Labor Party's idea of good economic policy. Ultimately, Labor's mining tax raised around $400 million in total over Labor's period in office—$26.5 billion was projected to be raised and a paltry $400 million was, in fact, raised.

We also had tax debacle number 2, the carbon tax, the tragic history of which time does not permit me to repeat in great detail this afternoon. Suffice to say that the carbon tax was also so poorly designed that it too brought in significantly less revenue than the Gillard government projected it would. Anger over the carbon tax and the deceptive way the former
Labor government introduced it is a major reason why Labor is in opposition today. But have we heard an apology? Have we heard an apology for the carbon tax? Have we heard an apology for the minerals resource rent tax? Far from it.

Senator Bilyk interjecting—

**Senator SMITH:** I know why Senator Bilyk wants to interrupt me. Indeed, what we know from media reports last year is that there is now a significant push from within the Labor Party to bring back the carbon tax if Labor wins the next election. In fact, the proposal is for a twin carbon tax. Apparently, the problem was not the carbon tax, the problem was that there should have been two of them: one for the electricity industry and one for everyone else. I know Mr Shorten rushed to deny these reports but his denials are not emphatic enough. They are not convincing. There are those in the Labor Party who are determined to bring back this tax and Australians know that Mr Shorten is not strong enough to stand up to them.

Just this month we had another example of Labor’s tendency to fudge the numbers when it comes to tax. This time it is regarding Labor’s announcement of its plan to increase tobacco taxes. In *The Australian Financial Review* we learned:

… budget experts have challenged Labor’s policy, saying it makes the mistake of using what will ultimately be a diminishing revenue source to fund—

(Time expired)

**Senator LAMBIE** (Tasmania) (17:12): Everyone agrees that the Australian tax system needs to be reformed. And everyone knows that the next federal election will be a referendum on an increase to the GST. Despite the fact there are many better ways to reform Australia’s tax plans, if the Liberals win and achieve a majority in this Senate then they will force on the Australian public an increase to the GST. No matter what promises are made by Liberal members of parliament, the people of Australia know that they cannot trust the Liberals with the GST. If their lips are moving then they are lying.

My network, the JLN, has proposed three simple tax reform policies, which have been costed by The Australia Institute. They do not take from Australia’s poorest and they ensure that our top earners contribute their fair share of tax. In ten years these three taxes would raise an extra $94 billion for budget repair. The first is a super-rich death tax, which would raise $5 billion a year and would only affect 0.8 per cent of the Australian population. The second is a capping of the capital gains tax exemption to houses worth less than $2 million, which would raise $3 billion a year—0.56 per cent of the revenue raised by capping capital gains tax on homes would come from Australia’s top 10 per cent of earners. The third is a financial transaction tax of between 0.1 per cent and 0.01 per cent on each of the high-frequency share trades by the six Australian companies that rort our financial markets by using supercomputers, which will raise more than $1.4 billion a year.

These are three simple taxes: death, capital gains and financial transactions taxes that will not take from Australia’s poorest but will make the rich pay a fair share and will raise an extra $9.4 billion a year or $94 billion over 10 years. Slow and steady wins the race.

**The ACTING DEPUTY PRESIDENT** (Senator Bernardi): Order! The time for the discussion has expired.
DOCUMENTS
Consideration

The ACTING DEPUTY PRESIDENT (Senator Bernardi): We now proceed to the consideration of documents. The documents for consideration are listed on page 5 of today's Order of Business.

Sex Discrimination Commissioner

Senator McALLISTER (New South Wales) (17:15): I seek leave to move a motion in relation to the response by Senator Cash to a resolution of the Senate of 3 February concerning the Sex Discrimination Commissioner.

Leave granted.

Senator McALLISTER: I move:

That the Senate take note of the document.

It is a relief to see that the government has finally filled the vacancy of Sex Discrimination Commissioner, but the very great shame is that this has taken five months and seven days. Through its actions, the government has shown disrespect for the role of the commissioner and disrespect to the women of Australia. After 2½ years of this government, it is an attitude that women are starting to expect.

When we look at the facts, we understand that women earn on average $284.20 less than men every single week. It means they must work an extra 65 days a year to catch up. Single women over 65 are the largest single social group living in poverty. One in five female workers were sexually harassed in the last five years. Despite all of this these facts, which are quite well-known and on the public record, the government thought that it was okay not to have an official advocate for women for almost half a year. It pays to compare the government's attitude about women to the government's attitude to something that it actually cares about—unscientific complaints about wind farms.

Wind farms are an issue that is dear to the government's heart. The former Treasurer is on the record as saying, 'I can't stand those things.' While it took almost six months to appoint a Sex Discrimination Commissioner, it took only 67 days from the date of the Senate's report into wind farm complaints for the government to appoint a wind farm commissioner. It is worth noting that the commissioner earns only slightly less than does the commissioner who supports the rights of more than half of all Australians.

The safe schools program, marriage equality and wind farms tell us just one thing: it is increasingly clear that the government is captured by the preoccupations of a narrow and unrepresentative minority. Unfortunately, in that case, women do not make the list.

Question agreed to.

Australian Taxation Office

Senator McALLISTER (New South Wales) (17:17): I move:

That the Senate take note of the document.

The low-income superannuation contribution program makes sure that people earning less than $37,000 a year do not have to pay more tax on their super than they do on their ordinary wages. The people who have been helped by this program are honest people working honest
jobs. They are teacher aides, security guards, cleaners and shop assistants. For the most part, they are women. The Economic References Committee inquiry into economic security for women in retirement has heard witness after witness speak in favour of this program, and we have heard from unions, business groups, actuaries and accountants.

The ATO's quarterly report reveals that 2,238,000 people benefitted from the program between October and December last year. Unlike people who negatively gear their seventh house, however, these 2.2 million people are low-income earners. There is no place for them in a coalition budget. That is why the low-income superannuation contribution program was scrapped by the Abbott-Turnbull government, a change that will come into place in 2017. This is a program that helps some of Australia's most vulnerable workers, and the government has shown yet again that it simply does not care about them.

Question agreed to.

Innovation Australia

Senator McKIM (Tasmania) (17:19): I move:

That the Senate take note of the document.

It is with pleasure that I rise to speak on this document. I acknowledge that, since the ascension of Prime Minister Turnbull to that position, there has been a lot of talk in this place around innovation, and it needs to be acknowledged that some action has been taken here by the government.

Senator Conroy: What? They stole our policies!

Senator McKIM: Senator Conroy, I will take that interjection.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): No, ignore the interjection and address your comments through the chair. Senator Conroy, the interjection is disorderly.

Senator McKIM: Senator Conroy has not categorised the situation entirely accurately. There were elements of Labor's innovation policy—which was scrambled together and released the day before the government's policy—that were also in the government's policy, but both policies had common areas of weakness. One of the big areas of weakness was around innovation in education and encouraging a culture of innovation through the curriculum and our education sector. I will speak a little bit more about that later.

Unfortunately, a lot of what passes for innovation in this country is an economy that ought to be a 21st century economy still being powered by 19th century fossil fuels. Just last week, on 24 February, the Minister for Industry, Innovation and Science, Christopher Pyne, announced that the government was investing $15.4 million over four years into National Energy Resources Australia. On the face of it, that sounds quite encouraging. But, when you drill down into what the government is actually doing, you see that it wants to focus that money and any innovation associated with that money on oil, gas, coal and uranium—fossil fuels, and a very dangerous way of generating electricity, about which there are a range of matters that are yet to be addressed, including where we dispose of the waste. At the same time, the government is refusing to end speculation that it will abolish the Australian Renewable Energy Agency and the Clean Energy Finance Corporation, which are two bodies that are driving Australia's 21st century energy innovation.
It is important to note here that the Australian Greens policy, Renew Australia, is a road map to reaching a target of 90 per cent renewable energy in this country by 2030—a road map for prosperity and innovation with no people or community left behind in the necessary transition this country needs to become world leaders in renewable energy and to show the rest of the world how to move forward around renewable energy to address global warming.

Unfortunately, we have also seen from this government an announcement that some of the world's leading climate scientists at CSIRO will lose their jobs due to budget cuts—a matter that will significantly impact on the economy of my home state of Tasmania. I remind senators that this is the same CSIRO which has had its staff cut by 20 per cent over the last two years, thanks to this government and the Abbott government. There is also currently legislation before the Senate, the Tax and Superannuation Laws Amendment (2015 Measures) Bills 2015, which would reduce the rates of tax offsets available under the Research and Development Tax Incentive—something that this very report, the annual report 2014-15 of Innovation Australia, lauds for driving extra investment into research and development and innovation in our country.

The Global Innovation Index has currently listed Australia at No. 17—nowhere near good enough—but, when it comes to turning research into commercial outcomes, Australia drops to 72nd place. A 2015 OECD report on entrepreneurship revealed barriers to entrepreneurship in Australia, which included complexity of regulation, administrative burdens, lack of venture capital investment and government support for big business over small business—which is why we need an effects test, which is opposed by both the Labor and Liberal Parties. Of course, we need to address these issues, but, if we are serious about innovation in Australia, we need cultural change. If we are serious about long-term, sustained cultural change around innovation, we need a culture of innovation in our schools and we need to encourage our students to take more risks, to be less afraid of failure and to embrace innovation culture.

Question agreed to.

**BILLS**

**Communications Legislation Amendment (Deregulation and Other Measures) Bill 2015**

**Explanatory Memorandum**

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (17:24): I table an addendum to the explanatory memorandum relating to the Communications Legislation Amendment (Deregulation and Other Measures) Bill 2015. The addendum responds to concerns raised by the Scrutiny of Bills Committee.

**DOCUMENTS**

**Government Departments: Outsourcing to Foreign Businesses**

**Order for the Production of Documents**

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (17:25): I table documents relating to the order for the production of documents concerning the outsourcing of work to foreign business.
Question agreed to.

MINISTERIAL STATEMENTS

Defence White Paper

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (17:25): On behalf of the Minister for Defence, Senator Payne, I table the ministerial statement on the Defence white paper and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

- I am pleased to advise the Senate and the Australian people on this government's commitment to deliver a safe, secure and prosperous Australia.
- The 2016 Defence White Paper sets a historic benchmark and will deliver the most capable Australian Defence Force our nation has had—potent, agile and ready to respond when our interests are threatened or our help is needed.
- The government's strategies and plans set out in this White Paper—backed by our funding commitment to increase Defence spending to two per cent of GDP—will deliver the transformational change to Defence that is necessary to enable it to meet its mission, both now and in the future.
- Through this Defence White Paper, the government will deliver the force we need to secure our nation into the future.

Government's Defence policy settings

- The 2016 Defence White Paper clearly explains both the opportunities for greater prosperity and development, and the complexities that come with Australia's security environment.
- These include:
  o The transformation of the Indo-Pacific region and the relationship between United States and China;
  o challenges to global order;
  o the dangers of state fragility;
  o the pace of military modernisation;
  o and threats in cyber space.
- It is also a fact of the highly dynamic and interconnected world in which we live in today that Australians will continue to be threatened by terrorism at home and abroad and these threats will continue to evolve and persist into the future.
- Our Defence capabilities must allow us to play a significant role in ensuring stability and security in our region, the Indo-Pacific. But they should enable us to make contributions to defend our interests wherever they are engaged – as we are today in Iraq, Afghanistan and Syria.
Capability

- Over the next two decades, the ADF will undergo significant change to manage strategic challenges confronting our nation and to seize the available opportunities.

- The cumulative effects of prolonged under-investment in Defence over decades have been remediated in this White Paper.

- This White Paper restores the proper alignment of Defence strategy, capability and resources, underpinned by the most comprehensive Force Structure Review and external cost assurance process of any Defence White Paper.

- Our plans for naval modernisation are at the heart of our significant investment in Defence capabilities. This government is implementing an unprecedented continuous build of surface warships which will secure thousands of Australian jobs, and a rolling acquisition program to replace the submarine fleet.

- There will be greater focus on integrating defence capabilities to ensure that the ADF can apply more force, more rapidly and more effectively. And we will provide our forces with comprehensive situational awareness through advanced intelligence and surveillance capabilities.

- The 2016 Defence White Paper will substantially strengthen our nation's maritime border security capability through an additional seven P-8A Poseidon Maritime Patrol aircraft, to bring the total fleet to 15, and seven high altitude MQ-4C Triton unmanned surveillance aircraft and new offshore patrol vessels and maritime unmanned aerial vehicles.

- And this White Paper will provide new long-range strike weapons for our air combat fleet. Together with our international partners, we must be able to deter and defeat potential threats wherever Australia's interests are engaged around the globe.

- The government will also make significant new investments in our land forces, including new weapons, protective equipment and digital communications systems for our soldiers and armoured combat vehicles. We will similarly enhance our special forces capabilities, including through new light helicopters to support our special operations.

- We will ensure that we have land forces that have the mobility, firepower, protection and situational awareness to deploy quickly to where they are needed, achieve their missions and return home safely.

- The cyber threat to Australia is growing. Cyber attacks are a real, present and growing threat to the ADF's warfighting ability as well as to Australia's economy and critical infrastructure. The government will strengthen the Defence cyber workforce and systems to deter and defend against the threat of cyber attack.

- To ensure Defence can perform at the highest level of effectiveness, the government will also address the prolonged underinvestment in the vital enabling capabilities that bind military capabilities together.

- Across Australia more than $26 billion will be invested in defence airfields, wharves, bases, training areas and other facilities over the next decade, much of which will be spent in regional and remote areas. Another $19 billion has been allocated to fund the maintenance of Defence facilities, including refurbishment and garrison support. These upgrades will have significant spill over effects into their local economies. They will create
jobs and provide opportunities for local industries, such as building and construction, ICT and logistics.

International Engagement

- Australia's strong network of regional and global defence relationships will be even more important to our security in the future.
- The White Paper recognises that we can better protect our interests by working with our international partners.
- Indeed, this White Paper underscores an increased Defence investment in international engagement, particularly in our region, over the next 20 years to 2035.
- Defence will take a more active role working in collaboration with the Department of Foreign Affairs and Trade and other agencies, in shaping regional affairs and to respond to developments which threaten Australia's interests.
- We will build cooperation with key partners and seek to improve the international coordination of responses to shared challenges such as humanitarian disasters.
- We will work with our ally the United States and our partners in support of our shared security interests in the Indo-Pacific, and wherever Australia's interests are engaged.
- The United States will continue to be the pre-eminent military power in the Indo-Pacific region in the coming decades. Australia's alliance with the United States is fundamental to Australia's security and our Defence planning. We will continue to build on the strong foundation of our long-standing alliance relationship to grow and adapt to changing security needs.
- Across the Indo-Pacific we will increase practical Defence engagement that builds security capacity and strengthens regional cooperation to respond to shared security challenges.
- We will seek to mature and deepen our practical engagement with partners across the Indo-Pacific, particularly with Indonesia, Japan, South Korea, New Zealand, India and China.
- This White Paper sends a clear message to the international community that we will be a very active contributor to regional and global security over the years to come, across a range of roles from security and stabilisation to humanitarian assistance and disaster relief. A nation that is ready and able to contribute whenever our help is needed.

Industry

- The Turnbull government recognises that a strong, internationally competitive Australian industry is a vital partner in delivering the plans in this White Paper.
- The government is committed to taking the partnership between Defence and industry to new levels of cooperation and investing in innovative cutting-edge Australian science and technology to provide capability advantages for the ADF.
- Indeed, our investments in Australian industry and technologies will generate benefits well beyond the Australian Defence industrial base. They will spur greater economic activity more broadly, bringing benefits to local businesses and communities across Australia.
• This is why, for the first time, all of the government's major Defence investments are available publicly in a single, comprehensive Defence Integrated Investment Program that we have released with the White Paper.

• This details our planned investment in new weapons, advanced platforms, systems, and the enabling bases, training and testing facilities, workforce, and information and communications technology.

• Through the Defence Industry Policy Statement, the Turnbull government will transform the framework for effective engagement between Defence and the private sector, by reducing red tape, streamlining industry programs, and providing the clarity industry needs to make critical investment decisions.

• Capability acquisition and sustainment will now be conducted on a single, end-to-end basis, where integration and interoperability will be fully and properly considered.

• These reforms will be critical to delivering on our plans in the 2016 Defence White Paper.

People

• Our people are the foundation of Defence's capability.

• To meet the demands of the higher technology future force set out in the 2016 Defence White Paper, the government will undertake the largest single rebalance of the Defence workforce in a generation.

• The permanent ADF workforce will to around 62,400 over the next decade to return the permanent force to its largest size since 1993.

• The government is committed to providing ADF members with leading-edge health care, including mental health care. We will continue to invest in better health care systems, including more medical personnel, and we will improve the links between Defence and the Department of Veterans' Affairs to better support current and former members.

• Defence's Australian Public Service workforce will also be rebalanced with 1200 new position, including 800 roles in intelligence, space and cyber security.

• These new positions will be offset by reforms elsewhere in the APS workforce as part of the implementation of the First Principles Review of Defence.

Reform

• The Turnbull government recognises that Defence needs to develop a better balance between operational excellence and organisational effectiveness.

• The First Principles Review of Defence is the most wide ranging reform of Defence in a generation.

• At the heart of the recommendations of the First Principles Review is a call for fundamental cultural change, to bring about a more unified and integrated organisation that is led by a stronger, more strategic centre.

• Further efforts to implement cultural reform, building on the progress made to date, will support Defence to become more inclusive, enhancing Defence capability.

• These reforms will ensure Defence is fit for purpose and able to implement the White Paper plans, and that public money invested in Defence will be well spent.
I encourage anyone who would like to read through the White Paper and appreciate this detail to visit the Defence website at www.defence.gov.au/whitepaper/.

**Conclusion**

Through the 2016 Defence White Paper, the Turnbull government has delivered a funded and cost-assured plan to meet the Government's foremost responsibility for the safety and security of all Australians.

This White Paper takes a significant step forward in the advancement of Australia's security and prosperity. The plans set out in the 2016 Defence White Paper ensure that we can approach future opportunities and challenges with confidence and strength.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (17:25): I move:

That the Senate take note of the document.

I rise to respond to the release of the 2016 Defence white paper. I wish to thank the Defence minister, Senator Payne, for graciously providing Labor with an advance copy of the Defence white paper on the day of its release. I also wish to thank Senator Payne for her agreement at Senate estimates a few weeks ago, which she has reconfirmed to the chamber, to convene a Senate committee hearing in the coming weeks specifically on the white paper.

After two prime ministers, three defence ministers, three assistant ministers, two parliamentary secretaries and a 12-month delay, we genuinely welcome the release of the 2016 Defence white paper. As senators will be well aware, Labor is committed to bipartisan approach to national security and defence matters. Based on our initial review and in the spirit of bipartisanship, we are broadly supportive of this Defence white paper. We welcome its strong support for our alliance with the United States as a foundation of our national security and defence arrangements. We also welcome its focus on increased engagement in the Indo-Pacific region, building on the work of Labor's Defence white papers in 2009 and 2013. We agree with a strong emphasis that the 2016 Defence white paper places on the importance of the rules based international order and, although it must be said that the government continues to avoid questions about whether it will act to support the international system in the South China Sea, Labor also supports in principle the government's decision to deliver on its promise of raising Defence funding to two per cent of GDP, but we will examine the specifics of the government's spending plans in more detail over the coming days.

We are pleased that the government is acknowledging and maintaining Labor's hard work on cyber security, especially our work in establishing the Australian Cyber Security Centre. We are broadly supportive of the decision to increase ADF personnel to 62,000, because we believe that the men and women of Defence are our single greatest asset, but we remain concerned that the deep cuts this government has made to Defence's civilian workforce. These cuts mean that ADF personnel could increasingly be forced to backfill civilian staff positions. We also call on the government to live up to the commitment in the white paper to retain people by paying personnel properly and maintaining their conditions and entitlements, after this government shamefully cut the pay and conditions of our serving personnel just over 12 months ago. We welcome the white paper's commitment to ensuring that Defence Housing Australia continues to provide high standard housing that delivers the best outcomes for ADF...
members and their families, but we again call on the government to make a firm commitment to retain Defence Housing Australia in public hands now and into the future.

