### INTERNET

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### SITTING DAYS—2013

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### RADIO BROADCASTS

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FORTY-THIRD PARLIAMENT
FIRST SESSION—NINTH PERIOD

Governor-General
Her Excellency the Hon. Quentin Bryce AC, CVO

Senate Office holders
President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Stephen Shane Parry
Temporary Chairs of Committees—Cory Bernardi, Thomas Mark Bishop,
Suzanne Kay Boyce, Douglas Niven Cameron, Patricia Margaret Crossin, Sean Edwards,
David Julian Fawcett, Mark Lionel Furner, Scott Ludlam, Gavin Mark Marshall,
Bridget McKenzie, Claire Mary Moore, Louise Clare Pratt and Ursula Mary Stephens
Leader of the Government in the Senate—Senator Hon. Stephen Michael Conroy
Deputy Leader of the Government in the Senate—Senator Hon. Penelope Ying Yen Wong
Leader of the Opposition in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Opposition in the Senate—Senator Hon. George Henry Brandis QC
Manager of Government Business in the Senate—Senator Hon. Jacinta Mary Ann Collins
Manager of Opposition Business in the Senate—Senator Mitchell Peter Fifield

Senate Party Leaders and Whips
Leader of the Australian Labor Party—Senator Hon. Stephen Michael Conroy
Deputy Leader of the Australian Labor Party—Senator Hon. Penelope Ying Yen Wong
Leader of the Liberal Party of Australia—Senator Hon. Eric Abetz
Deputy Leader of the Liberal Party of Australia—Senator Hon. George Henry Brandis QC
Leader of The Nationals—Senator Barnaby Thomas Gerard Joyce
Deputy Leader of The Nationals—Senator Fiona Nash
Leader of the Australian Greens—Senator Christine Anne Milne
Chief Government Whip—Senator Anne McEwen
Deputy Government Whips—Senators Carol Louise Brown and Helen Beatrice Polley
Chief Opposition Whip—Senator Helen Kroger
Deputy Opposition Whips—Senators David Christopher Bushby and Christopher John Back
The Nationals Whip—Senator John Reginald Williams
Australian Greens Whip—Senator Rachel Mary Siewert

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(1) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.

(2) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice H. Coonan, resigned 22.8.11), pursuant to section 15 of the Constitution.

(3) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice Hon. M. Arbib, resigned 5.3.12), pursuant to section 15 of the Constitution.

(4) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice J. Adams, died in office 31.3.12), pursuant to section 15 of the Constitution.

(5) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. B. Brown, resigned 15.6.12), pursuant to section 15 of the Constitution.

(6) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. N. Sherry, resigned 1.6.12), pursuant to section 15 of the Constitution.

(7) Chosen by the Parliament of South Australia to fill a casual vacancy (vice M. J. Fisher, resigned 15.8.12), pursuant to section 15 of the Constitution.

(8) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice C. Evans, resigned 12.4.13), pursuant to section 15 of the Constitution.

**PARTY ABBREVIATIONS**


**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
# GILLARD MINISTRY

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<tr>
<td>Prime Minister</td>
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<tr>
<td>Minister Assisting the Prime Minister on Digital Productivity</td>
<td>Senator the Hon Stephen Conroy</td>
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<tr>
<td>Minister Assisting the Prime Minister on Asian Century Policy</td>
<td>The Hon Dr Craig Emerson MP</td>
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<tr>
<td>Minister for Social Inclusion</td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td>Minister Assisting the Prime Minister on Mental Health Reform</td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td>Minister for the Public Service and Integrity</td>
<td>The Hon Mark Dreyfus QC MP</td>
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<tr>
<td>Cabinet Secretary</td>
<td>The Hon Jason Clare MP</td>
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<tr>
<td>Minister Assisting the Prime Minister on the Centenary of ANZAC</td>
<td>The Hon Warren Snowdon MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon Dr Andrew Leigh MP</td>
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<td>Treasurer</td>
<td>The Hon Wayne Swan MP</td>
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<td>(Deputy Prime Minister)</td>
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<td>Minister for Financial Services and Superannuation</td>
<td>The Hon Bill Shorten MP</td>
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<tr>
<td>Assistant Treasurer</td>
<td>The Hon David Bradbury MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon Bernie Ripoll MP</td>
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<tr>
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<td>Senator the Hon Stephen Conroy</td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
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<td>The Mark Dreyfus QC MP</td>
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<td>Senator the Hon Bob Carr</td>
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Tuesday, 25 June 2013