While we are broadly supportive of the Defence white paper, it is not a perfect document and it fails to deliver on key Abbott-Turnbull government promises. The government has finally admitted that Labor was right in our 2009 and 2013 Defence white papers that Australia needs 12 submarines, but it has still not lived up to its promise to build them in South Australia, notwithstanding that the government is currently running ads—Senator Whish-Wilson, you will be amazed by this—on radio, saying, 'The Liberal government has delivered 12 subs in South Australia.' They are running them today—how extraordinary! Notwithstanding that the Defence white paper says no such thing, it has not lived up to its promise to build them in South Australia. The government is proudly trumpeting its continuous shipbuilding plan but the reality is that this government has failed our strategically vital naval shipbuilding industry. Under this government over 1,500 shipbuilding jobs have been lost across the country, with shipyards in Victoria and New South Wales now on life support. The government has also failed to make a decision on whether the submarines will be built in Australia and refuses to reopen the supply ship tender for Australian companies to compete, despite not making a decision after 20 months—and this one was urgent! It has walked away from Mr Abbott's promise to build the first few offshore patrol vessels in South Australia, putting at risk a further 1,300 jobs. I know that Senator Fawcett is very concerned about this, but I cannot believe he has put his name to these ads making the claim that they have already delivered the subs in South Australia. I have not known him well for that long, but that is barefaced even at his blush.

It is disappointing that in releasing the defence white paper the Prime Minister has chosen to revert to discredited claims about former governments. I simply make the point that the ABC's Fact Check has rebuked the claim made by Mr Turnbull that under Labor defence spending dipped to its lowest level since 1938. That is the statement. That is what they keep saying over and over again. Indeed, Fact Check found that defence spending dipped to 1.62 per cent in 2002-03, under former Prime Minister Mr John Howard. So all of these claims about 70 or 80 years are complete rubbish.

As I said at the start of my remarks, Labor is committed to a bipartisan approach to national security and defence matters. In the spirit of bipartisanship we are, as I have said, broadly supportive of this defence white paper. I again thank Senator Payne for her willingness to provide Labor with an advance copy of the 2016 defence white paper and I look forward to the opportunity to discuss the white paper in more detail in coming weeks at the Senate committee hearing that Senator Payne graciously agreed to recently during estimates.

Senator WHISH-WILSON (Tasmania) (17:32): Senator Conroy, you guys should get a room. I will tell you what the Greens are committed to doing. We are committed to asking the hard questions. We are committed to asking the hard questions that we know a lot of Australians want answered. With this white paper we have a totally unexpected significant boost to defence funding—two per cent of GDP is being quarantined; there is a $30 billion increase in defence expenditure with no overall increase in the threat assessment as outlined in the white paper document itself. As a country we have made a stark choice here—we have decided to spend taxpayer dollars on weapons companies, on arms manufacturers and on
military hardware when we could have spent that money on other things in this country that we desperately need. It is a fundamental principle that every single dollar we spend on defence is a dollar we will not have to spend elsewhere. There is an opportunity cost that comes with the expenditure of each and every dollar. Our job as parliamentarians, and as politicians, is to question this expenditure and make sure it is being spent the right way, it is being spent on the right things, and that it is providing the best, pardon my pun, bang for our buck.

I do not see the Labor Party asking these hard questions. I do not see them doing the job of being the opposition on the biggest ramp-up of military expenditure this country has seen in decades. That is the role of an opposition—to ask the hard questions, especially on something as fundamental as spending money on defence. We have seen tensions in the South China Sea, there is no doubt about that, but ever since I can remember we have seen tensions there—especially around the Spratly Islands. There have been a lot of reports on this lately, and I understand that Mr Kevin Andrews, the previous defence minister, even suggested in a media interview last week that we should send some of our naval vessels within 12 nautical miles of those disputed islands—presumably to see what happens.

Senator Conroy: Didn't we go with the global rules-based system?

Senator WHISH-WILSON: You can talk about global rules-based situations, but what happened with our deployment to and invasion of Iraq in 2003? So much for global rules-based engagement. Today I mentioned the Japanese whaling fleet, ignoring the global rules-based system. It is a furphy for us to justify an obscene expenditure of money on weapons companies on the back of a very rubbery threat assessment of the South China Sea.

The next question is how exactly this is going to aid our country's defence. I know there are issues here with the alliance, and that is probably what this is all about, but the Greens do ask the questions about the kind of military hardware we are looking at here, whether it is necessary for the defence of our country. There are a couple of issues I would like to highlight. There are extra Defence personnel. I am involved in an excellent committee inquiry into the mental health of Defence personnel at the moment, and we will be releasing our report within the next few weeks. I hope we have good tripartisan cross-party support for that report, because Senator Conroy is right about one thing—our Defence personnel are absolutely critical. I know that nearly 50 per cent of our current ADF personnel have been on multiple deployments to Afghanistan and Iraq and other places, and they are suffering heavily because of this. There is a lot more we can do for them. It concerns me that suddenly we have outlined an increase of 5,000. Is that because we are going to continue having multiple deployments overseas? That has not been answered. Drones have been a very controversial if not effective military hardware in the so-called war on terror. What do we need drones for? To defend Australian territory. Are we investing in drone technology because we are going to fly them around Australia's territory or because we are going to participate using drones in foreign theatres of war such as the Middle East? Once again it raises questions about our priorities for defence versus offence.

Most importantly—I think I speak on behalf of a number of Australians and my colleagues—this white paper is industry policy dressed up as military expenditure. The Greens do not have any problem at all with government participating in industry policy, providing the right incentives and the expenditure to create employment, to drive innovation,
to lead more prosperous communities and to invest in infrastructure. The argument and debate we are not having is how best to do that. What we are doing here without any opposition from the Labor Party is giving the government the green light to spend $30 billion on weapons companies and arms manufacturers, when that $30 billion could be spent on fixing the infrastructure gap in this country.

I have been going around the country on a couple of inquiries by the Rural and Regional Affairs and Transport References Committee into regional capitals and by a select committee into infrastructure funding. If we invested in fixing the infrastructure gap the kind of money we are outlining—a trillion dollars spending on defence over 12 years—we could set this country up for the next 100 years in not just every capital city but every regional city. Believe me, there is a trillion dollars of underinvestment in infrastructure in this country. For the price of $80 billion on submarines we could totally set up Australia for a 100 per cent renewable energy, for a clean energy future and create thousands of jobs.

There are so many things we could be investing this money in, but it is interesting that we do not have that debate in this parliament right now, because the Labor Party have absolutely no point of difference on this critical issue of a massive two per cent of GDP that has been quarantined for defence. One thing I have learnt here is that there seems to be a reticence, almost a culture of fear and silence, from parliamentarians and politicians on the issue of defence and defence spending. On where the money is spent, which state is going to build the submarines or the new destroyers or the new frigates, on that kind of thing I have seen hours of questioning on the logistics of procurement, but I never see the strategic decisions being questioned by parliamentarians. It is quite fascinating.

We have an inquiry coming up shortly into the Joint Strike Fighter, a $25 billion acquisition for the Department of Defence. I am hoping the Senate will ask a lot of hard questions on the public record so that all stakeholders can see these things answered. Everybody gets their chance to answer these things, to dispel myths if that is the case from the proponents. But at least we will have had an attempt to question a massive strategic acquisition of military hardware. Will we get such scrutiny from Senator Conroy on whether we need these submarines? I do not think so.

Senator Conroy: We do.

Senator WHISH-WILSON: We do. There you go—he has already made his mind. They will cost $80 billion. Do we really need 12? We have already had criticism from Andrew Nikolic MP, who is now in charge of the national security committee. He was happy to stand up and have a go at your decision to make 12 submarines as being some kind of Kevin Rudd madness. Do we really need 12? I have not seen any debate on that. I have not seen any active debate from anyone on why we need 12 submarines. I have seen a lot of debate on where we are going to build them, and we have not built them yet and they had better be built in South Australia, but I have not seen any questioning of the strategic need for 12 submarines.

The numbers that have been labelled in the defence white paper are very rubbery. There is up to 50 per cent variance on individual projects. Defence can spend between $3 billion and $5 billion on this and between $2 billion and $3 billion on that. These very rubbery figures could potentially lead to a lot of wasteful spending and a lot of too-big-to-fail projects if we are not careful. We have to ask the hard questions. They have not been asked on this defence white paper. (*Time Expired.*)
Senator IAN MACDONALD (Queensland) (17:42): I want very briefly to congratulate the minister, Senator Payne, the previous minister, Senator Johnston, their departments, the service chiefs, and, indeed, all in Defence on the production of this white paper. Can I suggest to Senator Whish-Wilson that if he were interested in these things, perhaps he should join the Joint Foreign Affairs, Defence and Trade Committee, where we get some briefings about the need for various upgrades to defend our country and to bring peace and stability to our region. Ministers of course get far more sensitive and in-depth briefings than the joint standing committee but attendance at that committee would answer some of the concerns that Senator Whish-Wilson raised.

I want to indicate publicly my appreciation for the importance shown in the white paper of Defence as it relates to Northern Australia. Quite clearly any attack, unexpected and unthought about as it should be, would come from the north. The areas where our Defence forces would play a smaller but important role and even a humanitarian role are in the north of the country. I think it is important that the white paper has recognised that and, as a result, announced quite a deal of immediate and longer term spending across the north of the country. I am disappointed that there has been no commitment made by the Navy chiefs to move the capital ships out of Sydney Harbour and put them a bit further north in Townsville, Cairns, Darwin and Broome, where I think they will be better located. That is a battle I have lost so far, but it will not stop me.

I also recognise the emphasis in the commentariat and in many debates here about building naval ships in Adelaide versus Western Australia and Melbourne. I am just hopeful that the case for building the Pacific patrol boat fleet in Cairns has the merit that I believe it has and that the government will very seriously consider a return of patrol-boat building to Cairns, supporting a shipbuilding industry that regretfully failed because of deliberate decisions by the federal Labor government and the Queensland state Labor government.

Across the north, the white paper details at some length very significant capital expenditure on the Defence estate, improvements to any number of airbases and army bases, the setting up of unmanned surveillance units in Townsville and, indeed, far too much for me to go through in the very limited time I have. But there is considerable spending in the north which will—and this is not the purpose of it, of course—significantly help local economies across the north. Even if the principal contract is not given to northern firms, but I hope it will be, certainly all the subcontracted and ancillary support for the quite significant spending that has been announced across northern Australia will be a real boost to the economies of Townsville, Cairns, Darwin, Mackay and all the places in between.

That is so very important at the moment because of the downturn in the mining industry, which has affected so many who support small businesses. While the Greens are opposed to and the Labor Party are ambivalent about encouraging sustainable mining operations in the north, the unemployment problem which we currently have in the north has been exacerbated in my home state of Queensland by the absolute inaction of the current Queensland government. This defence spending will be a real fillip to the local economy.

So all congratulations to Senator Payne and her team on this white paper. I do think it sets the way forward in a very constructive, positive and, as far as Australia is concerned, safe way that will mean that our defence forces are well provided for and well supported into the future.
Senator XENOPHON (South Australia) (17:47): The 2016 Defence white paper sets out a medium- to long-term defence strategy based on reasonable hypotheses about the future, like the geopolitical outlook. There are a number of good things in the pages of the document which are welcomed, and I join my colleagues in congratulating the defence minister, Senator Payne—and indeed Senator Johnston as the former minister—and of course those within Defence for the work they have done.

But I do feel obliged to raise the serious concerns I have around submarine building and naval shipbuilding. Whilst recommitting to 12 future submarines is welcomed, there is not much else for Australia's shipbuilding industry or taxpayers to sing about in the defence white paper. Starting with submarines, the white paper failed to rule out an overseas or hybrid build of the boats, thereby failing to uphold the coalition's pre-election promise to build them in South Australia. It beggars belief that the government is still considering exporting the better part of this $50 billion project overseas.

Moving on to naval shipbuilding, there are two 'knowns' in the white paper. The first is that Australia's three air warfare destroyers are currently being built in Adelaide. They will be all but completed in 2018. The second is that the future frigates that will replace the current Anzac class frigates will commence their build in 2020. Between the wind-down of the AWD, something that has already commenced, and the spin-up to the future frigate sometime after 2020 lies the so-called 'valley of death' in shipbuilding jobs. The valley will reach its nadir between 2018 and 2020, when ASC shipbuilding will have what their CEO described at a recent Senate estimates hearing, in answers to questions from Senator Wong, as essentially a 'skeleton workforce'. From 2018 onwards, there will only be about 100 shipbuilders remaining. That is a skeleton workforce.

This is bad not just for the current employees of the company that will be out of work and, with all the other multiplier effects, for subcontractors but for Australian taxpayers as well. In 2013, Defence penned the Future submarine industry skills plan, in which Mr Warren King had a key role, which recommended we avoid a 'valley of death' at any cost. It stated in its executive summary:
The impact of rebuilding from a low base for the current Air Warfare Destroyer and Landing Helicopter Dock ship projects was substantial and expensive.

It went on to say:

With the cost of all planned naval projects being somewhere above $75 billion, a proficient and productive shipbuilding industry would produce overall savings to the Defence budget in the tens of billions of dollars.

Again, in 2015, the RAND Corporation stated in its study Australia's naval shipbuilding enterprise:
The premium to build in Australia could be lower than the 30 to 40 percent range if Australia adopts a continuous build strategy to avoid rebuilding an industrial and management capability with each new ship program, starts with mature designs at the onset of production, and minimizes changes during production. With such measures (and a cultural shift in industry toward continuous improvement), we can envision this premium being cut in half.

So there are efficiencies in the tens of billions of dollars for taxpayers in relation to that.

A very superficial analysis is that it is a bit like putting together modular furniture! Mr Deputy President, if you have ever been to IKEA and bought some flat-pack furniture, it takes...
you forever to put it together the first time around, if you are like me. Even if you can put it together, once you have done it two, three or four times, by the fourth time you are a whiz at it and you have great efficiency in putting it together. In some respects, it is the same with shipbuilding or any form of manufacturing. This is evident in the results achieved in the air warfare destroyer program. At a recent Senate committee hearing, the CEO of ASC revealed that, at 71 per cent completion, ship 2 was coming in at 39 per cent less than the cost of ship 1; and, at 46 per cent completion, ship 3 is coming in at about 50 per cent of the cost of ship 1. We are now losing that capacity through the government’s approach to naval shipbuilding—a patchwork approach.

There is a requirement for the Navy to build 12 offshore patrol vessels. On 4 August 2015, the then Prime Minister, the Hon. Tony Abbott, travelled to Adelaide to announce a continuous build program. To avoid the ‘valley of death’, he stated:

The frigate build will certainly start in Adelaide. That doesn't mean that other yards can't have a role, but certainly the Corvette—

the OPV—

build is likely to start in Adelaide. It will stay in Adelaide until the frigate build starts in 2020 and then it's quite possible that the Corvette build could shift.

But it appears that the Turnbull government has rejected that solution.

Australia needs to take a strategic approach to naval shipbuilding and sustainment. In order to benefit from the efficiencies and productivity advantages that a continuous build approach is predicated on, the continuity must occur in the one location. The only sensible strategy is for naval ships to be built efficiently and well in the one location in Adelaide and for the sustainment work, which is considerable over the 30-year lifespan of a ship, to be carried out at the RAN's operational bases at Sydney, Perth, Cairns and Darwin. That is what must happen for the sake of taxpayers, for the sake of efficiency and for the sake of avoiding the 'valley of death'.

The coalition may respond to this by suggesting that it was the Labor Party not making any decisions on shipbuilding that caused the valley and that they are just living with the consequences. There might be some element of truth to what they are saying, but it is not the entire truth. The government has had opportunities to plateau the valley, but has not taken them. It excluded Australian shipbuilders from tendering for the Navy's future supply ships. The government claimed that Australian shipyards could not do the build, but this statement is at odds with the ASC's unsolicited proposal in 2013 to build three supply ships for the price of two.

A supply-ship build would have stemmed the loss of skilled workers that is happening as I speak. Unfortunately for those workers, these shipbuilding jobs have been exported, using Australian taxpayer funds, to South Korea or Japan. Secondly, it occurred when the government down-selected the Pacific patrol boat solution to either Cairns or Perth based companies. That job could have gone to Techport in South Australia and plateaued the valley. The government failed to do that.

The defence minister mistakenly suggested that the defence white paper gave Australia's shipbuilders certainty. That is not correct. After two years of waiting for a white paper that would clear the uncertainty, the plan announced last Thursday simply perpetuated it. We are
left with a mountain of uncertainty overshadowing a valley of jobs death in naval shipbuilding in this country.

Question agreed to.

COMMITTEES

Membership

The DEPUTY PRESIDENT (17:54): Order! The President has received letters requesting changes in the membership of committees.

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (17:54): by leave—I move:

That senators be discharged from and appointed to committees as follows:

Electoral Matters—Joint Standing Committee—


Environment and Communications References Committee—

Appointed—

Substitute member: Senator Edwards to replace Senator Reynolds for the committee's inquiry into oil or gas production in the Great Australian Bight

Participating member: Senator Reynolds

Scrutiny of Government Budget Measures—Select Committee—

Appointed—

Substitute members:

Senator Brown to replace Senator Urquhart on 8 March 2016

Senators Carr and Marshall to replace Senators Urquhart and Lines on 11 March 2016

Participating members: Senators Lines and Urquhart

Question agreed to.

BILLS

Commonwealth Electoral Amendment Bill 2016

First Reading

Bill received from the House of Representatives.

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (17:51): I move:

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

Senator MOORE (Queensland) (17:55): The opposition will be asking that the question be put separately on the procedural element of this motion, 'That this bill may proceed without formalities', and I wish to speak to the procedural part of that motion.

As people know, Labor will be opposing the Commonwealth Electoral Amendment Bill 2016 and will be taking every opportunity to make that point in this chamber. We are taking the opportunity in terms of debating the procedural part of this motion to ensure that this
place—and anyone outside who is listening—understands how seriously we take the attempt to move this particular bill with such speed through the parliament and to impose a debate that I do not believe the community is ready to have.

We have heard that the basis for this bill being brought forward is that there is a need for an urgent change to the way the Senate voting process occurs. Funnily enough, we will hear much in the next few days about the work of the wonderful Joint Standing Committee on Electoral Matters, which puts the focus of these issues both in this place and in the areas of the community that are truly interested in the way our electoral system operates. We have heard that this joint committee met in 2014, had hearings in 2014 and then met again in 2015 and had hearings around the issues of Senate electoral reform which would best suit the needs of our community and our electoral system. From that time in June 2015 until a week and a half ago there had been no push at all to bring forward debate on this bill. There had been no discussion on the way forward and how we were going to move it.

Labor did not find out about the need for this urgent bill to come before parliament from a discussion with the relevant ministers, or from a discussion between the Leader of the Government in the Senate and the Leader of the Opposition in the Senate or from the Manager of Opposition Business saying to the Manager of Government Business in this place that there is a need to bring this legislation forward and to have this urgent but very short debate. I note that the media also said how it was so important that this be done quickly. We came into this chamber to hear about what was going to happen and were told that there would be a further meeting of the specialist committee that looks after electoral matters—that is, the Joint Standing Committee on Electoral Matters. There would be another opportunity for these skilled people who work in this field to draw together their knowledge and draw together people from across the community who are interested in electoral matters.

I have to admit that not everybody in the community is as obsessed about the way electoral matters operate as I wish they would be. There are not 1,000 people who want to come and give evidence to a joint committee on electoral matters, but there are many. We have a wide range of people in our community across the board who are skilled in electoral matters, skilled in the way elections operate and skilled in knowing the motives of different people bringing forward these changes. All of that is there. We were told that there would be this opportunity and not to worry. How dare we say that there could be something wrong in this process? We were putting out feigned concern.

We were told that there would be this meeting of the joint standing committee, and then we found out that it was going to be a half-day, a three-quarter-day and then back to a half-day meeting this week. In fact, we have been told that that meeting will be held tomorrow. We will have the formal meeting of the joint standing committee to look at exactly what the issues are around this debate in the middle of our formalities process. We found that out, and everybody in the Senate was welcomed to be a participating member of this committee. That was circularised late last week. We have placed Senator Conroy onto the committee and he did attend the only grouping of that committee late last week—

Senator Conroy: No, there was one this morning as well.

Senator MOORE: Sorry, Senator Conroy. I really do not want to overstate the case.