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 11:00, read prayers and made an acknowledgement of country.

BILLS

Banking Amendment (Unclaimed Money) Bill 2013
Second Reading

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

Senator CORMANN (Western Australia) (11:01): Another day and another fix to some Labor Party stuff-up. This government is the most chaotic, the most dysfunctional, the most divided, the most incompetent government in the history of the Commonwealth. It is a government that has made a complete mess of our budget. It has spent $220 billion more than it raised in revenue; it inherited a strong budget position with a strong surplus and with no government net debt from a government that was collecting net interest payments instead of planning to pay $34 billion in net interest payments over the current forward estimates. This government inherited a situation with Commonwealth net assets of about $70 billion and, of course, they have turned that around very quickly into a situation whereby we are now on track for $191 billion worth of government net debts.

So, we have a government that is always desperate for more cash, that is always casting around for more money and that, in the lead-up to the last election, deliberately and intentionally misled the Australian people about what it would do to return the budget to surplus—at the time promising, come hell or high water, that it would do it by 2012-13. In the Mid-Year Economic and Fiscal Outlook in October last year the government was trying to keep the illusion alive that somehow there would be a surplus 2012-13, albeit a wafer-thin surplus of just $1 billion. We know that since then, as a result of the budget just a few weeks ago, the government has instead been on track for yet another massive deficit of about $19.4 billion. Despite yet more waste and yet more mismanagement, the government in last year's Mid-Year Economic and Fiscal Outlook was trying to keep this illusion alive that somehow it would deliver a surplus. How was this achieved? How was the pretence of a surplus in 2012-13 achieved, when last year's Mid-Year Economic and Fiscal Outlook was presented?

The government pushed a rapid raid on people's supposedly lost super, their supposedly lost bank accounts and their supposedly lost life insurance policies and so on. I say 'a rapid raid' because within less than six months the government wanted to collect hundreds of millions of dollars—in fact, close to $750 million—from people's supposedly lost super, bank accounts and so on. The government was trying to pretend that somehow the objective was to reunite people with their own money more quickly. Yet the government expects to raise nearly a billion dollars from people's superannuation accounts and supposedly lost bank accounts. If people are to be reunited with their money more quickly, why is all this money expected to hit the bottom line to help this dishonest Gillard Labor government keep alive the illusion of an early surplus for a little bit longer? It is an illusion that has since been smashed. Everybody always knew it was going to happen. It is now one of the many high-profile broken promises of this incompetent Gillard-Swan Labor government.

At the time this substantive legislation came through the parliament, which sought to introduce this rapid raid on people's bank
accounts and supposedly lost superannuation, we said: 'This is too rushed. This is indecent haste. You should think this through more carefully.' But of course the government was so desperate for cash as quickly as possible so that they could count it against the budget bottom line in 2012-13 that they just rammed things through, with the support of the Greens, as has been the case way too often under this very bad government. And of course they got things wrong. Over the last few months we have seen many people getting caught by the incompetence of this government.

A lot of the money that is taken out of people's bank accounts supposedly goes to ASIC and then ASIC is supposed to reunite people with their money, but of course it ends up in the government's budget bottom line. In Senate estimates the other day I asked ASIC, 'How much money have you received?' They had no idea. I asked, 'How much money have you reunited with people whose money has been taken away without their knowledge?' They had no idea. I then asked, 'If you do not know how much money you have received, how long will it take you before you can reunite people with their own money?' They had no idea. The evidence of ASIC was breathtaking in its absolute inadequacy.