Senator Conroy: I’ll explain what happened at this one.
Senator MOORE: There have now been two attempts to have a meeting to prepare for the public meeting, which will be held tomorrow. I feel certain that Senator Conroy will go into much more detail with his personal experience, but my understanding of those meetings is that the agenda had been preset, the process had been preset, the hours of meeting had been preset, the people who would be invited to come and give evidence had been preset and there had been no attempt to go out into the public sphere and say, 'This is your opportunity, before the Senate actually debates the very urgent legislation, if you care, to come forward and have your say.' That was not offered to anyone, to the best of my knowledge. A lot of organisations and people in the wider community, who in the past have provided evidence to the committee, were not advised of the process, not able to attend at such very short notice or, with the time that was involved, said themselves that there was not sufficient time for them to prepare the research for their argument and so they did not come forward.

We have this offer to the Senate, which was for—I actually referred to it on Thursday as a 'discussion' or a 'chat' about the most significant change to electoral law in 30 years. This is changing the way the Senate, with the range of people who are involved in the Senate—this is making clear changes to how the voting process for the Senate will operate from now on. We do not believe that is sufficient. We think it is such a significant issue that there needs to be time for a wider debate around the process.

And that debate should not be just in this place. I know that we have had many long debates in this place about issues, some very urgent, and people are prepared to put the extra hours in so that there can be a debate, And I know committee processes can go on for a very long time in this place. But our concern on this side of the chamber is that we do not believe that these issues have been discussed widely enough in the community so that there is an understanding of the way that this part of the Electoral Act will operate. I cannot guarantee that by having a longer inquiry time that everybody in the community will fully understand how Senate voting operates. I wish that could happen, but I do not believe that just by having more time that everybody in the community will know. But I do believe that more people will have the opportunity to hear about the changes, to hear about how the changes could operate and to hear about what will be the future electoral voting process if there is a more extensive amount of time for people to have a discussion. And that could happen. One of the things that disappoints me most in this place is that at times we do not actually sit down and work out how we can make something happen but rather how we can force something through quickly or stop it.

At some stage in the last few months somebody must have thought that it is time now to move on an action that had been previously discussed in 2014 and 2015. I do not believe somebody had a moment of madness in the middle of the night and said: 'This is going to have to happen for the safety and security of our nation. We will have to push this forward in the next sitting of parliament.' I do not think that happened. This must have been planned over a significant period of time. But when that planning was being done, when the procedures were being put in place, it was not everyone in this place who had the chance to hear how that was going to happen. I do not know who was involved in those discussions; I just know people on this side were not. The Labor Party members of the joint standing committee were not actively involved in those discussions. But, as I said earlier, we found out in the media when we had people making commentary about what was going to happen, and, more
particularly, why it was going to happen and what impact these particular changes would have on various people.

When this started happening, I went back and had a look at the papers that the Joint Standing Committee on Electoral Matters had been using in 2014 and 2015. While I am not an expert in electoral processes, I did look at the evidence that was being put forward by academics and by various groups about their concerns about how the current system operates. I do see that there was a range of concern about how people could be elected with a very small primary percentage of the vote. I accept that. But that has been the case ever since I have been in this place; since we have been here, Mr Deputy President, there have been people elected into this chamber who have had small primary votes. That has been a reality. And people have been questioning that over that period of time.

I did see that there had been discussion about various ways that that issue could be addressed. There were a number of suggestions put forward, and over the last week, since we found out that this particular bill was so urgent and it had to happen, a number of commentators in the media have started writing again about the process of electoral voting in the Senate. There had been nothing in the media in the last four to five months—I do look at these issues to see what people are commenting on in the wider media, and there were no opinion pieces on electoral reform in the Senate. There was not a wide discussion in the various newspapers or the various fora about this, but in the last week there has been a bit and people talked about what had occurred in the inquiries in 2014 and 2015. They have talked about other options that had been on the table in that process and other discussions that there had been around the issues. The particular process that was recommended in 2015—the final recommendation in 2015—is not what is in this bill. If it were exactly the same proposal that the people who were gathered around in 2014, and then in the subsequent meetings in 2015, had agreed on there could have been an argument that ‘you should have known about this and moved forward’. But it is not exactly the same proposal. It has similarities to it, but it is not the same proposal.

Senator Brandis: It is substantially the same.

Senator MOORE: It is not identical to it, Senator Brandis. No-one can say it is identical to it, and in terms of the process—

Senator Brandis interjecting—

Senator Conroy interjecting—

The DEPUTY PRESIDENT: Senator Moore, resume your seat while we allow this discussion to peter out.

Senator MOORE: I was just allowing some freedom of discussion. I thought it was a bit of a committee process there, Mr Deputy President. Possibly I was wrong.

The DEPUTY PRESIDENT: No such luck. Senator Moore, you have the call.

Senator MOORE: In terms of the process, there had been this area, but it is not the identical recommendation from 2014 or 2015. It does have similarities, and I am sure we will hear about that when we get into the substantive discussion of the bill when it comes forward. The other issue I am concerned about is that, in the rather short discussions that we had last week when we were looking at what was going to happen into the future, we have heard a number of people talk about the fact that the Labor Party now has a different opinion to what
it had when the submission was submitted. I did have a look at the submission that the Labor Party put forward to the committee, I think, 18 months ago. There has been significant time for people to think about that process since then. Unsurprisingly, there has been some further discussion within the party and we are now saying that we have a different view. I do not think that that is such a major issue in this place. On many occasions there have been various views put forward. The only argument that we got from the government last week about why they were concerned that we were making any discussion about why we think this a such a significant change to our electoral processes that we need further time for discussion here and in the wider community was, ‘Hey—you guys have changed your minds.’ I do not think that should be the beginning and the end of the argument. We need to have a much closer look at what we are doing on this particular bill than the current process put before us allows. That is not an unusual request.

I know how complex electoral processes are. I, like many people here, have worked on booths at many federal elections and know how concerned citizens are when they see the size of the Senate paper and think about what their role will be in voting for the Senate. Perhaps because where I often work people know who I am, at any election I get more questions about how the Senate voting process operates than about how the House of Representatives voting process operates. So I know that already in the community there are concerns about the complexity of the process.

The saddest thing in any election—that is a big call, if you do not win—is to have informal votes. It breaks my heart when I am a scrutineer, as I have been many times, and I see the number of times people make errors when they are voting. When I had a look at the history of voting in the Senate, one of the major reasons for the change 30 years ago was to minimise the number of informal votes in the Senate. Already at that time it had been identified that there were a large number of informal votes in the Senate, and it was a concern raised in the various discussions around the various changes 30 years ago. There already is a great need in the community to have more understanding and more support about how people register their votes everywhere, but in particular in the Senate.

The reason that we are making this particular intervention this afternoon, which is a procedural process, is again to reinforce how seriously we believe discussions around this electoral bill should be taken in this place and also to give a message to the wider community about how important these discussions are. It should not be something that people allow other people to worry about and to debate. This is something that affects every citizen who goes to a polling booth whenever a Senate election is called.

What we are seeking is a longer term for the opportunity to look at the issues, to consider exactly what is involved in the changes and even to have a look at some other options. Because this is the proposal brought forward, all we have in front of us is one option. Our leader, Senator Wong, made it very clear in debate last week that no-one is saying that the current system is perfect. We are not saying there is not room for change. We have never said that. None of our people who attended the previous meetings of the joint committee said that. Anyone who is now involved in the current process agrees that there could well be a clear need for change.

The participating members process that the government has offered us so generously this week is a farce. I have looked at how the process is supposed to work tomorrow: the small
number of people who are able to come to give evidence; the fact that there is very little opportunity for written submissions; and the fact that when you look at the sequence for opportunity to ask questions, it would not matter if I had put my hand up to say that I desperately wanted to be a participating member on the committee—I would have no opportunity to ask a single question in the time allowed, which was predetermined. By reason of the tightness of time and the number of people involved it is quite clearly set out who will be able to ask a question and when. When you look at the opportunity given to each witness and the number of people who may be able to attend, this is not a chance, as we were told last week, for more senators to be involved in the process. Sure, we could come along as a chorus to watch and see what is happening, but this is not a way that more senators can participate in the process.

It is not good enough. There needs to be more consideration of change so that citizens feel that when they go to the polls they will understand how they are voting and for whom they are voting and so that we here will also understand that people will have that opportunity as well.

**Senator CONROY** (Victoria—Deputy Leader of the Opposition in the Senate) (18:15): I thank Senator Moore for that very thoughtful and informative contribution, because she has belled the cat on a number of things that have happened in the last 24 hours. Can I say that her description—

*Senator McKim interjecting—*

*Senator Rhiannon interjecting—*

**Senator CONROY:** Here we are, the Stalinists are loose in the bottom corner! That is exactly what being on this committee must have been like. This is actually like going back in time to the 1950s in Stalin's Russia! We get an invitation to come to a meeting of the committee of senators. I roll along and I arrive for the first time after the invitation is issued and I am given the agenda, which includes the people who will be invited to speak. There was no discussion, no nothing. There was just, 'These are the ones we are going to invite.'

I have great admiration for the 70-plus people who have had an opportunity to lodge a piece of paper—and in some cases it is just a piece of paper—to the inquiry. I say to you that it is not likely they have even all had a chance to be put up on the website yet for us to download and have a read of them. They have not even been able to get them all printed out so I can have a read of them. I cannot have a look at them all online yet. We are being asked to conduct an inquiry starting at 8 o'clock or 8.30 tomorrow morning without even an opportunity to read all the submissions yet. That is how farcical this process has become.

The first meeting of this august joint standing committee basically says, 'No, here it is.' I said, quite reasonably, that perhaps someone who knows a little bit about this, named Malcolm Mackerras, might get an invitation. He writes regularly and is well known to everybody. In fact, we have mentioned the Mackerras pendulum. He has had quite a few things to say about this joint standing committee's previous report. That is a little bit embarrassing, because he is somebody of some stature. He is included, to be fair, as a concession from the Stalinists running this in the committee.

Then I suggested, 'Given that we've only just seen this, would the chair be willing to allow us to have a conversation during the course of the afternoon to put some other names up?' Well, no. That was completely unreasonable! There had already been discussion of this, but
that was before we were allowed to come along. There had already been discussions about this, so it was rammed through with the support of the Greens.

Then we turn up to the committee hearing today. A number of the witnesses, surprisingly—I said with irony—are not able to make it on such short notice. So the chair has taken it upon himself to invite other people to fill the gaps. He actually says, 'We have done this.' I say, 'Excuse me, who is the "we"? Because I actually asked if I could be allowed to participate in a discussion about this.' To which he said, 'When I say "we", it's just me.' Even I am not prepared to think that he consulted Senator Rhiannon on such a matter, so I will let you off the hook on this one, Senator Rhiannon. He may have; you can feel free to confess. You can be included in the royal 'we', but I think you are innocent this time. It is one of the few times in this process you are innocent!

So he says, 'We—actually, no, just me—picked these other people.' I said, 'What process was there?' He just said, 'Well, this is what I have decided.' I said, 'Could we have some discussion about this? We would perhaps like some others to be able to come along. If I had known there were vacancies last week, when clearly you found out there were vacancies and got on the phone over the weekend, I might have been able to come up with some other names. But when you flatly refused to have a discussion about further or other witnesses—flatly refused—I didn't bother to look to see who else could be called. But now it is okay for you to do it?' Again, I was shut down. There was no support. The Greens go missing when it comes to transparency and democracy, not surprisingly. I was shut down yet again.

I should say that the committee then indicated they were passing a resolution telling people, 'You can't talk about what goes on in these hearings.' I am not surprised that they want to gag anyone from telling what is going on in these hearings, but I am not going to take any notice of that whatsoever. I am now a full member of this committee, and I am going to expose the little club that has been having all of this fun and actually refusing to allow any sensible discussion of the newly proposed reforms.

But then the next motion comes up. The next motion says, 'We want to decide how long each person is allowed to be asked a question for. We are now allowed to have one question that lasts a maximum of five minutes and then we are going to rotate it.' One question, a maximum of five minutes of question-and-answer and then the chair will cut them off. We could not possibly allow a witness to perhaps discuss this issue! There cannot be any follow-up questions. Seriously, this is like being at a metal workers' conference with George Campbell in the chair! I have been there. It just gets better!

We start tomorrow morning, and the great news is that the committee secretariat has to get the draft to the chair by tomorrow night. I asked, 'Have you already written the report? How could you possibly write a report in just a few hours straight after you have actually just heard the witnesses? How is possible?' It gets better! The committee has been called to another meeting at 8 o'clock on Wednesday morning, where it has to adopt a report. If you have a dissenting report, you must complete it and submit it by 8 o'clock, otherwise you are out of the game. This farcical process, masquerading as a hearing, is into the most significant voting reforms in 30 years. I have noted it has become a great favourite for everybody to quote, 'Well, this was the ALP's submission.' Let me be clear, this has never been adopted by the parliamentary Labor Party in this building. The caucus has never adopted it. And do you know what? There has been a good reason why. It is because the proposal is a dog. It has
never got past the leadership group, it has never got past the shadow cabinet, and it has certainly never got past the caucus.

*Honourable senators interjecting—*

**The DEPUTY PRESIDENT:** Order!

**Senator CONROY:** So when we say, as those opposite have been trying to imply, that this has been our position for the two years, this has never been adopted. It has not been adopted, not once by any decision-making body of the parliamentary Labor Party. Let me make this clear: this has never been the party policy of the Federal Labor Party. Not once, not for one day and not ever. So let me be very clear about that for those who have attempted to describe this as the Labor Party's position.

As others have said, there are many times when parliamentary committees meet and put forward recommendations that are ignored or not adopted or supported. That happens all the time, but that does not mean that just because a committee has reported it the individuals have supported a position—that is the parliamentary Labor Party. I take great pride in the processes of our caucus and not once has this ever been put to caucus. Not once has this ever been put to shadow cabinet. There has been a number of discussions in some other forums. So let me be clear.

Then there is this idea that there are proper consultations. I say congratulations to those individuals who have taken the time to rush and put in a submission, but to all of those others who have not been able to prepare a report—to those smaller parties, to the minor parties, to the independents, who are about to be purged from the Senate forevermore—it is no great surprise. Do not worry, Senator Rice, you are on the purge list, too. You just have not worked out yet, but it will dawn on you soon exactly what is being proposed to you. You are being marched up to the inner tumbrel, up to the guillotine, and you just do not know it yet—that is the best part. I will come to it, don't worry. But you will not be able to misunderstand what is being planned for you by those sitting around you. They have not explained this to you yet. What you are doing is that you are the turkey voting for an early Christmas.

You had all of the modelling done on half-Senate elections. Did the Liberals promise you that they would not call a DD when you gave them the trigger? Did they promise you that? Seriously, I have got a harbour bridge that I want to sell you next. Because they have given you the opportunity to march yourselves up to the guillotine and you have leapt into bed with them.

You are also jeopardising important reforms that you voted for previously—the Clean Energy Finance Corporation. It is on the chopping block. If they win this election they will walk in, they will take us into whichever chamber you have a DD sitting in—because I have not done it in the 20 years that I have been here—and they will vote down something that you have sat in here and blocked. They will vote it down. They will wipe it out. It is your party's policy and it is their party's policy to abolish it, and you will march into the other chamber, if that is where we are, and you will watch it get voted down. No-one but you will be responsible for that. Nobody but the Greens will be responsible for allowing the vandals on that side of the chamber to wipe out the Clean Energy Finance Corporation and all of the good work that we know it does and that you know it does.

*Honourable senators interjecting—*
Senator CONROY: All of you down there, you can keep squealing because, but that is what you are voting for.

An honourable senator interjecting—

Senator CONROY: No, I said if they were to win. If they were to win, that is what you have done. There is nowhere to hide. You can chuckle. Senator Di Natale, here, can wave is arms around like Inspector Gadget, but lets us be clear that that is what you are doing. The best part is that no-one has explained to you the ramifications—

An honourable senator interjecting—

Senator CONROY: I have known you for a long time, Senator Rice, now be fair. There are the ramifications of actually having a double-d and how parties select their own tickets—good luck with that, I am looking forward to it. There is only probably the state of Tasmania that could absolutely have a reasonable chance of picking up two. The rest of you: Victoria, you are sitting there—I do not even think you are in the death seat, you are in the dead seat. You are actually sacrificing your own positions to give the government control of the Senate. Because guess what happens when you do not get them, it is us or them. The only thing that can save the country, God forbid, is Senator Xenophon picking up four seats in South Australia, which there is a chance of. So let us be clear, you are voting to stop war on yourselves.

But it gets better, those of you who have not been through a DD, or studied what happens after a DD, need to understand that the Senate then votes on who gets the six-year terms and the three-year terms based on the order in which you were elected.

The DEPUTY PRESIDENT: Senator Conroy, if you can resume your seat. Senator Cormann on a point of order?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (18:28): Either Senator Conroy is misleading the Senate now or he was misleading the Senate last week. This week his argument is that this will cost the Greens a seat, last week he was saying they will get more bums on seats—

The DEPUTY PRESIDENT: Order! That is not a point of order, Senator Cormann. Unless you have a point of order.

Senator CONROY: Thanks, nice try. In a half-Senate, which is what Senator Rhiannon explained to you all, and a few gurus behind the scenes, is that you are going to end-up with 12 Greens bums on seats. But in a double-d, which is what they are planning to do to you and this country, in about six weeks or seven weeks, the Senate then determines who gets the six-year terms and three-year terms, based on who gets elected. Go and look up in what order, because guess what: there is a very good chance that, even if you get two senators in Tasmania, you are both going to be competing in the same half of the draw at the next one. It is possible, okay. But certainly you are voting for three-year terms for yourselves.

Sitting suspended from 18:30 to 19:30

Senator CONROY: The Greens must be in a panic by now; they have not turned up. They must have finally worked out what they are doing to themselves. That is what the benches of the Greens will look like under a double-D scenario after this, because not only
will they all get to be in the same half of the draw; after a double dissolution, when there is a Senate vote, they actually then will have to compete against each other in the three-year terms. What will actually happen is that they will not get six-year terms; they will have to fight against each other immediately in the three-year terms. Those who dreamt this plan up have not explained it in some detail to their own colleagues. I am not surprised to see there is growing disquiet among the Greens party membership. Once again this Greens political party under its new leadership is facilitating a hard right coalition government in gutting environment policy and gutting the National Broadband Network.

We have seen today the consequences of the maladministration of Senator Cormann in not paying attention to what Mr Turnbull is actually up to. Did he not actually tell you what he was doing, Senator Cormann—blowing out the costs of the NBN and setting it on a path to technological oblivion? Did he not mention that to you given you and he are the co-ministers in charge of the NBN? Did he fail to mention those things to you?

This is a hard right political government. There are those who thought that Mr Turnbull would see them come back to the political centre of Australia. But, unfortunately, Mr Turnbull continues to say one thing and do another. On this very issue of Senate voting reform, when he wanted the crossbenchers' votes he said to them, 'This isn't really a priority. This isn't really a path that I am looking at moving down.' I thought to myself, 'On the last bill on the last day before this parliament is dissolved there will be a filthy deal concocted by the Greens and Senator Cormann and friends.' And that is exactly how this is panning out.

While the Greens and the government will pretend that there was no final agreement between them, this filthy deal has been hatching for the last six or 12 months. Everything that we have seen since then—including the sham, fraudulent joint parliamentary committee hearing that I have to sit through for a few hours tomorrow morning and the Greens' refusal to even allow us to have a real Senate inquiry not controlled by the House of Representatives, with it driving the agenda—points to the fact that this government and the Greens have been planning this little stunt for six or 12 months. A cosy little club existed around Senate electoral reform. When it was exposed to the harsh light of day, the implication was that in a half-Senate scenario the Greens' plan is to get 12 Greens bums on seats in the Senate. But the trade-off for that is that the most likely outcome will be that the coalition will have 38 votes.

I accept that Senator Xenophon is a bit of friction in there. But Senator Xenophon, an extraordinary politician from the state of South Australia, is not immortal. What you are seeing is a bit of long-term thinking from the Libs, not something they are traditionally good at. They think they can do a deal with Senator Xenophon. He has always shown a willingness to deal. As long as they let him say that he was the one who brokered the deal and can stand next to them at a press conference, the government have found they can get him on board.

But those of us who are actually interested in the long-term future of this country—whether we are going to ultimately get a decent National Broadband Network and whether we are going to get future environmental reform—cannot possibly be sucked in to vote for this legislation. You have been taken for a mug, Senator Whish-Wilson. The same way they left you out of the room when they did you over on the taxation law, they have done it to you again.

**Senator Whish-Wilson:** Mr President, I rise on a point of order. Senator Conroy should address his points through the chair, not directly at me.
Senator Conroy: Is that a glass jaw I detect?

The ACTING DEPUTY PRESIDENT (Senator Edwards): Senator Conroy—

Senator CONROY: I accept your admonishment.

The ACTING DEPUTY PRESIDENT: I did not even admonish you—

Senator CONROY: I accept your forthcoming admonishment. Through you, Mr Acting Deputy President, Senator Whish-Wilson displays all the glass-jaw features of a Greens member who spends all his life lecturing everybody else piously about how the Greens are the one true, pure political force in this country. They have been exposed in this filthy deal to get 12 Greens bums on seats in the Senate at the expense of all principle.

Senator DASTYARI (New South Wales) (19:36): I think it is fair to say this is a debate that has brought out some pretty high passions in this chamber and some very, very strong views that are held by different people. I know people have said things they may later regret. I note that Senator Rhiannon earlier today made the observation that there are two Senator Stephen Conroys: there is a decent, reasonable, likeable Senator Conroy and there is an angry one. I think we in this chamber all know which one of those claims was defamatory and which one of those claims none of us believe to be true.

On a serious note, the real issue here needs to be the debate around the rushed process. Let us be honest and let us be fairly frank here: there are going to be different views in this chamber and there are going to be passionately held different views on what is the best way of reforming Senate voting structures. There are people, like myself, who have spent a lot of time thinking about this and who have very strong views on this. I will even acknowledge that they come from a very genuine place.

Part of my issue with this is that the rushed process that is now being implemented means that we do not have the opportunity to have the public debate that will allow the difference in these views to be explored. I believe that there are better ways of reforming the Senate. I believe in setting a threshold. The journalist Ross Gittins outlined some ideas quite eloquently this morning in an opinion piece about setting minimum thresholds and about party registration being something else that the Joint Standing Committee on Electoral Matters has looked at. I think they are good points and they should be part of this debate. I do not believe that having a half-day sham inquiry is the best process for allowing us to air what are some very different views and for allowing the best policy outcome.

You do not have to be a rocket scientist to see that an agreement appears to have been reached between the government and the Greens political party on this issue. That clearly seems to be the case. I am not sure I can understand why that would necessarily relate to the urgency of the bill being passed in this way and the implementation being as it is. If this is a good piece of legislation and if this is the right thing to do by the nation—as those who favour it will argue—then surely they would be open to some scrutiny and surely they would be open to public debate. I note that Senator Cormann said earlier today that there wasn't an intention by the government to rush this bill and there wasn't an intention by the government to gag or put it on for a vote this week—and so the Senate would have some time to look at it. If that is the case, then I do not understand the urgency of having the committee report in the next two days. It does not allow a proper, detailed and longer implementation process.
We all know that once you are a senator in this place and you have had a chance to interact with different departments people from departments tend to talk to you. They tend to tell you bits and piece. You may call them whistleblowers—you may call them what you will—but they give you some information. It is a bit interesting that it appears, from what I have been told, that this was legislation was not drafted by PM&C but was drafted out of the Department of Finance. We will have a committee process that will give us an opportunity to work out whether that is true or not. If it has been drafted by the Department of Finance, and the sources and the people who have spoken to me have spoken correctly, then that, perhaps, explains why there are already eight amendments that need to be passed through the House because the bill was so poorly written and because it was so rushed. It was not done the way it should have been done or done through the proper processes.

In an attempt to fix what is a legitimate concern—that we have a better, more democratic and more representative Senate—that without proper scrutiny we are going to allow the changes that are being made and the rules that we are setting to simply be given a political fix to what is a legitimate concern. The legitimate concern is this: we want to have a Senate that is representative. We want to have a Senate that is fair. We want a Senate voting system that is fair. I do not believe that these changes achieve this. I hear Senator Simms sitting there and having a laugh. Senator Simms, I am sure it may be all a joke for some senators and it may be a bit of a laugh—

 Senator Whish-Wilson: Maintain the rage. Come on. Show some outrage.

 Senator DASTYARI: I am not an angry senator. I just want to make sure that Senator Simms has an opportunity. By the way, I think Senator Simms has made an incredible contribution in the period that he has been in the Senate. I have chosen to 'like' him on Facebook. I have 'liked' his speeches. I thought the speech he made about the Safe Schools Coalition was outstanding and I believe I may even have shared it with the people who follow me. It would be a real loss and a shame, Senator Simms, if at the end of a double-dissolution election either yourself or Senator Hanson-Young were no longer part of this chamber. I hope that is not the case. I do not think you are the best senator from South Australia, I think we have some fantastic senators from South Australia, but I think you make a worthwhile contribution and you are a good person to boot.

 Process matters. Transparency matters. Having a public debate matters. Having an opportunity to explore ideas about how we best run this Senate and how best people are elected to this Senate is a worthwhile process. I worry that we have a process which has largely been dominated by House MPs who frankly have no appreciation of the culture of this place and have no appreciation of how the Senate works. I believe that a Senate process where the Senate conducted an investigation for itself would have been a better process. That was not the will of the Senate and, of course, I am going to accept the will of the Senate. I believe we need a longer process to allow some of these issues to be explored and a process that is longer than a four-hour hearing on a Tuesday morning on another sitting day. I believe there are better processes and better ways of doing this. Let us not pussyfoot around this, let us not kid ourselves, there is a government at the moment who has a social agenda as abhorrent to people like myself, and to many of the Greens as well, I might add, as the Abbott government
Yes, they have a more softly spoken Prime Minister. Yes, they have improved their rhetoric on a whole range of issues. But, fundamentally, the policy agenda being driven by the Turnbull government is no different than that that was being driven by the Abbott government. If you want to justify that, all you really have to do is look at the comments made by former Prime Minister Abbott in his Quadrant piece. I have read the commentary around his Quadrant piece; I am not going to purport to have read the piece itself. I note that the Leader of the Government in the Senate has also not read his piece yet. To paraphrase the former Prime Minister, he said, 'There is no stronger indication of the validity of our economic agenda than the fact that none of it has been repudiated by this government.'

We saw it in question time today, when the Minister for Finance, in answer to a supplementary question, confirmed that it is existing policy that the Clean Energy Finance Corporation be abolished. Let us not purport anything otherwise here. The government have that as their trigger. They are saying that is their policy. It is in the budget papers. At this stage, a double dissolution election appears to have three parts to it: the Clean Energy Finance Corporation, the registered organisations act and the attempt to bring back the ABCC. When the government choose to use all six of their questions in question time today to ask themselves dorothy dixers regarding the ABCC, you do not have to be a rocket scientist to see that they are clearly lining that up as a mechanism for a double dissolution election.

I am not scared of a double dissolution election; in fact, I would welcome it. I think the sooner we go to the polls, the better. But let us be clear about what happens if the government wins. If the government wins a double dissolution election, it is a bad outcome for those of us who believe in progressive causes. It is a bad outcome when the Clean Energy Finance Corporation—

Senator Cormann: Sam, do you think you're going to lose?
Senator DASTYARI: No—

The ACTING DEPUTY PRESIDENT (Senator Edwards): Order! Senator Dastyari, I counsel you to ignore the interjections and continue.

Senator DASTYARI: But he is talking to me.

The ACTING DEPUTY PRESIDENT: Ignore the interjections and address your comments through the chair.

Senator DASTYARI: The finance minister did not listen to me, because my point was very clearly that people like me will fight tooth and nail. I was highlighting what the outcome of a loss of a double dissolution election would be. That is the message I am trying to deliver to the Australian people through the Senate.

Senator Simms interjecting—

Senator DASTYARI: Thank you, Senator Simms; I will take that interjection. The ABCC, the Clean Energy Finance Corporation being wiped and the registered organisations act are at this stage what it appears we will be going to a double dissolution election on.

Because of what these rule changes to the voting system would mean for the make-up of the Senate, on the current numbers, a double dissolution election is not good for those of us from the progressive side of politics. The changes that are being proposed are highly concerning for people like me, who believe that, if the government had had the numbers to
pass their 2014 budget, it would have been terrible for the Australian public. They were not able to because of the make-up of the current Senate. Labor senators, working with Greens senators and a mix of crossbench senators, were able to block some of the atrocious and terrible measures. My worry and my fear are that the government's ideology and agenda have not changed and, should they have the numbers to achieve an objective like that, they would implement it.

There are those on the progressive side of politics who have argued and continue to argue, 'Frankly, all we effectively did was save the government from itself, from its worst behaviour, and the progressive side of politics should step away and let them pass these horrible laws, and then people will see how terrible they are.' I do not support that view. I have never supported that view. I believe that the people of Australia have elected progressive politicians for a reason, and that is to stand up and fight and stay true to causes. While governments may have a mandate of their own, those of us who were elected on the other side of the chamber are from political parties with mandates and agendas which we have a responsibility to stand up for and defend, and we certainly have a responsibility to stand up against matters that are not on our agenda.

I really worry about what all of this is going to mean and what a double dissolution election is going to mean for this chamber if these laws, as intended, give an unfair advantage to some of the more conservative elements of politics in eliminating what is a fairly disparate non-conservative Liberal-National vote on the right of politics. I also believe that the Senate is a better place when a wider range of views are expressed in this chamber, and I say that as a very proud Labor senator. I believe the debate in this nation has been enhanced by the likes of Senator Muir, Senator Leyonhjelm, Senator Day, Senator Wang, Senator Lambie, Senator Lazarus, Senator Xenophon and Senator Madigan, all of whom bring different experiences to this chamber. There are those who argue, 'If they are so great, people will vote for them under any system.' The reality is that, under the model that is being proposed, they would not get the start they got; they would not have the opportunity to be known and to present themselves. People are allowed to disagree with that; people are allowed to argue and to express a different view. They are entitled to do that and they will do that, and so they should.

I feel that a longer and better committee process would allow us to have a better and more transparent debate which would lead to better policy outcomes. I am very confident that the view I hold is correct. Other people have different views and, of course, they will express those views, but I feel that the opportunity to express the various views is limited—when the whole thing is dragged into nothing other than four-hour inquiry to be held tomorrow morning. The irony again is that, if the attempt here is to stop deal making and backroom deals, there has clearly been a deal made between the government and the Greens political party to achieve this policy outcome. I am not quite sure how that would justify or achieve the set objectives. A more open, transparent and consultative process will result—and I believe can result—in these laws being approved.

It is concerning when political parties choose to exercise their power in a winner-takes-all electoral system—

Senator Simms interjecting—

Senator DASTYARI: I will take that interjection: electoral reform is best achieved when everybody is in the tent together and when it is not about exclusion but inclusion. This is a fix
where the government has decided it wanted to remove a pesky crossbench and retrofit it with a model to achieve that outcome. They have been very clever about it; they have clouded their language with the language of transparency and democracy. I believe that the Greens came to this from a genuine place. I do not believe that the motives here were necessarily all wrong or evil. I do not subscribe to that. What about the ramifications of this if it were used in a double dissolution election—as is openly being proposed by government MPs and ministers, and this is undeniable now; it is not speculation coming from our side of politics. Talk to any journalist in the gallery and they will tell you that government MPs and government ministers are walking the halls and openly saying, 'We have what we need to be able to go to a double dissolution on 2 July or 9 July or 16 July.' These dates are not coming from our side of politics, they are coming from government sources. The government believes it will result in a situation where there will be nine Green senators—

Senator Cormann: That's just not true. You're making this up.

Senator Dastyari: Senator Cormann, it is your MPs saying this. Have you read those comments? By your assertion, Senator Cormann, have senior journalists in the pieces they have been writing in the past week been making it up when they quote government sources? These are not second-rate press gallery journalists; these are the most senior journalists in the country. I am not the biggest fan of every journalist in this place—none of us is—but many of them are the most respected journalists in the country and they are all saying the same thing. They are all saying and writing that they are getting this from government sources. Senator Cormann may dispute that, but I believe—and I have no reason not to believe—that they are telling the truth and they are getting information straight from government sources. I worry that a government that is prepared to gloat in the way it is— it is bragging about what it is doing—intends to use this for a double dissolution election. It will be bad for politics if the rules have been set in such a way as to give them the outcome they want. (Time expired)

Senator Whish-Wilson (Tasmania) (19:57): I was not planning to speak tonight, but I must admit I have been moved to my feet by the last two speakers and genuinely moved by the deep concern and the deep care that the Labor Party has for giving up votes in the next election to minor parties and to people from other political parties. In fact, the genuineness of their comments would bring a tear to a glass eye. I think the people they are trying to convince with this argument are their own supporters, because we know that they are very deeply divided on this issue.

The MP who set this up, Mr Gray, has said that the comments he has seen on electoral reform are dumb and are spreading misinformation. My predecessor Bob Brown said to me when he left the Senate, 'Get to know that John Faulkner guy. Get to know him. He's a great guy and he's been around a long time; he has kind of been pushed away from the pack. He is sitting on his own over there; he's been shunned by the Labor Party, but he has a lot of wisdom and a lot of youth. He's still quite young. You will learn a lot from him.' That is what Bob Brown said to me. I read with interest Faulkner's comments a couple of years ago on the JSCEM recommendations on Senate reform. He said that it was great that we were going to have some reform—he fully supported the kind of reform we are now planning to debate here in the Senate.

Let's not beat around the bush on this: the Labor Party is deeply divided on this issue. We know there has been a power struggle within the Labor Party over this and we know some of
the prominent frontbench senators have won that battle—Mr Gray was very clear about that and he said it was very sad. He said that it was a sad day for democracy and a sad day for the Labor Party. We have seen other Labor Party stalwarts coming out to say they support voting reform. Let’s put this on the table as well: why is Labor so divided?

This issue has been debated for years. It has been through numerous inquiries. There is this confected outrage that suddenly this issue has been given a half-day Senate inquiry, but the discussion has been going on for years. Senator Faulkner’s contribution, I read this morning, was from 2012. Senator Brown introduced this bill in 2004—12 years ago we had this debate. We have had it on numerous occasions, and these things have been thoroughly examined. Let us be totally honest and put the facts on the table—yes we have different views on this but I do not think anyone in here can put their hand on their heart and say that they are opposing Senate reform because they are the good guys, because they want other people to get voted into this chamber. That is arrant nonsense. We oppose Senate reform for our own benefits, our own self-interest, and we support Senate reform for the same reason but we do not as a party. We have campaigned on this consistently for years because we think it is good for democracy.

I am very proud to have been here with Senator Rhiannon, who introduced these reforms into the upper house of the New South Wales parliament. These changes have been successful in New South Wales. This is something that she will leave as her legacy in this parliament, and she has campaigned for years on getting Senate voting reform where, quite simply, the voters get to choose their preferences. It is that simple. Six above the line gives everybody plenty of opportunity to vote for people like Senator Ricky Muir, plenty of opportunity to vote for minor parties, but it stops the gaming of the system that we have seen in recent years.

I have no doubt that we need to have more debate in this place, and I am sure we are going to as this legislation is tabled. I look forward to that, and so do all my colleagues. This is something that our party has campaigned on for over a decade and it is something that we want to see happen.

Senator CAMERON (New South Wales) (20:01): I am pleased to participate in this debate on Commonwealth electoral laws. Senator Whish-Wilson’s contribution certainly makes it pretty easy to focus on some of the key issues. Talk about bringing a tear to a glass eye! Certainly Senator Whish-Wilson needed the kleenex. It was suggested that Senator Faulkner was shunned by the ALP. I have never heard that proposition in my life. Senator Faulkner was strong-willed, Senator Faulkner had strong views, Senator Faulkner was extremely competent and Senator Faulkner is a Labor person, he always has been and he always will be, and he is one of the great Labor people ever in the Senate. For Senator Whish-Wilson to stand up and put this view around that somehow Senator Faulkner was shunned by his own party beggars belief.

If anyone has been acting in their own self-interest, if anyone has been looking to their own benefit, it has to be some in the Greens—some of them, not all of them, because I am sure there are big divisions in the Greens on this issue. Timing is everything in politics, and you could easily have had this debate down the track a bit; you could easily have fixed this up. But timing is all about the Greens giving a leg-up to the people they have described as devils on the other side of the chamber—people who stand totally opposed to what the Greens claim they stand for. The more I hear the new Greens leadership articulate their point of view, the more I wonder what the Greens do stand for. When you have the National Party today lauding
the Greens for the great decision the Greens have made, you have to ask what is going on. We know what is going on—the Greens did a dirty deal, and they did the deal on the cheap. Every time I hear someone from the Greens talk about democracy, I always think about the lost opportunities that the Greens have given up. I was a union official for 27 years. I was used to bargaining, I was used to negotiating, and I used to walk into some companies and I knew a soft touch when I saw one. I knew when someone was not a good negotiator, I knew when someone just was not tough, I knew when someone would basically capitulate with a bit of pressure. Every time I look at the Greens I think about those bosses that I had to deal with—those bosses who were weak, those bosses who had no backbone, those bosses who were not clever enough to understand the dynamics of a bargaining process. That is exactly what the Greens are like. They have just done a deal on the cheap.

The Greens have made three big calls in my time in the Senate. One was on carbon trading, where they took this pure position whereby nothing that Labor put-up was ever going to be good enough, and if we had had a carbon trading scheme come in when Labor proposed it first up, under the Rudd government, we would have a carbon trading scheme cemented in and operating now. But the Greens in their purity, the Greens in their naivety, the Greens in their stupidity on these issues, just gave the game away—they just gave up. The second area where they proved to be really incompetent was on tax transparency. Again there was an opportunity. If only the Greens had had some backbone, if only they had had some capacity to negotiate and understand that you just do not give in as soon as someone stares you down, then we could have had a better tax transparency deal.

We could have had those 500 to 600 companies that are not subject to any tax transparency caught in the tax transparency net. But the Greens and this new approach, where they want to be mainstream but they cannot actually negotiate—they do not understand the dynamics of a negotiation—withdrew to the coalition and the coalition looked at them, took their play lunch off them and sent them packing, and they got nothing out of it. We end up with about 500 to 600 companies with no tax transparency because the Greens did not have either the intellectual capacity or the heart to stand up to the coalition. That is exactly what happened on the tax transparency deal. If people rely on the Greens in the future to be the brokers of anything, people have to understand that they are weak, inexperienced and will give up. Their play lunch will be taken off them every day of the week when they are sitting down with the coalition.

We come to the last one, electoral reform—the third big cave-in by the Greens. How cheaply can you give things up? How cheaply can you give away your principles? That is exactly what the Greens have done here. They had on electoral reform the opportunity to deal with the issue of electoral donations, to get some decent democracy in the place. We hear lots about democracy. Democracy is being trampled with electoral funding rorts by the coalition and the Greens had an opportunity to do something about it. What happened? They went to water again. They do not understand the dynamics. They do not understand the long-term issues and they give up. The Greens are reeling. Dirty deals done cheap. That is exactly what they are. They do the deals cheap and they cannot get much out of it.

Look at those three areas: carbon pricing, where their purity got in the way of getting a carbon pricing system in this country; tax transparency, where they did not have the bottle, did not have the intellect and did not have the guts—they did not have the negotiating
capacity to stand up to the coalition and they gave in—another dirty deal done cheap; and on electoral reform they did not even go near the thing that is trampling democracy, the use of money in this country to fund the coalition. Money is distorting electoral outcomes. Did the Greens deal that? No. They did not go near it. Did the Greens actually stand up for real democracy? No. They did another dirty deal and they did it cheap.

Senator O’Sullivan interjecting—

Senator CAMERON: I have just heard the National Party being mentioned. The National Party should not be voicing their opinion on any of this stuff when we talk about democracy. They are out there pork-barrelling as hard as they can. They are in there with a weak Prime Minister who cannot stand up to anyone, who is getting pulled left and right, up and down, front and centre, a Prime Minister who does not know what he stands for. All he wanted was to get into the prime ministerial position, and that is all he cared about. We see the Nationals in there, tearing strips out of the public finances because they want to pork barrel in their electorates.