It was the whole intention of this government to go after people's money more quickly by saying, 'In the case of any account where there has not been a transaction for three years, we are going to grab that, thank you very much,' irrespective of how much money was in there. There were hundreds of thousands of dollars in some bank accounts. People had essentially put that aside for rainy-day savings or whatever purpose. If there has not been any transaction for three years, this government says: 'Thank you very much—that is now ours. By the way, if you claim it back we will give it back to you. But it will take forever.'

The Banking Amendment (Unclaimed Money) Bill 2013 amends the Banking Act 1959 to exempt reactivated accounts from being reported and transferred to the Commonwealth as unclaimed moneys and to allow the Commonwealth to provide refunds to authorised deposit-taking institutions if moneys are collected unnecessarily. Why was that not done in the first place? It was not done because we have the most incompetent government in the history of the Commonwealth and because we have the most incompetent, part-time Minister for Financial Services and Superannuation, who is more focused on the job he wants after the election than on the job he has now. That is one of the problems with the modern-day Labor Party: if they do not have their hands at each other's throat or a knife in each other's back or if they are not packing up their office or jumping ship, they are planning for their jobs after the next election, in opposition. We have Mr Combet saying, 'I will ditch Ms Gillard as Prime Minister if you make me Treasurer.' We have Mr Shorten backgrounding the media about the fact that it is going to be up to him as to who is going to be the Prime Minister at the end of the week. What sort of a state of affairs is this? No wonder they get bills like this one wrong and no wonder people across Australia are getting hurt. The government do not dot the i's and cross the t's because they are too focused on themselves; they are not focused on the public interest and they are not focused on getting things right. People across Australia deserve better than this. They deserve so much better than this.

So, as I have mentioned, in an attempt by the government in the Mid-Year Economic and Fiscal Outlook 2012-13 to find supposed savings to bolster their now-abandoned commitment of delivering a surplus in 2012-
they announced an array of changes relating to unclaimed moneys in bank accounts—life insurance accounts, superannuation accounts and corporations. The changes sought to bring forward the time at which money is recognised under the relevant law as lost or unclaimed money so that the government can get their hands into people's pockets more quickly. It was nothing but a blatant grab for cash to create the illusion of a surplus that was never going to be—it was never going to be, because this Labor government do not know how to manage money.

This Labor government get every budget wrong. They go through the same charade every time. They overestimate, quite dishonestly, the revenue they expect to raise. For last year's budget they wanted us to believe that government revenue would go up by 12 per cent. Even though the economy was expected to grow more slowly, even though the terms of trade were expected to fall, this government, dishonestly and unbelievably, wanted people to believe that revenue would go up by 12 per cent. It was never going to go up by 12 per cent—it was never going to happen. And, because revenue now is growing by six per cent, what are the government telling us? Are the government telling us revenue is growing strongly by six per cent, which is well above the rate of inflation—more than double the rate of inflation, in fact? No, the government are trying to make people believe that somehow revenue has collapsed. That is the most dishonest spin that you can ever get from a federal government.

It is absolutely untrue to suggest that government revenue has collapsed. It is lower than the overly optimistic, and always unbelievable, and aggressively out-there predictions of the Treasurer and the Minister for Finance and Deregulation, for sure. But these estimates were never going to be achieved. Look at the track record of this government, even since the last election. We have had two financial years since the last election for which we have either a final budget outcome, or we are now close to the end of the 2012-13 financial year and we have a fair idea where we are going to end up for 2012-13.

So let us look at those two financial years. In the lead-up to the last election, when the government were trying to make us believe that they were on a pathway back to surplus, what did they tell us about the budget outcome for 2011-12? The dishonest Gillard-Swan Labor government wanted to make people believe that, as part of their journey back to a surplus in 2012-13, the deficit in 2011-12 would be $10 billion. They wanted people to believe it was just a small deficit, that it was not too bad. But guess what. When all was said and done, when the final budget outcome came out, the deficit in the final budget outcome was $43.7 billion—it had more than quadrupled. There was a deterioration in the budget bottom line, for just one financial year, of $33.7 billion.

In the lead-up to the last election we were told initially that the surplus for this financial year, 2012-13, would be $3½ billion. Of course, we now know we are on track for a $20-odd billion deficit—another deterioration under this government of more than $20 billion. So the deterioration over the last two financial years under this government, from what they promised to what they delivered or are about to deliver, is in excess of $50 billion—just over two financial years. It is no wonder they are always desperately casting around for more cash, at the expense of the Australian people: because they do not know how to live within their means.

The Gillard-Swan Labor government are still at it; they are still misleading people.
This year's budget papers are as dishonest and as unbelievable as the budget papers for 2011-12 or 2012-13. They have not changed their tack at all; they have not learnt from their past mistakes. To pick one example, the government wants us to believe that this financial year revenue from the mining tax will increase by about a thousand per cent over the forward estimates—1,000 per cent! When you look at the detail in the budget papers, even the budget papers are predicting a fall in the terms of trade and that commodity prices will go down, but Treasury happens to say that the Swan-Wong budget papers are too optimistic when it comes to the terms of trade—that they will fall by more than what the budget says. The situation is actually going to be worse. The budget is predicting that the exchange rate will remain high. The two arguments that the Treasurer has used to account for his failure to raise the predicted revenue from the mining tax were falling terms of trade and the exchange rate. How come the government can predict a 1,000 per cent increase from the mining tax, when in the first year of its operation it came in at a staggering 95 per cent below the original forecast?

I would like to pause here for a moment. The government targeted an important industry—one of the best performing industries in Australia when the government came in—with a complex new tax, which they predicted would raise $4 billion in the first year. They spent all the money they predicted they would raise and more and it comes in 95 per cent below the government's forecast. Can you imagine if any chief financial officer in a publicly listed company had got his forecast wrong by 95 per cent? He would be sacked on the spot. If the company did not sack him, the company would be seriously marked down on the stock exchange. There is no way that a company could keep a chief financial officer who got the revenue forecast for a key measure like this so wrong as this incompetent Treasurer has. No matter where you look in the budget, the carbon tax revenue estimate is completely without foundation—literally. What they did was they took today's market price and drew a line to their fictional, self-identified $38 price in 2019-20 and said, 'Everything in between is now going to be our revenue estimate for he intervening years.' No wonder this government gets the budget so wrong and no wonder they need to come up with stunts like the Banking Amendment (Unclaimed Money) Bill to go after people's money in a quick and desperate way, because they are always running out of cash to feed their spending addiction. They are always looking for the next grab for cash.

To go back to the mining tax for a moment, in Senate estimates I asked Treasury officials whether they could point me to a precedent in the history of the Commonwealth—all the way back to 1901—of a circumstance in which a federal government introduced a new tax and put out a revenue estimate and came in 95 per cent below the original forecast. Treasury officials were a bit bemused and they were scratching their heads but could not really think of anything and so they took it on notice, as they usually do. At some point somebody piped up and said, 'Yep, I've got one.' In 1989-90 the Petroleum Resource Rent Tax was introduced, and I asked how much that was expected to raise in the first budget. Scratching their heads again and going through their books, they came up with this, and I wonder if Senator Wong can remember this. The revenue estimate in 1989-90 for the Petroleum Resource Rent Tax was zero dollars!