The Greens could actually have done something about this but, because they did not understand the dynamics and did not have the capacity to negotiate, they simply gave up. Who are we dealing with when we are dealing with the coalition? We are dealing with a Prime Minister who in the 2014-15 budget said that he supported every aspect of the budget. There was the ripping away of pensions. Pensioners would have been $80 a week worse off over time with that dirty deal that was put through the budget in 2014. That was a problem. Changes to the disability support pension meant people would be moved either to Newstart or to youth allowance and would be $214 a week worse off. We had $80 billion to be taken out of health and education. We had Aboriginal and Torres Strait Islanders losing $493.7 million over the forward estimates. These are the types of things that the Greens claim that they stand against. They might claim they stand against them but, when they get an opportunity to do something about them, they do not have the backbone to stand up against them. It must be dead easy for the ministers on the other side. They must sit around and go, ‘The Greens are coming to negotiate.’ They have a little bit of a giggle and a laugh. They just say, ‘Stand firm. Don’t budg—

Senator Whish-Wilson gets up here and starts his talks about what is good for democracy. Surely it would be good for democracy if in this country there was a price on the carbon polluters that you guys let off the hook. Surely, it would be good for democracy if we had tax transparency and the big end of town were paying their fair share in tax. That would have been good. Surely that is something that you would have liked to go back and tell your branches—if you have them; I do not know what you have in the Greens—your rank-and-file members, ‘We actually got something out of the coalition.’ But you do not get anything; you caved in. You just caved in. Hopeless. You should have been able to go back to the rank and file and say, ‘We didn’t just get 281 companies to be transparent; we actually got nearly 800, 900.’ Did they do that? No, they did not. The Greens just caved in.

With this bill on electoral reform, the Greens really had the opportunity to negotiate a good outcome for democracy, and a good outcome for democracy would have been getting more transparency in electoral funding. Did anybody in the Greens think, when they were in there talking about democracy, that they might have raised what happened in Newcastle, where a
Liberal MP got into the front seat of a Bentley with a local multimillionaire and got handed $10,000 in $100 bills, a clear breach of the electoral laws in New South Wales? Didn't they think that they could have at least said, 'Let's deal with these issues; let's link electoral corruption to the issue of democracy'? No, they did not do it. They just caved in, because they do not have either the heart or the intelligence to deal with these issues.

Labor is very concerned about transparency in terms of electoral laws, and it is not just about the Senate election laws; it goes much wider. If you are going to deal with one little aspect and you are not prepared to even put in a decent system of changes for the Senate election laws and you give in on that, there is really not much point in going down the track of dealing with the wider issues.

Electoral rorts in this country have been huge under the coalition, absolutely huge—

Senator O'Sullivan: What about union corruption?

Senator CAMERON: Senator O'Sullivan just cannot keep quiet for two minutes. He has to come in and say it is all the fault of the unions; the unions are the problem. Well, I can tell you that donations from the trade union movement to the Labor Party are transparent. You know where the money has come from—

Senator O'Sullivan: From crime.

Senator CAMERON: you know who has given the money, you know when it has come in—

Senator O'Sullivan: It's from the proceeds of crime.

Senator CAMERON: and Labor declare every donation above $1,000—

Senator O'Sullivan: Proceeds of crime.

The ACTING DEPUTY PRESIDENT (Senator Edwards): Order!

Senator CAMERON: not like you lot over there. You only have to look at some of the rorts that go on. There is Platinum Forum, registered in Victoria. They received over $1 million, but no donations over $12,800 were declared. Where is the money? Who is providing this $1 million? We know who it is; it is the white-shoe brigade. It is those people that want a bigger GST imposed on ordinary Australians. It is those people that want access to tax rip-offs at the expense of ordinary working people. That is who is providing this money. Then there is a mob called Parakeelia Pty Ltd. They received $932,000, but only declared receipts of $43,000 to the ATO. Where did that money come from?

How dare the Liberal and National parties talk about the trade union movement—good, honest workers—providing support to the ALP? How dare you criticise those donations when you have all these secret slush funds all over the country, and money getting handed over in the front seat of a Bentley up in Newcastle? What an outrageous mob you are.

There are more: the Liberal club in Western Australia received $830,000, but there was only $48,000 in declared donations; and the Kooyong 200 Club, $444,720 in donations and only $50,000 disclosed. It goes on and on. There are pages and pages and pages of this stuff.

There are all these little trust funds and rorts getting set up all over the country by the Liberal Party—set up all over the country by these people. Yet they have the gall and the hide to say that ordinary Australians, decent Australians, who are members of trade unions and
want to support the Labor Party are doing something wrong. What a bloody joke. What an absolute joke from you mob, when you have all these rorts going on.

And the Greens should have stood up against these rorts. The Greens should have been saying, 'We can fix this because we've got a negotiating position here. We can not only negotiate something decent for electoral reform but get funding reform as well.' But they were too short sighted, they were too weak. They just were not capable of taking that on in the long term.

Senator Kim Carr: Too greedy.

Senator CAMERON: Too greedy—yes, that's the word. There is all this fundraising that goes on, like the mafia fundraising in Victoria in support of Liberal politicians. That could have been dealt with. The mafia is in there supporting Liberal politicians financially. Why didn't you deal with that? Why didn't you deal with that when you had the chance? Because you were just too weak and incapable of doing it. Here are some headlines: 'Key Liberal fundraising body took mafia money for access', in *The Sydney Morning Herald* on 30 June 2015; 'Prominent Liberal donor investigated over bribery claim'; 'Donations disclosure reveals murky deal for Country Liberals'. On and on it goes. But, when the Greens had an opportunity to deal with this, you just did not have the bottle to do it. The National Party and the Liberal Party stood over you and you caved in. (Time expired)

Senator LEYONHJELM (New South Wales) (20:21): When Bill Shorten is one of the few people talking sense on Senate voting reform, you know there is a problem. Recently Mr Shorten observed that 'it is not in the nation's interest or our economic future to give the Greens party the balance of power in the Senate.' Mr Shorten is well qualified to comment. Labor was forced into a deadly embrace with the Greens once before. It was not a pleasant experience for them or for Australia, and Mr Shorten is right to want to avoid it again.

The irony is that former Greens leader Bob Brown won the first Senate seat for the Australian Greens in 1996 based on the current Senate voting system. The Liberals won three of the six Tasmanian Senate seats up for grabs, Labor won two and Labor was ahead of Brown by 3,450 votes in the race for the last seat. That is where the race would have ended if optional preferential voting— the voting system the coalition is about to enact into law with the Greens' support— was used to count the votes. Labor would have won the last seat, allowing Labor and the Liberals to strengthen their grip on national politics.

Thanks to group-voting tickets, the race for the last spot did not end there. Instead the Electoral Commission saw that more than 17,000 people had voted for the Australian Democrats, who had not won a seat. The Democrats had told the Electoral Commission that if their votes did not elect a Democrat those votes should be used to help elect a Greens candidate. The Democrats had also made this known to their members and anyone else who cared to listen. So the Electoral Commission transferred those 17,000 votes from the Democrats to the Greens, Bob Brown overtook Labor and won the last Senate seat, and the era of the Australian Greens on the national political scene was born.

In the Senate election in 2013 the Liberal-National coalition and Labor had both won two seats of the six that were up for grabs in New South Wales. I then won the fifth, leaving the Greens ahead of the Liberals' Arthur Sinodinos by more than 100,000 votes in the race for sixth. If the Greens had had their way and optional preferential voting were used, that is
where the race would have ended—the Greens would have won the last seat. But the Electoral Commission saw that more than 250,000 people had voted for anti-Greens parties, like the Shooters and Fishers Party, Motoring Enthusiast Party, Christian Democratic Party, Fishing and Lifestyle Party, No Carbon Tax Climate Sceptics and One Nation. None of these parties had won a seat, but each had told the Electoral Commission, plus their members and anyone else who cared to listen, that if their votes did not elect their own candidate those votes should go to the Liberals before the Greens. So the Electoral Commission transferred those 250,000 votes to the Liberals, and Arthur Sinodinos won the last Senate seat in New South Wales.

Now in 2016 the Greens have become a major party. They can win more seats if they disenfranchise minor party supporters. They can also force Labor to negotiate with them in ways that should chill the blood of any Labor believer, particularly one who cares about Labor’s working-class traditions and commitment to improving the living standards of ordinary people. The Greens are a middle-class party. This is why they do not care when ordinary people’s power bills go up because of their latest harebrained environmental scheme, leaving Labor to do the heavy lifting on behalf of the poor. Furthermore, there is something to be said for having a sawmill manager, a country vet, a blacksmith, a soldier, a footy player and a builder in the Senate, rather than the usual production line of lawyers and staffers, with little real-world experience beyond an exceptional talent for splitting hairs.

On the coalition side the Nationals have been sucked in by delusions of future Senate workability. The coalition agreement with the Liberals is based on the assumption that the option of going their separate ways is genuine. Indeed, that is the situation in Western Australia. But once the new voting system becomes law the Nationals will be bound irrevocably to the Liberals, with no prospect of independence. The two parties will rise and fall together. This will create a perfect environment for the Liberal Party to further restrict irrigated agriculture, prevent clearance of woody weeds, confiscate as many guns as it wants and pursue any other matter that impresses its new Greens friends in the Senate.

The other people breathing a huge sigh of relief will be those few insiders in rural industries riding the levy gravy train, who will be more than happy to stop answering some of my uncomfortable questions about accountability to levy payers. It will not be long before the Nationals are forced to either seek a merger with the Liberals nationally, as has already happened in Queensland, or become just another minor party that the Liberal Party decides it would rather do without. Adding insult to injury, thoughts that the coalition will gain control of the Senate as a result of the changes are fanciful. There is no way that can happen now or in the foreseeable future. Instead, the Greens and Nick Xenophon, who votes with the Greens most of the time anyway, will gain the balance of power. This should be a matter of great concern to anyone who believes rural areas should not all be turned into national parks.

Now I come to the person who has been turned into a pin-up boy for this wretched reform, my colleague Senator Muir. I offer in response to conservatives—who should know better—this quotation from William F Buckley, editor of the National Review.

I'd rather entrust the government of the United States to the first 400 people listed in the Boston telephone directory than to the faculty of Harvard University.

I have been put in mind of this quotation a great deal this week, reminded that we trust sortition to empanel our jurors. But when the electoral system throws up a few men and women of the people we lose our collective minds.
I was horrified when various people suggested Senator Muir’s lack of a legal background made him less capable in parliament. I have seen it seriously suggested that Senator Lazarus is not fit to be a senator because he eats too much McDonald’s—or perhaps because he does not return calls or keep appointments! I have heard it said that Senator Lambie is not fit to be a senator because she has some strange views and gets angry. The only reason others are not criticised on the same grounds is because they are protected by a large party. Even I am non-standard by this metric, having attributes of the Nats, Labor, the Libs and even occasionally the Greens, but then also disagreeing with them all on many occasions. Who can forget the famous division on my family tax benefit amendments, when I wanted to tighten up the means test? Everyone, and I mean everyone, was on the other side. How weird must I be?

I suspect even Ben Chifley would not get preselected these days. We are in the process of entrenching a political class of clever lawyers with good hair and those who resemble them most closely. This will work for a while, but eventually the jig will be up and the people will send an Australian version of Trump or Berlusconi to Canberra. As Anthony Albanese pointed out on Sunday, you do not fix the problem of fewer people voting for the major parties by changing the rules to make it look like everyone voted for the major parties.

The reforms planned by the government are an unprincipled attack on democracy by those who would rather the devil they know—the Greens—than anyone elected by the one in four people who do not vote for the major parties.

Senator KIM CARR (Victoria) (20:31): We are discussing a message from the House concerning the Commonwealth Electoral Amendment Bill 2016, and I would like to raise a few concerns that I have about this message and the way in which the government is seeking to fundamentally change the method of election for this chamber and, given the role this chamber plays, the fundamental change that is being proposed to the composition of the Australian parliament and, as a consequence of that, the types of laws that end up being passed in this parliament. These are concerns that do require much closer examination than the opportunity that has been given to date.

You could argue this case out on a technical basis. You could go to the question around process and the abuse of process, the way in which conservative forces in this country have sought to manipulate their majority in the House, and now their alliance with the Greens would allow the abuse of that arrangement. It would seek to entrench the political power of the hard Right of the Liberal Party and some of the most reactionary elements of the National Party. This has occurred, in essence, because of a desperate effort by the Greens to gain political respectability, to be seen as the party of moderation, to be seen as a force, which of course would allow them to be entrenched in this chamber and the Australian polity.

The second question arises about why this is happening. Why is it that the Greens party, which was once seen as a party of protest, has become complicit with the domination of its ideological foes? That is a matter that does require very significant analysis, which will not be afforded through this process but which will become apparent to the Australian people, simply because it is an old adage in politics that once you embark upon a process of deception, which has occurred in this manner, you invariably weave a very tangled web indeed.

The government says that this bill does not require a proper consideration by the chamber through a proper committee process because it is essentially the same proposition that was
dealt with by the Joint Standing Committee on Electoral Matters. When you actually look at the explanatory memorandum, you realise the fallacy of that proposition. The explanatory memorandum actually talks about key elements of the original report, and then goes on to say: The JSCEM identified that the current Senate voting system, as provided for in the Electoral Act, lacks transparency, is overly complex, and needs simplification. The current ballot paper encourages above the line voting, with voter preferences distributed through a complex and opaque system of individual and group voting tickets. The JSCEM concluded that most voters are unlikely to understand, where their preferences flow when they vote above the line.

Of course if any of that was actually right, then why is it that there is such a different proposition being considered in this particular bill from that which was outlined in the original JSCEM report? Because we are not actually talking about the JSCEM in this process. What we are looking at is in fact a proposition that fundamentally alters the principles that were outlined in that original report. So it may well be that you could argue that there is a need for substantial electoral reform in this country, and you could accept the original JSCEM report, but this of course is not that report that we are considering. This is a proposal that we have before this chamber that is fundamentally different from the JSCEM report.

I see that one of the submissions that has been presented to the joint electoral committee, which has been re-established, is by a former official of the Australian Electoral Commission Mr Michael Maley, who, I might add, has not been called by the committee. The committee has in a prearranged, pre-caucus position determined the witness list in such a way as to make sure that people like Mr Maley cannot get a look in. Surely you can squeeze him in, given it is a four-hour hearing being proposed for tomorrow? Four hours is all that has been proposed for a matter that goes to a fundamental shift in the way in which this parliament ultimately is elected. It is a fundamental shift, the biggest we have seen in a generation, and it warrants no more than a four-hour cursory conversation with preordained, preselected witnesses. And the most interesting thing of all is the proposition for a report to be provided within what appears to be four hours of the hearing's conclusion!

Because one of the resolutions carried at lunchtime today was that the chair proposed to senators that the committee report should be drafted on Tuesday, 1 March, and that if people wanted to have reports considered for printing they had to be made available by close of business tomorrow evening. It leads you to only one conclusion: to hear the hearing tomorrow over four hours and to have the report prepared within four hours, the report has to have been already written. That is the conclusion you must draw. There is not a proper examination of the evidence because there cannot be a proper consideration of the evidence, as limited as it might be by the preselection of witnesses in the manner by which the Joint Standing Committee on Electoral Matters has in fact undertaken its work.

It gets better than that. The process by which these witnesses will be examined had has also been detailed by majority vote—a government majority, of course, aided by the Greens in this case—that there should be a rotation of questions with one question being able to be asked by one party, then to the next and the next. This gives disproportionate influence to the Greens in that process. We all know that in any process of inquiry you do not just ask one question; you listen to the answer and ask a follow-up question, because that is the way these processes produce factual evidence. But the proposal we have here in this kangaroo court of an inquiry suggests to me that it is predetermined. The report will be predetermined, so maybe it does
not require any questions to be asked, because why would you want to interfere with such magnificent system that is already in place?

I come back to the proposition of Mr Michael Maley, the witness that we are not allowed to hear from. He, of course, was formerly a very senior official of the Electoral Commission. He was the in-house expert in the Electoral Commission who led to the existing system being put in place back in the mid-1980s. Mr Maley says that the scheme proposed will in fact create an anomaly never previously seen at Senate elections: identical preferences for candidates may produce a formal vote if the elector expresses them above the line, but an informal one if they are expressed below the line because the ballot paper would be insufficiently completed.

Mr Maley had a 30-year career with the AEC and was deeply involved in the 1983 drafting of the current provisions of the Electoral Act. He is an outstanding expert in these matters. His submission makes it very, very clear that these arrangements are a fundamental departure from the original report of the joint standing committee, that is, that you must number one to six above the line—the original proposal was only one—and of course below the line you must exhaust preferences.

Of course there is some suggestion that there will be a higher rate of what is regarded somewhat coyly as a wastage rate. The bill's proposal will therefore encourage a higher level of informality. That is the fundamental concern under these arrangements. But how will we test that? The Senate processes that we would normally apply will not apply to this measure, despite its extraordinary consequences for the election of this parliament. We know that the change that has been proposed includes increasing the number of errors allowed from three to five. That still fundamentally does not change the principle that it is much, much more likely that they will be a higher level of informal votes under this system, which, of course, abandons the principles that were outlined in the original JSCEM report. It gives the lie to the notion that we do not need to have a proper examination of the implications of this change because it has essentially been dealt with before. It has not been.

What Mr Maley then says in his submission is that the system proposed in the bill is 'an incoherent one, with no clear underlying principles apparent'. He says:

The current system—
However you complain about it—
at least makes sense, in that it prima facie requires full preferential voting both above the line and below, with allowance only for mistakes. The Committee’s proposal of optional preferential voting both above and below the line also makes eminent sense. The Bill’s proposal, for optional preferential voting above the line but full preferential voting below the line (again with some allowance for mistakes), makes no sense, and has not been supported by any stated justification.

Normally, when you have Senate process, those types of arguments would be given a proper airing, there would be time allowed for them to be analysed and we might be able to reach some conclusion as to the truth of those claims. But under this bodgie set up, this sleazy deal that is now being rammed through this parliament, those types of assessments will not be able to be made.

Mr Maley then recommends:

…that the Committee seek from the AEC data, broken down by State and Territory, on how many below the line Senate votes in 2013 would have been saved from informality under the amendment proposed in the Bill—
to allow two more errors—

in comparison with the number which would have been so saved under the partial optional preferential voting scheme recommended by the Committee, supplemented by appropriate savings provisions.

That is not possible. You will not be able to do that because the committee report has already been written. If it has not been it will be a very short one, because it will simply say, 'The committee recommends commend the bill to the House.' Of course it will not be to the House, because the House has already voted. This is a report which has no interest in what the House of Representatives has to say, despite the fact that it is supposed to be a joint committee, because the House of Representatives has already declared its position. It has carried this measure. I might add that it carried it with errors. No doubt further amendments will have to be made as we discover them. That is the reality of what has happened here. A sleazy deal, done dirt cheap, is now being driven through this parliament irrespective of the consequences for the political system of this country and the damage it will do to the method of selection of members of this parliament.

It well may be that members of the House of Representatives do not think very much about this, because on most occasions in my experience they think very little about the Senate until they lose a bill, they have a Senate inquiry they do not like or because when evidence is presented at estimates, for instance, embarrasses a government or forces the government to retract statements they have made that are untrue. These are fundamental principles, and I think the greatest power of the Senate is the power of disclosure. All the rest is important, but that is the fundamental power.

What these measures do over time is provide the conservative forces in this country with a majority. It is a simple proposition, because under these arrangements the party with the highest number of votes when all the other votes are exhausted will end up with the final Senate position. I put it to members of this chamber that that will mean the conservatives will be more likely to win three out of the six seats in a half Senate election. We have seen in our living memory an occasion where in Queensland they were able to secure four of the six, which gave them the majority and which gave us Work Choices. We know what they do with the majority: they are ruthless and they are absolutely determined to implement an agenda.

But what troubles me is how naive the Greens are in allowing this to happen. What we would see here with these arrangements is the $100,000 degrees, the smashing of people's rights to organise work and the $7 Medicare co-payments. We would see the shocking inequities of the 2014 budget delivered with all the regressive social consequences that would have. We would have the assaults on the unemployed, the weak and those who are socially disadvantaged. That would all be endorsed by an electoral system which the Greens are now providing to us.

I take the view that there are alternatives; there always have been. I think one of the weaknesses of the original JSCEM report—and I have made this point many times—is the way in which it failed to deal with alternative methods of ensuring that the manipulations of the electoral system were not prosecuted in the way they had been. We know the best way that can be done. Ross Gittins made the point this morning in the paper, which is a widely held view, that:

A better solution—one that ended gaming by micro parties without stymieing all democratic change—would be to retain the present preference system but simply add the rule that candidates getting a
primary vote of less than, say, 2 per cent, would be excluded from election and their preferences redistributed.

That was published in the Fairfax press this morning.