When Paul Keating introduced the petroleum resource rent tax as a new tax—or
a structural reform, the way he saw it—it was not a grab for cash from him in 1989-90; he attached zero dollars to it. And guess how much he raised? When you put zero dollars up, it is very hard to underdeliver, I guess. You would know that you were not overpromising and you were not exposing yourself to the risk of underdelivery. But guess what happened? In 1989-90, the government collected $42 million in revenue from the PRRT, when they had predicted zero, which of course, in that financial year, actually put the government in a better position—unlike the efforts of the most incompetent, cash-grabbing, failed Treasurer that the Commonwealth has ever seen in its history, Mr Swan. Mr Swan should have resigned long ago for his incompetence, or, if he was not going to resign, he should have been sacked. If we had a Prime Minister who had any authority, she would have sacked him long ago. But of course Mr Swan is the only thing that stands between Ms Gillard and Mr Rudd. That is the only reason why he is still the Treasurer of the Commonwealth.

With those words, I finish where I started: this is yet another fix for yet another Labor stuff-up. We should not have had to waste our time on this. The government should have done its homework upfront. It should have dotted its i's and crossed its t's upfront. But this government is so dysfunctional, so chaotic, so divided and so incompetent that it always gets it wrong, particularly when it is going after the money in people's own bank accounts.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (11:21): There are certain things that, in the dying days of a chaotic government, personify exactly where this nation is off to, and this is a classic example. The Banking Amendment (Unclaimed Money) Bill 2013 should be called our Cyprus bill, because it is basically the theft of money from individuals. That is the clearest way to see it. People who have money in their bank accounts and superannuation funds, who believed that that money was safe in those accounts, who believed that their life insurance money could be claimed, are now to be divested of that money and see it invested in the state because of the Green-Labor-Independent alliance. Responsibility for the loss of these funds by the individual, to be invested in the state—their private savings in their private bank—lies with Mr Windsor, Mr Oakeshott, the Greens and the Labor Party, and they must accept that this is where our nation has got to.

This is why, when they say, 'Don't worry about us being $257.3 billion in gross debt today, don't worry about the fact that we have a $19.8 billion deficit this year, don't worry about the $43 billion deficit last year, don't worry about the $48 billion deficit the year before that, don't worry about the $54 billion deficit the year before that or the $27 billion deficit the year before that.' Don't worry about that. Don't worry about the fact that we are going to be $370 billion in gross debt. No, don't worry about that,' you had better start worrying, because they are coming for your money. That is absolutely and utterly the case. They are doing this because they are trying to scrape together some money. What cash can this save them? They look forward and they think, 'This'll get us close to a billion dollars.' I think it was $900 million over the four-year period to 2015-16. That is where they are off to. So where are they going to get it?

So that people driving their cars along the highways today clearly understand, what the government will do now is go to your bank accounts sooner. In the past, if you had not touched them for seven years, they would go to the government. Now the government are saying that after three years they will come into your bank account. The government will
go into your bank account and they will take your money.

But let us look at what happens to most people's super. If you have been out shearing somewhere, you get a little super fund and you forget all about it; then you go to another manual job, you have another little super fund and you forget about that. Then you do another job, you get another little super fund and you forget about that one, as has happened to most people. The government are saying that, after 12 months, they will take it. They will take it off you. They will even take unclaimed life insurance moneys. They will not even leave the dead alone!

This is what is happening to this nation. This is how chaotic it has got. And out there we have this crazy soap opera between Kevin, Mr Kevin Rudd—is that the proper title?—the member for Griffith and the Prime Minister, apparently, of Australia—but who knows; what time is it? Whilst that chaotic soap opera is going on in the foreground, in the background they are flogging your dough. We have to try to understand exactly where this nation has got to. This bill, like other bills, will be guillotined. Debate on it will be shut down because the Australian Greens, who were supposed to be the archangel Gabriel of transparency and democracy in this chamber, will vote for that. They will vote to shut this down so that the Australian people will not know that their money is being stolen.