We know that already in many countries around the world there exists various methods of establishing thresholds. In Turkey, I think the number is 10 per cent—some might say that is far too high. In the Russian Federation, it is seven per cent. In Germany, it is five per cent. I understand that in Belgium, Estonia, Georgia, Hungary, Moldova, Poland, the Czech Republic and the Slovak Republic, there is a similar type number of five per cent. In Austria, it is four per cent. In Bulgaria, Italy, Norway, Slovenia and Sweden, it is four per cent. In Spain, it is three per cent. In Greece, Romania and Ukraine, I think they have just reduced it from four to three per cent. It is two per cent in Denmark. There are different types of electoral systems around the world which give proper, fair representation to all different shades of political opinion but which allow for an important confidence measure to be built into the electoral system to ensure that there is a proper representation of a range of views.

I failed to deal with the real big question, and that is: why? In part, it is because the Greens are so desperate in their hostility to some of the very right wing members of the crossbench that they think the way to exclude them is to do a deal with people who are even more right wing in the government. Some of those take the view that even those who have been so determined to vote with the government are now getting their just rewards because the government is turning on them. The reality is pretty simple: this has nothing to do with democracy and everything to do with an attempt to entrench the political power of the Greens.

We know the Greens are transforming themselves. They are becoming increasingly the party of the inner city, the extremely wealthy people in the inner-city. They are a party—and I think I made this observation before—who believe that the best social conscience that money can buy is something to aspire to. They are very different in their outlook to Labor; but they are only too happy to entrench their power by doing a deal with the most conservative elements in the country, despite claiming that they are a party of protest. What we do know is that the Greens are now very much prepared to turn their back on questions of social justice and social equity if it means they can secure their power in this chamber. They will even do it if there are consequences for some of their own number. I suppose in some quarters that would be regarded as a win-win situation, because the people that they are removing have been a thorn in the side of the leadership of the Greens in recent times.

It is a tragedy that this is happened. This is a shameless abuse of the Senate process, and it is the shameful proposition that the Greens have been so complicit in.

Senator MUIR (Victoria) (20:51): I rise to make just a short statement in relation to this. I will have a lot more to say when the bill itself is actually being debated. I will be introducing some amendments and hopefully speaking in length in relation to them.

I am concerned that the most significant changes to the Commonwealth Electoral Act 1918 since 1984 are being rushed though the parliament for party political purposes. Adjunct Professor Michelle Grattan AO appears to agree and is on record with the following comment:

While the government boasts about engaging the community on the tax issue, it has avoided public debate as it seeks to muster the numbers for voting changes that would have sweeping implications for
the Senate’s future composition. … This would be an extraordinarily fast passage for such an important measure. But then speed is always possible if interests coincide.

It is concerning that the government does not appear to be concerned with seeking broad support for these changes, given that they will likely be around for decades to come. At a minimum, the consideration of this bill should be delayed until the week of 15 March, for the following reasons: it will allow the library to complete their research and return advice to Senators; and, it will give the non-government members the drafting resources they need to move the necessary amendments.

Due to the compressed timeline and the controversial nature of the bill the resources of the drafting office and Parliamentary Library are overstretched. I am concerned that my crossbench colleagues will not be able to move any necessary amendments due to research and drafting constraints. The report date of the committee should be extended to allow all options and submissions to be considered properly. I believe the committee referral is nothing more than a token process, when submissions close less than 24 hours before the first and only public hearing, with a report handed down shortly thereafter. And this hearing is only a half day hearing. It is pathetic for such a large change to our electoral system. This compressed timeline cannot possibly allow for anything more than token scrutiny of the bill.

I will finish by asking this question: if this reform is such a great idea, then why is it being rushed through the parliament and why is it being hidden from proper scrutiny? The parliament should have more time to scrutinise the changes and not have them rushed through. I am certain there are many members of the Greens who agree in the importance of transparency and accountability in government decision-making at all levels, and they should be bitterly disappointed in their elected representatives.

I heard Senator Whish-Wilson stand up earlier on and say that this bill has been scrutinised for the last year, or even longer—he mentioned 2012. That is a lie—an outright lie! I believe the politically engaged Greens supporters should be able to see straight through that. When the government is putting forward something to do with the environment or to do with economics that the Greens want to knock down, they will scream ‘process’ very loudly. Senator Whish-Wilson said that this has been properly debated. It has not been. It has been spoken about in the Joint Standing Committee on Electoral Matters, which is a closed group up until tomorrow, where minor parties and independents were not able to get in and have a say. This bill does not completely reflect the recommendations that came out of the Joint Standing Committee on Electoral Matters, so it is wrong to say that this is being scrutinised properly, because it has not been, in the form in which it is being presented. The government and the Greens are lying to the voters of Australia.

On that logic, the government has been after penalty rates for many years. Since they have been speaking about it, if they brought a bill forward should we just support it? I don't think so. But that is what could end up happening if the Greens cement themselves in and lock every other minor party out so that proper scrutiny of this parliament is not able to proceed.

Senator LUDWIG (Queensland) (20:55): I too rise to speak on the message. Just in case those who may be listening to the debate are somewhat bemused, where we are at is that a message has been received by the Senate in respect of an amendment to the Commonwealth Electoral Amendment Bill 2016. The bill amends the Commonwealth Electoral Act 1918 to—and using the words of the EM, which I do not agree with, but for the purposes of the debate
perhaps it does shed some light on what we are here to do in the euphemistic way that the coalition tend to frame their legislation:

… improve the Senate voting system, require that there be unique registered officers for federally registered parties, and allow for political party logos to be printed on ballot papers.

… … …

providing for partial optional preferential voting above the line, including the introduction of advice on the Senate ballot paper that voters number, in order of preference, at least six squares;

There is also a savings provision where only one is provided. It also provides 'appropriate vote savings provisions'. The bill also then abolishes 'group and individual voting tickets'. And of course it introduces 'a restriction that there be a unique registered officer and deputy registered officer for a federally registered party'. It is primarily aimed at what the coalition would argue is to provide transparency and to reduce the confusion. In fact, what it does is the opposite, and it is not unsurprising for the coalition to dress-up their legislation in such a way.

This debate, of course, did not start this evening. This debate has been going for some time. The original group voting tickets were introduced some time ago. For nearly 30 years it has stood the test of time and principally it was introduced—that is, the current system—to ensure that the informal voting growth that had started to occur in the Senate was constrained and remedied. Today, we have an informal vote which is by all accounts very, very small. This is a new change that is untested, one that could wrought havoc in the voting system in the Senate. It could ultimately change the way that Senators are elected and the way that people might bring themselves to vote. It could create outcomes which are as yet unknown. Informal voting could rise. But we do know a couple of things. We do know that it will disenfranchise many who vote for minor parties and Independents in the Senate, which is a significant portion over the last couple of years; it has arisen to well above 25 per cent. All that might sound worrying, but the coalition does not appear to be worried one jot, and nor do the Greens, who have signed up to this. The Greens, the government, and we can throw in Senator Nick Xenophon, have all agreed to alter the laws governing the election of senators. In this place those who have the numbers tend to win. With the coalition and the Greens and Senator Xenophon, they will ultimately have the numbers.

Our role as an opposition party is to highlight where we think the government have made substantive errors. The first error I think is easy to identify. The coalition have sought to rush this legislation through with little scrutiny. The vast work of the Senate in scrutinising legislation has been sidelined by the coalition and the Greens. What that review brings to the table is that, where there are unintended consequences, mistakes and foreseeable areas that should be rectified, none of that will get an opportunity to be aired.

The government has designed to allow a very short inquiry by the Joint Standing Committee on Electoral Matters to report by 2 March 2016. The government desires to have the legislation passed as soon as possible so that it can implement these changes before an election. That means that the Senate committee in this instance that is charged with examining electoral matters, JSCEM, will not have the opportunity to receive well-reasoned, considered submissions into this bill. It will get submissions. I hazard to guess there are many who are interested in providing comprehensive submissions about changes such as these. They will not all get to put pen to paper. There will be some submissions that will not be heard. There will be submissions that have had to be rushed. There will be people who will not have the
The opportunity of examining all the implications of the Commonwealth Electoral Amendment Bill 2016. All that does not hark well for this bill.

The government and the Greens will implement what they claim to be the JSCEM recommendations. But that does not mean that they will represent Labor's position. It was a majority report. No-one can cavil with that. But the coalition and the Greens have reduced it to a bill to be introduced into parliament and it should get the appropriate scrutiny of every other bill. It should have a proper inquiry. There should be the ability for submitters to be heard in respect of the bill. The bill should be allowed to be examined in detail. But this coalition government, with the support of the Greens, is treating the Senate like it treated the Senate between 2004 and 2007. It treated the Senate as a sausage machine and it brought us Work Choices and a raft of other legislation that had very little scrutiny and was brought in because it had the numbers to crunch the legislation through the Senate. It did not end well for the coalition. Some suggest that it contributed to its ultimate downfall. When you have that sort of power, it is clear what it means. When you have unfettered power of that nature, it will corrupt. When the coalition between 2004 and 2007 had unfettered control of the Senate, it ultimately lead to corruption of the legislative process. That led, I think, ultimately to their demise.

This is not comprehensive reform. If the government were serious about comprehensive reform then they would have done like Labor have done and provided a green paper or white paper on the reform process with the support of all those on board and then ultimately brought legislation through with proper Senate scrutiny and proper House scrutiny through the JSCEM and then proper scrutiny of the actual legislation itself to bring changes in this place. But that was not done. It was not done at all.

Much has been said about the Greens and their role in all of this in this place during this debate. Some say they have naively signed up to this process. I do not subscribe to that view. I think the Greens in this instance have made a very deliberate decision to support this bill because they see an ultimate benefit for them. That is not the Greens of old. That is the new Greens. We might refer to them as a new party now because they are moving from being a protest party to being a centre left party of minor party status, seeking, I think, the role the Democrats once played in this place. There is a risk you run in pursuing a centre left minor party role. When there is a debate between the major parties they will have the ability to support either the Liberal coalition or Labor. They will then get to hold the balance of power in this place. It is a difficult thing to hold, maintain and control. Ask the Democrats how difficult it is when you move into the balance-of-power role within the Senate. The Democrats held that for some time but ultimately they disintegrated because of policy differences, personality differences and differences across nearly every other spectrum you could imagine within their ranks.

Not that I am apt to give advice, but the Greens ought to take notice of history in this place. They are moving from being a genuine protest party with a base that was founded on a range of policies—and I agree with many of them. They have promoted those policies, but they will not get them up as a balance-of-power minor party in the Senate. The coalition will not support them, so they will have to compromise. They will have to compromise their values and their policies to achieve a minor party balance-of-power status in this place. All that
means ultimately is that the gain they have viewed that they will take out of this might be
short-lived over time.

There are genuinely held, different views about Senate reform, particularly when it comes
to voting reform. There are options that have been floated from the green papers on electoral
reform from Labor which dealt with the introduction of threshold systems for counting votes,
the introduction of single-member constituencies and amendments to the ticket voting system
to allow for preferential above-the-line voting or optional preferential voting below the line.
All of these have been canvassed for some time. Ultimately, if we were going to choose a
particular system, I do not think it is up to the coalition or the Greens to settle on one system
from a committee report. You need to develop a properly reasoned position from a green
paper or a white paper through to taking the electorate with you on Senate reform. If you do
not do that then I think the only alternative answer is that it is designed to benefit both the
coalition and the Greens, and give them significantly more power within the Senate. When
you look at how the changes might come about, you wonder whether those changes will
create an appropriate system, a fair system and a transparent system, as they would say.

It is also proposed to amend the legislation to implement key elements of Labor's
longstanding policy to enhance transparency and accountability in relation to political
donations. These amendments would enact key elements of the reform proposed by the
previous Labor government in the Commonwealth Electoral Amendment (Political Donations
and Other Measures) Bill. Labor was unable to proceed with this legislation as the coalition
joined with the crossbench to block it in the Senate. The main objects of the bill included
reducing the donation disclosure threshold. These are truly matters of reform that the coalition
could embrace. Labor has continued to ensure transparency around political donations. The
coalition, on the other hand, have maintained a steadfast opposition to transparency around
political donations. Why, you ask? They do not embrace transparency particularly well. They
do not embrace the objects of transparency. That is why, when I see it written in this bill as
being an object by the coalition, I find it hypocritical, and I doubt strongly whether this
government intends to actually embrace transparency in any way, shape or form.

The Greens and the coalition have come to a concluded view that this is the way forward.
Why? Because back in the 2013 election there were minor parties who managed to ensure that
people got elected. People differ on whether it was sharp practice or whether they gamed the
system or whether they used the system to the best of their advantage. The question that I
have not formed a view about yet is whether or not you can continually do that even if the
next election remains unchanged from this, whether the system would correct itself because
people—the major parties or the Greens or the minor parties—are aware of how the gaming
occurs and could put in strategies to defeat it by, or whether there is the same impetus for the
minor parties. I have always found voters who are smart enough to understand the system not
to be fooled twice.

The question then is are we rushing to change the voting system in the Senate, that stood
the test of time for over 30 years, for a short, political fix and gain by the Greens and the
coalition? If we are doing that and it fails will we be back here in three years time or sooner
with more amendments, with more change? It will drive a seesawing or pendulum system of
change around electoral changes or voting systems for the Senate. You will ultimately lose
the support of the voter if you choose to head down this path without taking the voter with
you. They will find the new system and whether they will embrace it or not is a moot point because they have not been asked to make submissions, to be heard or to be taken on the journey of Senate reform.

Many might say that it is an insider's game. But, ultimately, it is about the franchise. It is about the opportunity for people to cast their vote in the Senate. If you are going to make a substantive change such as this, then it should not be rushed. It should be considered. Any change should be thought through more than this piece of legislation that is being rushed through. It comes on the back of what is described as 'small party success'. It ignited fairly heated debate about the fairness of the voting system, given the distribution of preferences which delivered seats to minor parties. We have heard from minor parties who have benefited from that system and who have embraced it. We have now heard from the Greens who find it underwhelming, which is odd if you look at the Greens' history. They want to ensure that the minor parties, the independents, do not get a voice in the Senate, that they do not get heard. I would have thought it was anathema to the Greens' position that they want to stifle minor parties, stifle debate in the Senate, and ensure that only the Greens, the coalition and Labor get the opportunity of speaking in this place, of being heard in this place, and of discussing and reviewing legislation in this place. It is not a position that the Greens have articulated in this place over time. The Greens have also not articulated a position of cutting short Senate inquiries and of cutting short debate on legislation.

The Greens have loudly, sometimes unfairly—mostly fairly—complained about the opportunity the two big parties have taken to put legislation through. They are now party to that. Be aware: you are now party to this debate. You cannot, tomorrow or the next day, walk away from that position. You have put your foot fairly with the major parties on the way the Senate will be managed into the future. Do not come back into this place tomorrow or the next day or next year and complain if legislation that you want to be heard on is treated in the same manner, if legislation is rammed through, should the coalition, post the next election, gain the majority in this place. It is with your hands that you have achieved it—no one else's. You do not have to do this, but you are. You have now moved to the Centre Left position on the pendulum and you should take responsibility for all your actions in this place on that point.

Senator POLLEY (Tasmania) (21:15): I have been motivated to speak on the Commonwealth Electoral Amendment Bill 2016, which has been received from the House of Representatives. I concur with so much of what Senator Ludwig contributed to this debate. There is a message for Greens senators in this place, who, at every opportunity, like to take the high moral ground. How many times have we in this place heard about how bad it is for whoever is in government to cut off debate? Well, the Greens are party to doing exactly that when it comes to changing the laws to elect senators.

For 30 years the electoral system has worked very well. Under the laws currently in existence, the Australian people have been represented by all of those who have been elected to this place—irrespective of whether or not I agree with them. I can only speak for my home state of Tasmania, from which an array of senators have been brought to this place over the decades to contribute to debates on very important legislation.

In this instance, we see the Greens of old—a point on which I disagree with Senator Ludwig, because unfortunately for far too long we in Tasmania have had to deal with the
Greens always wanting to take the high moral ground, always talking as if they are the only people who represent their communities with a principled position, whether here in the Senate or in the state parliament. My colleague Senator Bilyk, who is here in the chamber tonight, and I know only too well that the Greens are an opportunistic party. They condemn the major parties and make those sorts of accusations against us, but they want to limit the scrutiny of this legislation by the Joint Standing Committee on Electoral Matters, which represents both members of the House of Representatives and senators. As a former member of that committee, I can say that committee members might have had different views on the issues that came before us, but we always had the respect to allow proper contributions by those who wanted to make a contribution. Whenever we held hearings, we ensured that people representing all views on the issue before us had the opportunity to come and make a contribution.

But what do we see here? When the Greens are motivated, along with the government, by an opportunity to improve their self-interest, to improve what they perceive to be the chance to put more Greens on the leather seats here in this chamber, that is exactly what they will do. I am all for taking an opportunity if you think it is in the best interests of the community, but if you are going to do that you do not roll over so easily and sell out. The Greens have come in here and preached about the sorts of reforms you believed were necessary in relation to political donations. They had their opportunity to really do something about having proper scrutiny of political donations, about having transparency. But what did they do? All they said was: 'Yes, government, we will support Mr Turnbull and we will support Senator Brandis to ensure this legislation gets rushed through. We will support reducing the opportunities for those people who have an interest in electoral reform to make a contribution or to be part of scrutinising legislation by reducing the amount of time the committee has to pass judgement and to take evidence on this proposal.' The Greens never took the opportunity to have real reform.

We in the Labor Party have said many times that we should be looking at electoral reform, but with that comes the necessity to have a proper strategy for ensuring that all issues on the table are considered. When the government are talking about tax reform—although they were not very keen on talking about that in question time today—they say that everything is on the table. Isn't it funny: when it comes to electoral reform, which affects every Australian over the age of 18, they do not want to put everything on the table; they just want to run their own agenda. That agenda is being part of a dud deal that ensures the Greens have finally, once and for all, put it out in the arena that they can be bought, that they are not a group of people with any real principles. They are prepared to sell out the Australian people because they see an opportunity to maybe increase their representation. That has yet to be determined. There were no negotiations. The Greens just agreed to whatever the government wanted. I ask: if you are really serious about reform, about scrutinising political donations, why didn't you negotiate that point with the government?

This is just a dirty deal which purges the Senate of small parties and independents. It prevents new parties from ever getting elected; it exhausts the votes of 3.3 million Australians and risks turning the Senate into a rubber-stamp for a coalition government. All those issues that the Greens go out into the community and say they are sincerely committed to—ensuring that we have proper climate strategies in place, changes in the environment and climate
change—all of those are at risk, because the coalition government will rubber-stamp. As someone who was here during the Howard government, when it had outright control of the Senate, I know exactly what they will do—they will use their numbers every single time. It will not matter if the Greens have nine, 10 or 12 senators, the policies that you purport to hold dear will be rolled over in the same way you are trying to roll over the changes in electoral reform by participating with the government.

It was never envisaged that the Senate should be made up of the two major parties and the Greens. It was the intention at Federation that all states have equal representation of senators. But what we see now is a government which is not prepared to talk about the big issues—about taxation reforms or the economy and the plan for strengthening that. When I asked a question in the chamber today we had Senator Brandis say that the Prime Minister was too busy to outline his plan, not only to the Australian people on tax reform, but also—

Senator Brandis: I rise on a point of order, Madam Acting Deputy President. That is an absolute misrepresentation of what I said, Senator. I said no such thing, and you are misleading the Senate in attributing to me words that I did not use—

The ACTING DEPUTY PRESIDENT (Senator Reynolds): Senator Brandis, what is your point of order?

Senator Brandis: That is my point of order.

The ACTING DEPUTY PRESIDENT: That is not a point of order.

Senator POLLEY: I love it when I get those sorts of interjections.

Senator Brandis: I dislike liars!

The ACTING DEPUTY PRESIDENT: Senator Brandis, withdraw.

Senator Brandis: I withdraw.

Senator POLLEY: As I said in this place today, we heard that the government and the Prime Minister would not respond to questions. What is so different about this Prime Minister? What reasons did he give for knifing Mr Abbott? There is nothing different. When it comes to the government wanting to rush through legislation—when we were in government, we heard those opposite cry foul rushing through legislation and closing down debate—they are hypocrites along with the Greens. It is a shame that, when we have an opportunity for some serious reform, we do not get people together and we do not produce a white paper or a green paper. What we do is ram through what we perceive to be in our own best interests. That is what this debate is all about.

Experience tells me that legislation rushed in this place all too often ends up being bad legislation. It is rushed through without due consideration or scrutiny. We will see with this legislation, as we have seen with other legislation, that it will have to be amended. After all, this is just a dirty deal that has been done to expedite the coalition's motivation to call a double D to get rid of the crossbench—a crossbench, to be fair to them, that has brought a vast array of experience to this place, and I think this Senate has been much richer for it. We have certainly all learnt daily from contributions that have been made by those senators. It is politically opportunistic of this government. Instead of waiting and having proper due process, this government wants to go to a double D, and this is the opportunity to wipe out the
crossbench. The Greens will then see themselves as being the ones to determine the outcome of any legislation by holding the balance of power, along with Senator Xenophon.

Things do not always fall the way you think they will. It is really disappointing that the opportunity for proper transparency has been missed. The government side is always having a go that unions which are affiliated with the Labor Party make donations to us at election time, but we know that the arrangements those on that side make with their various interest groups—the business community and so on—they do not want to have transparency when it comes to political donations because they would be exposed.

The big losers in this debate will be not just the crossbenchers, who no doubt will be wiped out, but the Australian people. They will no longer have the same opportunities to express their motivations for the people they vote for. It will cause the Electoral Commission, the AEC, before this double dissolution election is called, to rush around to make sure that the Australian people have some idea about having a formal vote at the next election.

As I have said, there were a lot of things that Senator Ludwig contributed to this debate that I would want to agree with, but Senator Whish-Wilson in his contribution tried to outline to the Senate the processes by which Labor caucus arrived at our decision. He is totally and utterly wrong to suggest that we had a different view to the one we are espousing and will continue to espouse when the legislation comes before the Senate. There was never a decision to support this type of reform. We have always said that the reform process needed to be full and frank and open to scrutiny. The views of one member of the caucus, whether it is a shadow minister or not, do not tie us to supporting this type of legislation. They do not bind us to do that. We have open and frank conversations and debates within our caucus.

Senator McKim is one who knows only too well how to sell out his community and what sort of dirty deeds and deals he has to do. Before he came to this place he did some amazing details to suit his political opportunities at the time. But here we have a real opportunity for the Greens to convince us on this side of the chamber and the Australian community that they really are people of principle. If they were people of principle, they would have used this opportunity and they would at least have had some respect for ensuring that there was transparency in any political donations made. That is what the Australian community expects. If you are going to reform a voting system, make sure it is for the betterment of the community and this country. They have failed that test in this debate.

Those who say they are people of principle, those who take the high moral ground, have been exposed for what they really are—political opportunists. That is all this amounts to. Otherwise they would not be closing down the debate, they would not be closing down scrutiny of this legislation before it comes to the Senate for a vote. Instead of rushing it through and expecting this legislation to be passed this week, they would allow full and frank scrutiny of the legislation by the relevant committee. It is very disappointing that they want to rush through reform of legislation that has stood the test of time for the last 30 years—for three decades. It is the same system that brought all of us to this place, and I thought it was a good system that enabled the Australian community to know that when they were casting their vote they were going to be electing people who had principle and who would be voting in the interests of the Australian community. That is clearly not the position of the Greens, who have so quickly jumped into bed with the government and done this dirty deal. That is all it can be seen as—a dirty deal that they believe will advance themselves.
As some of my colleagues have said to me in relation to this reform, don't the Greens really like Senator Hanson-Young? She will be under threat. Or are they going to get rid of Senator Simms? We do not know the outcome—we do not know whether there are going to be changes in South Australia, Tasmania, Victoria or Queensland. One thing we do know is that those people who vote for an Independent or a minority grouping will no longer have their voices heard to the extent that they currently do now. Whether the next election is a half-Senate election or a double dissolution, we do not know what the final make-up will be. We do not know whether those Independents who sit in the chamber today will be the same as those who will sit here after the election. But to ensure that they do not risk their opportunities to maximise their own position, they have got into bed with this government on something as important as electoral reform. As I said, I could have some respect for them if they really wanted to see proper reform by having a proper inquiry that enabled everyone who wanted to make a contribution to do so. As a participating member of the committee—I am no longer a full member—I would have no chance at all of asking a question in the inquiry that will be held tomorrow because quite clearly there will not be enough time. That is unfair to every senator in this place who wants to make a contribution to this very important issue.

The Greens could have said they would only vote for this package if they got meaningful donation reform in this country. But they did not—they did not take that opportunity. The only opportunity they took was one that they believed was in their best interests. It would be very interesting to know how Senator Macdonald, who constantly interjects in this place and hurls abuse whenever the opposition and the Greens vote together on any legislation, really feels about it. I bet he will get in behind this legislation because, once again, it is in the interests of the government and the Greens and no-one else.

Senator GALLAGHER (Australian Capital Territory) (21:36): I welcome the opportunity to speak on this message from the House of Representatives concerning the Commonwealth Electoral Amendment Bill. As senators would know, I am one of the newer senators in this place so I have not been as involved in some of the discussion about Senate voting reform as other senators may have been. However, in the last two weeks or so I have been having a look at this, and certainly a closer look in the last weeks since the legislation was tabled. There are a couple of things that raise some concerns with me. The only experience I can talk from is the electoral reform process that we went through in the ACT that was largely around a donation reform, but I do recall very much the detail of the inquiry process that was undertaken for that legislative reform and the fact that we worked very closely with all members of the assembly in that reform process to ensure that as much as possible the reforms were supported across the board where agreement could be reached.

Indeed that was the process I took when we took the decision to seek to expand the assembly's membership. We acknowledged that we needed an absolute majority in the assembly to get that reform through, and that we must work together but we must take the time that was needed to ensure that reforms were supported and could move smoothly through the assembly. The contrast I have noticed with the approach that has been taken here to that experience is that a bill that was released last week for public consideration was going to be swept through. I think we all thought that it was going to be pushed through this week. We now understand that that might not be the case and that we will have a bit longer, maybe another week, before the debate is called on. The laws that will determine how representatives
are elected to the parliament would be agreed behind closed doors between only two political parties—I include Senator Xenophon in that as well—and then released to everybody else and rammed through after a sham process. This strikes me to be completely at odds with the approach that should be taken on electoral reform. Indeed, my understanding of the work that was done through the joint standing committee seems to fly in the face of some of the work that was done there. That is my first point.

The second point I would make is that the bill as it is designed will ensure that about 25 per cent of voters, which is around 3.3 million Australians, who did not vote for one of the parties that is going to be advantaged by this proposed change will have their votes exhausted. Whatever you think of who those 3.3 million are voting for, and certainly on this side we would like them to vote Labor, the reality is that they are not. They are voting for a range of other candidates. Under the proposed system that is being put forward by the Greens and the coalition, those votes would simply exhaust. I think on any fair measure of any electoral system people would raise an eyebrow at that and not just write it off as, 'Well, that's the change that was needed in order to push through an agenda, in this instance of the government in cahoots with the Greens.'

I have worked pretty closely with Greens over my political career. Probably in the last 13 or 14 years they are the party that I have had to work with the most. Indeed I worked inside a cabinet with a Green member. I think I am certainly pretty experienced in working with Greens, but I can tell you in that time, I probably sat through more lectures than I can remember about appropriate process, due process, accountability, transparency and giving the public the opportunity to comment and to understand. In fact I could name several inquiries where extensions were sought and certainly where positions had to be amended and conciliated and compromises had to be reached because of a very strident position on some occasions that the Greens took on process. We heard Richard Di Natale, the leader of the Greens in the Senate, today stand up and say, 'Sometimes we can just get too caught up on process,' when we have the opportunity actually to make the decision and get that decision done. I think it is the first time I have ever heard that from a member of the Greens political party, but I can recite example after example where—including my own preference—a decision that was taken would have to be negotiated, conciliated and work through the relevant Greens committees, co-conveners and party membership in order to get a position agreed to. The position that the Greens have taken on this bill flies in the face all of my experience of working with that political party.

Then you must come to the next question, which is why would the Greens political party take a position so different and so at odds with the approach they take on every other piece of legislation? Even in my short time in this place, I have certainly been on the end of lectures from the Greens about process, appropriate time and extensions for certain pieces of work to be done and the ability for the community to be appropriately consulted. Certainly that has been much more in accordance with the position of the Greens in the ACT, and yet on this piece of legislation it is a completely different approach. This approach is reduced scrutiny and no transparency in the arrangements that were agreed to. The deal was done; we have committee process being put in place. On any other issue the Greens would be screaming for a change to the way that Senate voting is to happen. This is the biggest change in 30 years, and a half-day hearing of the Joint Standing Committee on Electoral Matters is to be held the
day before the committee is required to report to parliament. Now some cynics—there are probably a few of us in this place—would maybe presume that at this point the draft report is being written. I do not know. It seems to me that the truncated timetable would mean that somewhere, someone in this building is probably working on a draft report as we speak, and that is the farce that we have all unwillingly on this side been pulled into. There is no way that there is going to be time to write a full report on this bill following a 4½-hour hearing tomorrow if it is to report the next day. But that is the sham. Whilst we could accept that it is not an approach that the coalition might want to take, the government wants to see this bill through and they have certainly been very clear about that. We can see some of the ultimate consequences that are advantageous to them so I understand that a little bit more. But to actually have the Greens wrapped up in the sham process, when it looks like potentially they will lose a couple of senators if there was a double dissolution election held in July, is beyond me.

Senator Simms interjecting—

Senator GALLAGHER: I should not take the interjection but I think it is starting to dawn on certain senators in your team, who are actually starting to work through what the consequences of taking this dangerous path will be. We work in this building and the corridors and the carpet talk. We have heard them. We know that there are a couple of worried people in your group—it is not all Kumbayah and holding hands over there in the Greens this evening.

The ACTING DEPUTY PRESIDENT: Order! Senator Gallagher, address your comments through the chair please.

Senator GALLAGHER: I will. We all hear what is being said and there are people who are worried. This sham process has been signed up to by the Greens in completely the opposite way that they usually conduct their politics. For what? To hand the coalition, potentially, a majority in the Senate and, by doing so, be unable to progress the agenda that the Greens political party profess to hold so dearly—things like climate change, things like border control and immigration, things like fair funding for schools, things like hospital funding and things like preventative health. All of those things that we hear are so important to the Greens political party or the ability to prosecute those arguments are challenged by the deal that they themselves signed. They have wandered into a room, shut the door and shaken hands with the Prime Minister. It is absolutely beyond me why that approach would be taken.

But I can say, for senators in this place that get lectured by the Greens on process, accountability and transparency, those days are over. The deal that the Greens signed up to last week, they chose the path and that path was to hold hands with the coalition to single-handedly get rid of the representatives of 3.3 million Australians who did not vote for the Greens, who did not vote for Labor and who did not vote for the coalition. That path was chosen by the Greens and their leader leader—perhaps not by their whole team, particularly the ones that are going to be jeopardised by this change being put in place.

It is not just the Labor Party raising concerns about this deal. I think anyone who read the weekend papers would have seen concerns being raised by eminent commentators such as George Williams, who, while supportive of elements of the bill, still questioned the need to ram it through and not have a proper inquiry process. Richard Denniss, who perhaps is someone that the Greens occasionally listen to and who is occasionally supportive of some of
the policies the Greens have, raised concerns and questions about why does it have to be pushed through? He wrote:

A full inquiry into the intended, and unintended, consequences of the Bill negotiated between the Greens and the government would help the media and public think through where we now look headed. In short the new system will help the Liberals and Nationals fend off the rising threat from the likes of Ricky Muir, Glenn Lazarus, David Leyonhjelm and Jacqui Lambie. In the medium term it also helps protect the Greens from the emergence of any "left wing micros".

There we have it pretty succinctly summed up about who benefits from it—in the medium term, certainly the Greens. They are prepared to have a few casualties of their own team in the short term if it all secures a greater long-term spot for the Greens. But that is the price that will be paid for this dirty deal.

I know there are other senators who would like to speak on this but I think this is the last time that I will be lectured by the Greens about process and accountability and transparency and electoral reform and donation reform and all of those—

Debate interrupted.

**ADJOURNMENT**

The ACTING DEPUTY PRESIDENT (Senator Williams) (21:50): Order! I propose the question:

That the Senate do now adjourn.

**Genetically Modified Crops**

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (21:50): I rise this evening to reflect on the need to further diversify the economy of my home state of Western Australia and to highlight my concerns over some of the threats certain policy proposals are posing to our ability to achieve that diversification. As we well understand, Western Australia now confronts an economic reality that is very different to that which existed just three short years ago.

There was evidence of that over the past week, when the iron price rallied and went above US$50 a tonne. The fact this event provoked celebration in some quarters demonstrates our changed reality. This time three years ago, the iron ore price was hovering at around US$150 a tonne. In any case, market analysts warn us this rally is temporary and the price is likely to head back towards US$40, which is where it was heading before last week's temporary rally.

Of course, the collapse in the iron ore price is further compounding the already difficult situation that WA was facing in relation to its share of GST revenue, but I will come to that later in my contribution. One of the keys to diversifying the WA economy is allowing our industries to adapt to international trends by using the latest technology available. Nowhere is this truer than in agriculture. Western Australia's farmers crop and graze in some of the harshest conditions on the planet and routinely deal with drought, frost, floods, and fires. They must constantly adapt their production methods to meet increasing world-wide demands for protein and grains.

Modern farming is a dynamic undertaking open to change and always evolving. Farmers attend field days not to feel good about what they have been doing but rather to learn of new approaches and opportunities emerging from research and technology. This encompasses
things like no-till cropping, precision agriculture, GPS driverless machinery, computer models to calculate cropping programs and Doppler weather monitoring.

Futurists agree that successful outcomes in agriculture in the coming decades will depend on a farmer's ability to understand, embrace and effectively deploy new technologies. Consequently, the biggest threat to continuing agricultural success at this point is the short-sighted, outdated dogma that dictates the Western Australian Labor Party's approach to agricultural policy. Specifically, that danger lies in WA Labor's continued opposition to allowing WA farmers to use the most universally accepted, safe and scientifically supported technology available: GM crops.

In 2009 with the support of WA's two major farming organisations, the Pastoralists and Graziers Association of Western Australia and the Western Australian Farmers Federation, the Liberal-National state government granted an exemption order to permit the cultivation of GM canola. Since that time there has been large-scale adoption of Roundup Ready GM canola by Western Australian farmers. In fact, in mid-2015 it was estimated that more than 436,000 hectares of GM canola would be planted that year—up from 350,000 hectares the previous year.

GM canola varieties now make up 22 per cent of the canola planted in the states that allow GM canola to be grown: Western Australia, Victoria and New South Wales. In the case of Western Australia around 30 per cent of the canola planted in the state was Roundup Ready canola seed. In addition to returning higher yields, GM canola boosts the productivity of farmland by providing growers with a more effective way to manage weeds, which are estimated to cost farmers about $1.5 billion to control and an additional $2.5 billion in lost agricultural production.

Yet, despite these obvious benefits, the WA Labor Party intends reintroducing a moratorium on GM crops should it win office at the WA state election in March next year. This fact was confirmed in the Farm Weekly on 9 April 2015 in a piece titled 'Battle brews as ALP seeks to dud GM'. It said:

WA Labor leader and Member for Rockingham Mark McGowan has backed comments made by his colleague last week, despite backlash from industry and Liberal representatives.

Mr McGowan said there would be a transition to a GM moratorium should a Labor government eventuate.

"We are not satisfied at this stage that the science demonstrates that GM food and crops are safe," he said.

WA Labor's policy was reiterated recently on February 15 2016 in the West Australian newspaper. It said:

Shadow agriculture minister Mick Murray said yesterday that Labor would revoke the exemption for GM canola if elected …

This outdated thinking from WA Labor would deny WA farmers the right to grow a legal and safe crop. What is even more bizarre is that this opposition from WA Labor is in direct opposition to their federal Labor colleagues. Former Labor agriculture minister Tony Burke made this comment to the ABC's Landline program on 25 July 2010 regarding the commercial cultivation of GM canola in WA, NSW and Victoria:
My view is that the time for banning GM is long since past. We need to have appropriate regulation to make sure that crops that are planted meet all the food safety guidelines. That's important. But I just don't think there is an argument anymore that says you can turn a blind eye to an area of technology that's going to play a particular role in the future in reducing chemical use, reducing pesticide use and helping feed people.

Former Labor agriculture minister Senator Joe Ludwig made this comment to the Farm Weekly on 12 March in 2013:

We do support the use of GM within the federal OGTR— the federal Office of the Gene Technology Regulator— framework, requirements, and I'd encourage everyone to look at that research and the work that's being done.

Perhaps most surprisingly, the now leader of the Greens, Senator Richard Di Natale, in a comment to the Farm Weekly on 5 January 2015 confirmed that he, too, disagrees with the hardline opposition of WA Labor to GM crops. Senator Di Natale said:

I do not have a blanket objection to the use of genetically modified crops—I absolutely don't—and it would be hypocritical for me to say that because I support the use of genetic modification in medicine...

... ... ...

It would be silly to say that all genetic modification will lead to serious human health impacts.

Quite why the West Australian Labor Party is so out of kilter with mainstream thinking—which now even includes the leader of the Australian Greens in the national parliament—is anyone's guess. I hope that WA Labor senators in this place will have a word with the Labor leader in Western Australia, Mr McGowan, and encourage him to change his stance to one that actually supports WA farmers as well as the diversification of the West Australian economy.

As I mentioned earlier, the task of diversification is made all the more urgent by the continuing pressures placed on WA by the present methodology for distributing GST revenue. As I have noted in this place previously, the present formula used by the Commonwealth Grants Commission to determine GST allocations is based on data that is between two and four years out of date. This means that, far from acting as a revenue stabiliser, which was the original purpose of the tax, it is instead generating revenue instability. Perversely, this means that when WA's mining royalties fell in 2014-15 and 2015-16 as a result of the slump in the iron ore price so did WA's GST share. The WA state government estimates that the use of this out-of-date data will see Western Australia lose $2.1 billion per annum in revenue over the period 2014-15 to 2018-19. In effect, the current system means Western Australia's revenue capacity is being overestimated. The state is forced to borrow money to make GST payments to other states based on mining royalties that do not exist in reality.

Recently the WA state government has suggested a possible improvement that is worth close examination. Its plan suggests the Commonwealth Grants Commission be instructed to prepare first estimates of each jurisdiction's GST entitlement in February for the upcoming year using state mid-year review revenue estimates. These relativities could then be reviewed twice within a financial year in line with the content of each state budget and mid-year review. A further, final, correction could then be made in the following financial year once each state's final budget outcomes were known and released.
This approach is easy to understand and would be far more transparent, given that it is based upon current data that is publicly released by the states themselves. It would reduce the impact of time lags that bedevil the current system and ensure that each jurisdiction's GST entitlement is based on revenue reality rather than the air of unreality that pervades the current calculations. I hope that this is an approach to which all WA senators and indeed this parliament can give full and proper consideration.

**Education Funding**

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (22:00): The Abbott-Turnbull government are failing Australia's schools and schoolchildren. Since coming to government in 2013, they have tried every trick in the book, all the weasel words they can think of, to cover up the fact that they did so on the false promise that they would match Labor's education funding dollar for dollar. Minister Pyne, the then shadow minister for education, said:

… you can vote Liberal or Labor and you'll get … the same amount of funding for your school …

And Mr Abbott, as Leader of the Opposition, said the coalition was 'on an absolute unity ticket when it comes to school funding'. The words 'Liberals will match Labor's school funding dollar for dollar' were emblazoned over signs at polling booths across the country during the election.

This was clearly not the case, because, unlike Labor, they refused to commit to years 5 and 6 of the Gonski school funding plan. And, when those opposite came to government, they cut education funding by $30 billion over the next decade.

Despite the savagery of its cuts, it seems impossible to get this government to acknowledge the plain, honest truth, even though it is clear to ordinary Australians. The cuts to education have been described by the Minister for Education and Training, Senator Birmingham, as a 'different trajectory of growth' and by the Minister for Finance, Senator Cormann, as 'CPI plus an element to acknowledge enrolment growth'. The government's budget overview for 2014 refers to the cuts as 'sensible indexation arrangements for schools'.