This is pathetic. It is pathetic that this is now happening in our nation. We have got ourselves into this because of the massive debt. The Greens, the Independents and the government that Mr Windsor and Mr Oakeshott put into place with the Labor Party concocted the most bizarre amalgamation of nutty ideas and bad management. It has been the worst financial management this nation has ever had, and now it is coming to this tawdry end. This government is the thief that breaks through car windows and steals the coins out of the ashtray. They are going anywhere to find the money. They are going to pick up anything that is not nailed down. You will see that in the last couple of days there are 56 bills that we are not going to get to debate. They are going to shut down the debate. This is the sign of the chaos that surrounds this chamber and the chaos that surrounds this building. The Australian people deserve better than this. The Australian people deserve better than having their money stolen. The Australian people deserve better. When people are doing it tough doing the many little jobs they have to do, they may come back to find that their money is gone because the government has stolen it.

The government has stolen it to prop up the ceiling insulation debacle. The government has stolen it to prop up the $900 cheques. The government has stolen it to prop up the NBN. The government has stolen it to prop up their millions of nutty ideas. The government has stolen it to prop up the climate change department. The government has stolen it to prop up the mad Green ideas that have infected Labor Party policy. There is no point standing back and saying, 'You're so emotive over there.' When you go through the figures, this government is the worst by far.

How on earth did we get our nation into this position? Last time the Labor government left office we were about $105 billion in gross debt and $96 million in net debt. It took 10 years to pay it off. We got $45 billion of that from the sale of Telstra, so it took about 10 years to pay off $50 billion. Now these clowns, by their own figures, are going to leave us about $370 billion in debt. You know what they say? They say that it is not a problem because we are not as bad as Greece. They say that we are not as bad as
Spain or Ireland and so it is all right. That is like walking around the global financial graveyard and saying, 'That person is less dead than that person.' It does not matter; we have arrived there. You arrive there when bills such as these turn up. In simple terms it is this: they are coming to steal your money. They are coming to take your privately earned funds. They are going into your bank accounts. They are going into your superannuation accounts. They are going into your life insurance policies. That is what is happening in our nation right now.

I would welcome finding out from the Greens what the explanation is for this. I would welcome finding out from Mr Windsor and Mr Oakeshott. Maybe they can explain it to the shearsers in New England and horticultural workers who are working in the fields doing those little jobs and who have little superannuation accounts. Maybe they can explain to those workers why their superannuation is now under threat. I welcome them explaining it to pensioners who have a quiet bank account that they have never touched, that they have just left there for a rainy day, just in case. Now, even though they have left it there, we have the government sitting over the top of it and, after three years, they will say: 'Bang! That's it.' This is yet another example.

The Greens and the Labor Party have decided that we are not even allowed to debate these things anymore because this is not a democracy. We are not allowed to debate anymore. I am not quite sure whether Senator Boyce wishes to say something about this. I am happy to let my position go for Senator Boyce to speak.

Senator BOYCE (Queensland) (11:30): I would like to thank my colleague Senator Joyce for giving me an opportunity to speak in the very, very limited time that we have because of the gag that has been put on the Banking Amendment (Unclaimed Money) Bill 2013, as it has been put on another 54 bills this week. Thank you to the Labor-Greens government for doing that! I will speak briefly, because I do not have any other choice on this bill. I would just like to remind senators and those listening that, in the whole three years of the Howard government from 2004 to 2007, there were 32 bills where a gag or guillotine was applied. This government has almost doubled that with 55 just this week, and with ridiculous time limits like 20 minutes for the debate of an entire bill.

What we have here today is a bill to fix a bill, which of course is quite common with this government, which could not implement its way out of a paper bag. It is just appalling that it had this wonderful legislation all lined up and passed in December last year but now, less than six months later, it is putting through amendments because it did not listen to the comments made by the coalition and by the Australian Bankers' Association at the time.

The first thing that this government proposed was that they would change the timeline for unclaimed moneys from seven years to three years and that the banks would implement that the day after it was given royal assent by the Governor-General. I have spoken often in here about this government's complete lack of knowledge of the real world and of how a corporation, a company or, indeed, a business of any sort behaves. But to expect that every ADI—every deposit-taking institution in Australia—was going to be able to identify the customers whose bank accounts had been inactive for three years, within 24 hours, when seven years had been the benchmark, was just crazy. But of course this government could not see that, and now they are back here trying to sort out the mess that they have created by saying, 'Well, let's have a deadline of December; well, no, let's
have a deadline in May; oh well, let's have another deadline now,' and trying to recoup the damage that they have done in the meantime.