The Abbott and Turnbull government's rhetoric, both before and after the election, is a ploy to take credit for the Gonski school improvement plan without having to confess that they were never committed to it. It explains why Mr Turnbull waited until the Christmas holidays to announce that he would be breaking the government's commitment to match funding dollar for dollar during years 5 and 6 of the plan. Followers of the TV series *The West Wing* would know that the practice of timing announcements to minimise public scrutiny is known as 'taking out the trash'. But for something as big as this—a $30 billion broken promise, a $30 billion betrayal of Australia's school students, their parents and their communities—did they really think the Australian public would not notice? Did they really think we were not going to remind Australians of the government's broken promise at every opportunity?

For all the Prime Minister's talk about innovation, he is pretty short on action to match it. The truth is that, when it comes to innovation, our current Prime Minister, just like his predecessor, is an abacus in a digital world. He would not know innovation if he tripped over it. I could reel off a list as long as my arm of the decisions this government has made that contradict its hollow rhetoric on innovation. The decision to cut $30 billion in education funding is just one of many, and it is a serious one.
The OECD's 2015 report *Universal basic skills: what countries stand to gain* says:

… the quality of schooling in a country is a powerful predictor of the wealth that countries will produce in the long run.

If we equip all our graduates with the basic skills they need for the global economy by 2030, it will add 2.8 per cent to our gross domestic product, the equivalent of a $44 billion expansion to our economy today. The government's cuts to education are the equivalent of ripping an average of $3.2 million out of each and every school in Australia or the equivalent of sacking one in seven teachers.

I am pleased that Bill Shorten has recently announced Labor's 'Your Child. Our Future' policy, which provides an additional $4.5 billion in school funding over the 2018 and 2019 school years. This plan includes important transparency and accountability measures which will ensure that Commonwealth funding reaches classrooms and drives evidence based improvements in teaching and learning. Labor's 'Your Child. Our Future' plan will ensure that children get more individual attention and tailored support. In particular, it focuses resources on the groups identified by the Gonski report as the most disadvantaged in our schools. Those groups are the students from a low socioeconomic background, Indigenous students, students with disability, students from a non-English-speaking background, small schools and rural, regional and remote schools.

We know that to see the greatest improvement in educational outcomes we need to invest the resources in the areas of greatest need. This was the essence of the Gonski report's findings. In my home state of Tasmania, Labor's plan would deliver an extra $70 million to our schools over the 2018 and 2019 school years. The delivery of resources to help the students with the greatest need is of particular importance to Tasmania. Compared to other states, education provision in Tasmania is particularly challenging because of our higher incidence of low-socioeconomic and small rural communities.

Another important element to Labor's plan is that states will need to uphold their obligations under existing funding agreements. As if the savage cuts from the Turnbull government are not bad enough, Tasmanian schools have been hit with a double whammy, with state budget cuts causing schools across the state to make the tough decision between cutting programs and increasing class sizes. The Hodgman Liberal government's cuts in Tasmania are the equivalent of removing 266 staff from Tasmania's schools. I have heard reports from Tasmanian schools that, following the Hodgman government cuts, they were forced to make decisions between increasing their class sizes and cutting specialist programs. Others lost support staff. The programs that were cut included music and language classes, sports activities and literacy programs.

Just tonight, at the Australian Primary Principals Association meeting held here in Canberra, at a session that was held for senators and members to go and talk to Australian primary principals, I was talking to a couple of Tasmanian principals. One of them was telling me how their school had had to choose whether they would do PE or music. They chose PE, so the kids in that school have lost out on a music program, except for the fact that they have volunteers coming in to help out with that. A number of schools have tried to rely on volunteers to keep their specialist programs, but volunteers are already stretched with fundraising activities. We are asking more from the volunteers. Really it should be something
that the education system can provide. You should not have to choose whether your child
does PE or music. That is just not on.

The savagery of the Tasmanian government's school cuts probably explains why they are
so quiet on the failure of their federal counterparts when it comes to school funding. The
Tasmanian shadow Minister for Education, Michelle O'Byrne stated:

What the Education Minister Simon Birmingham is saying is that he doesn't intend to provide extra
funding for education because he doesn't trust the states to manage education budgets.

But these are the same people who removed the clause that would have prevented states likes ours from
ripping funding out of education …

The Liberals are so desperate to discredit our plan they are resorting to all sorts of
disingenuous language. We hear the catchcry from those opposite that improving education is
not all about money. Well, we have never claimed that it is all about money. We have never
claimed that it is all about funding. As I mentioned earlier, the 'Your Child. Our Future' policy
is a comprehensive suite of reforms focussing on better trained teachers, more individual
support and attention for children who need it, and better targeted resources for schools. We
have never claimed that the only way to improve Australia's education system is by throwing
money at the problem.

Are those opposite seriously trying to suggest that more resources for Australian schools
will not make a difference? Try telling that to the millions of parents across Australia who are
working hard running raffles and school fairs to provide more resources for their children's
schools to improve the learning experiences. Try telling any school in Australia that there is
nothing to be gained from getting back the $3 million, on average, that this government has
cut from their budgets. While funding is not the only solution, you cannot deny that it is an
important part of the solution.

Even putting the quantum of funding aside, it is this government that stripped away all the
accountability mechanisms which ensure that the states and territories are using
Commonwealth funding to the best effect. The claim that Labor is doing nothing more than
throwing money at education is a bit rich coming from the government that ditched the
requirement for states to show funding was being used to improve educational outcomes.
Through our plan, Labor will restore accountability to Commonwealth school funding and
ensure that not only are there more resources for education but those resources are targeted in
an evidence based way. In their last desperate attempt to talk down our plan, those opposite
have made the ridiculous claim that Labor's policy is unfunded. That claim is patently untrue.

(Time expired)

Centrelink

Department of Human Services

Senator SIEWERT (Western Australia—Australian Greens Whip) (22:10): I rise tonight
to again speak about people's lived experiences when dealing with Centrelink and the
Department of Human Services. This is something I have spoken about previously in this
place, and I will continue to talk about this issue until it is resolved. There are still so many
people who are having problems contacting and relating to Centrelink and DHS. Of course
this then makes it difficult for them to access in some cases their income support, family tax
benefit payments or a range of other payments that people have to interact with Centrelink to receive.

I asked people to tell me their lived experience of dealing with Centrelink and it is fair to say that I was flooded with responses to that simple question. We heard of quite terrible experiences. People had waited on the phone for literally hours and hours. People had been bounced back and forwards between different parts of Centrelink, waiting for months. People had lost their disability support pension. People had gone through the appeals process. People described to us that they were forced, because of problems with this system, to live on emergency food parcels and support. I will read and relate people's lived experiences. Kerri said:

Going into Centrelink tomorrow with the husband. I can't get online. Phone's no good as I'm deaf. But I get told to make an appointment and come back another day. We live over 80 kilometres away round trip.

Natalia said:
The automated system can never get me to a simple customer service representative. I go around in circles with the automated system and I try many different phrases ... It's difficult if you are sick and have to cancel an appointment or need to find out information quickly.

Monique said:
I used up all my call value on my phone because I spent several hours on hold to Centrelink. So I couldn't AFFORD to call them.

Carla said:
I waited over an hour on the phone, only to be disconnected when they answered the phone. I have called at 8am (not a minute later) and still have to wait 25 minutes to speak to someone.

Rebekah said:
Whenever I ring Centrelink it takes 1-2 hours to get onto them, and often someone accidentally hangs up on me … and I have to ring back and do it all again. It's quicker to drive the two hours it takes to get to my local Centrelink.

Katrina said:
I am trying to get through to them now and it keeps returning an engaged signal. 2 weeks ago I sat on hold for 50 minutes (to the correct department) only to be told that my call had to be directed to a colleague who had proper security access to process my request. I then sat on hold for a further 50 minutes until I hung up in complete frustration.

Another Rebecca—different spelling, I might add—said:
It took 220 phone calls to even get in the queue that was over an hour long wait for something I 'should' have been able to do online but it would not allow me to update my son's school status.
This, for example, is not rocket science. It should be fairly simple to be able to do this. Sue said:
I was on Voluntary Income Management until recently. I got tired of Centrelink's website not working when I needed to access my Income Management account, to either transfer credit to my BasicsCard, or to check the balance. If a bank was as unreliable as their website was, it wouldn't take me long to change banks.

Monica said:
My mother needed to change her address. She visited the Centrelink/Medicare office and had a 45 minute wait to change her address with Medicare. Rather than let her take a number to start waiting for Centrelink, she wasn't allowed to take a number for Centrelink until she had finished with Medicare. Then had to wait another 45 minutes. All to do the same task.

We were supposed to be joining their system so that people did not have to do that. Jodie said: Centrelink recently made an error on my account. I waited in line for 1.5 hours to have it corrected.

Amy said:
68 minutes on hold—to be told that they couldn't do anything on the phone and I had to go into a branch to lodge paperwork for sickness benefit.

David said:
The app … consistently tells me I am to report my income 6 days prior to when I am actually required to. Not to mention the fact that it frequently does not work. Being assigned an employment network provider not in my city even though the same provider has an office in my city, and when I went to fix this had to wait to see someone …

Krista said:
Just before Christmas I was required to attend an in-person meeting to discuss my job requirements for receiving parenting payment now that my youngest child is six. I took the day off work to attend the appointment. Waited an hour and a half past my scheduled appointment.

We also have people that have been applying for the disability support pension. Scarlett explained her problems:
It took three attempts before I was awarded the DSP. (The whole process took 18 months and was extremely stressful.) My pension will be reviewed after just two years, and I am honestly terrified I might be stuck in limbo without financial security while they decide my fate.

This is happening right now in Australia. Every day, people are struggling to get in contact with Centrelink for income support payments, for disability payments, for people who are sick and for people trying to access their FTB. People are bounced between the online service and the telephone service—when it does or does not work, and in my last contribution on this matter I related how the number of phone calls that went unanswered in this country exceeded those that were answered by a person. That is not the way you treat people who are trying to access a service that is supposed to be providing the safety net on which many vulnerable people depend.

The government say that they are trying to fix the system and they are trying to direct people online or onto the phone and not have them come into the Centrelink office. But, when they get on the phone, they literally wait for hours. When they get online, the computer system does not work. We know that the computer system does not work. We know that the government is starting to budget in a lot of money to fix that system. But, in the meantime, we are deliberately steering people to have to go online in order to interact with Centrelink.

Then sometimes they are told that they cannot access a particular level because they do not have the right ID, so they go into a Centrelink office. They wait for a long time in the Centrelink office, to sometimes have their ID verified and sometimes not. When they have that ID verified—or sometimes not—they are not allowed to complete their transaction in the office; they have to go back online. I have had people recount to me how they have been told to go and use the computers in the Centrelink office, only to find that they are broken. Again, they are not able to adequately access Centrelink and the services that Centrelink provides.
Part of delivering a safety net in this country is making sure people can access it, not making it hard for people to be able to access it. Some people have told me that they think the government is deliberately trying to make it harder and harder for people to be able to access Centrelink. I do not think, given the failures in the system, that the government, even if it were doing it deliberately, could manage any better than the system is managing to frustrate and alienate people who are trying to use it.

People express their extreme frustration about being able to access Centrelink, not to mention—and I will address this in my next contribution in an adjournment debate—how people are being kicked off disability support pension and expected to find or maintain work without adequate support when they are living with a disability. Those issues are extremely concerning as well. That goes to the nature of who is able to access income support and the various payments. What I am recounting at the moment is when people are actually able to access it. Next time I will recount the troubles that people have in actually being able to engage, apply and become eligible for income support payments.

Shipping

Senator ABETZ (Tasmania) (22:20): A foundation stone of a healthy society is the number of people in a job. People in gainful employment exhibit better scores on their physical health, their mental health, their self-esteem and their social interaction. That is especially in comparison to people who are not so gainfully employed. The benefits flow not only to the individual but to everyone in that employed person’s household as well. That is why the Tasmanian federal Liberal team—comprising the federal members for Braddon, Bass and Lyons, together with the newly endorsed candidate for Franklin, Amanda-Sue Markham, and the Tasmanian Liberal Senate team, of which both of us, Mr President, are proud members—are so focused on job creation.

To create jobs, we need to be able to market the products we make. Being an island state, we are heavily reliant on shipping to get our products to market and underpin the jobs. In recent times, direct international shipping has stopped swinging by Tasmania for general cargo. As a result, our products need to be transshipped over one of the most expensive stretches of water in the world—namely, Bass Strait. The Tasmanian federal Liberal team was able to obtain a massive $203 million extra for the Tasmanian Freight Equalisation Scheme to assist with the international export of Tasmanian products. The cost and the need to tranship could be obviated very simply by this Senate repealing the coastal shipping regime, which was so foolishly and ham-fistedly rammed through this parliament in the dying days of the Rudd-Gillard-Rudd governments. The repeal should be a no-brainer for any person with the best interests of Tasmania and Tasmanians at heart.

If you want to create jobs and build jobs in Tasmania, you will, of course, have a very important freight task to undertake to get those products to world markets. Recently, Mr President, in your home city of Burnie, there was a proposal put forward by DP World that, if the coastal shipping regime were repealed and the legislation that we, as a government, had put up were passed, they would immediately invest between $20 million and $30 million on the Burnie waterfront to build a container facility and start direct international shipping from Tasmania to world markets. To see $20 million to $30 million of capital being invested is a huge investment in anybody’s language. It does not stop there, of course. It is then getting our product to world markets much more cheaply. Indeed, the taxpayer would be saved millions
of dollars because there would not be such reliance on the Tasmanian Freight Equalisation Scheme as the need to tranship to Melbourne would be obviated. This would be exceptionally good news.

Why any Tasmanian senator would have voted against that legislation is, therefore, beyond bemusement. Very sadly, eight out of Tasmania's 12 senators voted against that legislation. It is worth noting that prior to the Labor-Greens regime forcing this legislation through the Senate we had 30 major Australian trading vessels with a general licence—that means vessels of over 2,000 deadweight tonnes. Within two years of Labor introducing its disastrous coastal shipping changes in 2012, this fleet halved to 15 vessels. In addition, the number of vessels with a transitional general licence dropped from 16 to eight and, just this month, two more operators withdrew their Australian crewed vessels from domestic waters, so this fleet component has diminished to six.

Confronted with these horrific statistics, you would have thought Labor and the Greens would admit their mistake of a few years ago. Instead, they maniacally maintain that, somehow, it is in the interests of Australian coastal shipping to maintain this regime, despite the fact that the statistics speak so starkly and so clearly of the decline with the fleet halving from 30 to just 15 vessels. Indeed, there were almost 1,000 fewer coastal voyages in Australia, two million fewer tonnes of freight moved by foreign vessels and demurrage rates tripled from $15,000 to $45,000. A major producer in Tasmania, the Bell Bay Aluminium smelter in the electorate of Bass, told the Productivity Commission of a 63 per cent increase in freight rates. All these things hurt jobs—and hurt jobs in Tasmania—very badly.

It is clearly in the interests of Tasmanian jobs that this coastal shipping regime of the Labor-Greens government be repealed. It is in the interests of Tasmanian jobs, it in the interests of Tasmanian wealth creation and, for the Greens, it surely is in the interests of the environment to ensure that you do not have to burn tonnes and tonnes of bunker fuel to get product from Tasmania to Melbourne only to then have it shipped by another ship elsewhere to the world. Direct shipping would be more economical and, of course, more fuel efficient, ensuring less CO2 emissions into the atmosphere. Indeed, with the 1,000 fewer coastal voyage movements that I referred to, how do you believe that the product gets moved around Australia now? Instead of being moved on the more efficient shipping methodology, it is now trucked around Australia, causing a lot more traffic congestion and a lot more B-doubles on our roads, especially up and down the Pacific Highway and across to Western Australia, and burning so much more fossil fuel. It is inefficient and environmentally more damaging.

Because of the extreme left-wing ideology of the Australian Greens, they refuse to repeal the legislation, which has seen the more efficient methodology of shipping being destroyed. It seems that the MAU stranglehold—financially and with numbers at Labor state councils—is dictating Labour and Greens policy. But what it really cannot explain is somebody who pretends to be an Independent in this place voting against legislation that would see $20 million to $30 million of infrastructure investment in her home city and the capacity for direct export of Tasmania's fine produce to the world's markets.

Mr President, as you and I well know, the Tasmanian economy has turned a corner, with the election of federal Liberal governments in Canberra and Hobart. The economy is starting to tune up very well. We are increasing our productivity. But to be able to capitalise on that, we have to be able to get our products to market. That is why coastal shipping reform is such
a vital component for any further development of the Tasmanian economy and Tasmanian job opportunities. My call this evening is for all Tasmanian senators to put aside any partisan differences they might have and vote for Tasmanian jobs, vote for Tasmanian economic growth and, indeed, vote for the environment.

**Senate adjourned at 22:30**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk pursuant to statute:

*Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.*

- **Civil Aviation Act 1988**—Civil Aviation Safety Regulations 1998—
  - Combustion Type Cabin Heaters—AD/AIRCON/9 Amdt 8 [F2016L00148].
  - Electrical Hoist Assemblies – Earth Bonding Testing—AD/SUPP/16 Amdt 1 [F2016L00146].
  - Emergency Exits—AD/GENERAL/37 Amdt 10 [F2016L00147].
  - Inspection, Test and Retirement—AD/GAS/1 Amdt 10 [F2016L00152].
  - Maintenance of Cockpit Voice Recording Systems—AD/REC/1 Amdt 3 [F2016L00149].
  - Periodic Testing of ATC Transponders—AD/RAD/47 Amdt 3 [F2016L00150].

- **Currency Act 1965**—Currency (Perth Mint) Determination 2016 (No. 1) [F2016L00140].

- **Defence Act 1903**—Section 58B—Submarine leave remediation special measure—Defence Determination 2016/3.

- **Environment Protection and Biodiversity Conservation Act 1999**—
  - Amendment of List of Exempt Native Specimens – South Australia Lakes and Coorong Fishery (19 February 2016)—EPBC303/DC/SFS/2016/01 [F2016L00137].
  - Amendment of List of Exempt Native Specimens – Southern and Eastern Scalefish and Shark Fishery (22 February 2016)—EPBC303DC/SFS/2016/06 [F2016L00138].

- **Federal Circuit Court of Australia Act 1999**—Federal Circuit Court (Commonwealth Tenancy Disputes) Amendment Instrument 2016 [F2016L00144].

- **Food Standards Australia New Zealand Act 1991**—Australia New Zealand Food Standards Code — Schedule 20 — Maximum residue limits Variation Instrument No. APVMA 1, 2016 [F2016L00141].

- **Navigation Act 2012**—
  - Marine Order 31 (Vessel surveys and certification) Amendment 2016 (No. 1)—AMSA MO 2016/2 [F2016L00143].
  - Marine Order 52 (Yachts and training vessels) 2016—AMSA MO 2016/1 [F2016L00142].

- **Public Governance, Performance and Accountability Act 2013**—Commonwealth participating in the formation of the AIATSIS Foundation Inc and the AIATSIS Foundation Trust—22 February 2016.

- **Veterans’ Entitlements Act 1986**—

Tabling
The following documents were tabled pursuant to standing order 61(1)(b):
Australian Broadcasting Corporation (ABC)—Equity and diversity—Report for the period 1 September 2014 to 31 August 2015.
Australian Human Rights Commission—Reports—
No. 100—HG v Commonwealth of Australia (Department of Immigration and Border Protection).
No. 101—AI v Commonwealth of Australia (Department of Immigration and Border Protection).
No. 102—Kolind v Commonwealth of Australia (Department of Education and Training).
No. 103—Ghahani v Commonwealth of Australia (Department of Immigration and Border Protection).
Superannuation (Government Co-contribution for Low Income Earners) Act 2003—Operation of the Government co-contribution scheme—Quarterly reports for the period 1 October to 31 December 2015—
Subsection 12G(1).
Subsection 54(1).
Women—Sex Discrimination Commissioner—Appointment—Letter to the President of the Senate from the Minister for Women (Senator Cash), dated 21 January 2016, responding to the resolution of the Senate of 3 February 2016.

Tabling
The following documents were tabled by the Clerk pursuant to order:
Entity contracts for 2015—Letters of advice pursuant to the order of the Senate of 20 June 2001, as amended—
Attorney-General's portfolio.
Communications and the Arts portfolio.
Indexed lists of departmental and agency files for the period 1 July to 31 December 2015—
Statements of compliance pursuant to the order of the Senate of 30 May 1996, as amended—
Attorney-General's portfolio.
Commonwealth Ombudsman.
Immigration and Border Protection portfolio.
Inspector-General of Intelligence and Security.