I was interested to see on the website of ASIC—the Australian Securities and Investments Commission, which is the body that has to accept these funds from the government before they go into consolidated revenue—that they give a huge amount of detail around claiming your moneys and looking for lost money. They point out that there is more than $750 million in lost shares, bank accounts and life insurance currently in the system. They go on to suggest to people other ways that they might 'find' money. One way they suggest—in fact, the first way they suggest—is to do a budget. You might find extra money if you do a budget, says ASIC. It is a shame that ASIC did not mention that to the Treasurer, Mr Swan, because his budgeting abilities are pretty appalling.

One other amendment that this bill makes is to return the money to the people who took money out of their accounts when this government had decided they were inactive accounts, even though they were not inactive accounts. There have been two examples in Queensland of this. This government tries to suggest that that is somehow the fault of the banks—that they have acted prematurely. This is the banks that were being told they had 24 hours to act initially. It is suggested that they have acted prematurely in moving money across. They have not acted prematurely. They have acted in the way a corporate body the size of a bank will always act. They cannot move in 10 seconds to the next thought bubble in the way that this government does.

A 75-year-old Toowong pensioner emerged from a quintuple heart bypass to find that his bank account was empty. More than $22,000 had been handed over to the federal government. That 75-year-old spent 21 days in hospital following his bypass surgery. When he and his wife went to check their Suncorp account, they found that there was not $22,616 in it, as they had expected; there was $0. They had been carefully putting money aside for 14 years to pay for health-related costs. That money was simply going into that account and being kept. Mr Duffy, the gentleman from Toowong, said:

My understanding of the definition of stealing is to take something without somebody's knowledge and not tell them. As far as I'm concerned, that's exactly what happened - (the Government) took it without telling us.

That is stealing, and that is what this government has done. We also have the case of a Brisbane woman, Ms Margaret Franklin, who is a financial planner and accountant—so someone who is financially knowledgeable. She had an account with $157,644 in it cleaned out. She was out of town and did not react to the one letter she received from her bank. But, as she points out, she notified a change of address on that account less than 12 months ago. Would this suggest that that is an inactive account? No, it would not. But, with the way this government went about it, anybody who has put some money aside and done nothing except let it build up interest is considered to have an inactive account after three years. There are literally thousands of accounts like this and there are literally hundreds of reasons why an Australian—a careful, prudent Australian—might set up an account and leave it with nothing but the interest coming in. Of course, the government would not understand 'prudent' and 'financial' in the same sentence, so no wonder they do not know what it is all about. Ms Franklin, who has two children, made what I think is a very relevant point. She pointed out that her finances are none of the government's
"It's my opinion that I can transact as often or as infrequently as I like, because after all it's my money."

In both these cases, the money was appropriated before the new rules came in, and that is squarely and only on the government. It is the government's fault. One of the ASIC commissioners, Mr Peter Kell, gave evidence to the Parliamentary Joint Committee on Corporations and Financial Services last Friday, and pointed out that there is currently $709 million in unclaimed money across banking, life insurance and companies. But, as he pointed out, as a result of the change from seven years to five years, there was a one-off increase at the end of May of $471 million. It went across in one lump. As has already been mentioned, this was a pathetic attempt by the government to try and meet the budget surplus way back when, before they gave up trying to keep their promise on this. Yet the government somehow suggest that it is the banks' fault that there is this mess going on, and we have this bill to fix the bill that should have been fixed in the first place—and it would have been if there were the slightest knowledge in this group of how to be competent. There is not.

What is more, half a per cent of all Australian bank deposits is in unclaimed money. That strikes me as being quite a lot of money: one in 200. Half a per cent—it is ridiculous and this government should be condemned utterly for it. (Time expired)

The DEPUTY PRESIDENT: The time allotted for this debate has now expired. The question is that this bill be now read a second time.

Question agreed to.
Bill read a second time.

Third Reading

The DEPUTY PRESIDENT (11:40): The question now is that the remaining stages of this bill be agreed to and this bill be now passed.

Question agreed to.
Bill read a third time.

Australia Council Bill 2013
Australia Council (Consequential and Transitional Provisions) Bill 2013

Second Reading

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

Senator HUMPHRIES (Australian Capital Territory) (11:40): The Australia Council Bill 2013 effects some changes to the structure of the Australia Council, our peak arts funding body, as a result of a review which was conducted by Ms Gabrielle Trainor and Mr Angus James. It is important to state at the outset that the Australia Council is a body of long standing. The legislation that is before the Senate today does not need to be passed today. There is a sense of panic on the government's part and so it is bringing forward this legislation which has been criticised, which was examined by the Senate Rural and Regional Affairs and Transport
Legislation Committee and which has many critics. Yet despite the criticism and the concerns expressed widely across the arts community in Australia about this legislation, the government is pressing ahead quickly to rush it through the parliament. There will be a slightly longer period of time than was originally scheduled to deal with this legislation, but it will have to be debated, considered and passed by the Senate, if it is to be passed at all, by 1.45 this afternoon. This is significant legislation being pushed through by a government that is characterised by panic and incompetence. That is most unfortunate. These issues are of great moment. They are significant. Getting the funding mechanisms right is extremely important but one has to wonder whether this, as with so much else this government does, is all about politics and very little about good administration.

This bill began as a review of the Australia Council announced by then arts minister Simon Crean in December 2011. The review was conducted, as I said, by Gabrielle Trainor and Angus James and its report was delivered to the government by May 2012, more than a year ago. But from that point nothing happened. The report sat with the minister for nearly a year.

These bills were introduced into the parliament when there were 12 sitting days of the Senate left this year and only after the Prime Minister had announced the election date. The issues had been mulled over for some time and the report was finally tabled. Senators had concerns about the issues raised in the inquiry and many of the stakeholders expressed concern about the directions of the council, particularly about the objects of the Australia Council. Yet today this bill is being rushed through the parliament when so many questions remain unanswered and when there are so many issues which ought to have more sober and careful consideration than they are to receive under this process.

It is important to understand that these bills do not merely amend existing legislation; they are not merely an update of some out-of-date provision or two. They are not a tidying-up exercise. The intention of the government is to scrap the enabling legislation of the Australia Council—which has served the organisation for more than 40 years—and to replace it with legislation that seeks to change not only the structure of the Australia Council but its functions and its mission. As I have said, there is a lack of consensus about the way in which the government is proposing to proceed with that. The government's intention is to fundamentally change the way the Australia Council operates, right down to its very core. The legislation that has enabled the Australia Council to function for 40 glorious years, with bipartisan support, is now being scrapped and its replacement model is being rammed through at five minutes to midnight.

Everything about this legislation has been a rush job. The original legislation was presented to the parliament when there were just 12 sitting days of the Senate left. The inquiry into these bills by the Senate Rural and Regional Affairs and Transport Legislation Committee heard how much of a rush job they were. For example, the legislation appeared to forget entirely about Aboriginal and Indigenous art, and, inexplicably, tried to remove from the Australia Council's list of functions the protection and promotion of freedom of artistic freedom.

Minister Burke, who replaced the previous minister—Minister Burke being the Prime Minister's third choice as arts minister in her time as Prime Minister—eventually capitulated and amended the legislation to correct a number of crucial mistakes. I am
glad that at least some advertence has been had to the chorus of criticism from stakeholders and others who care a great deal about the direction and purpose of the arts in this country. But the fact that those mistakes had to be made after the legislation was presented—not before, not as a result of interaction with stakeholders to understand what needed to be done to protect, foster and promote the arts in this country—is a great indictment of the minister and the government and underlines how important it is that these bills not be rushed through this place without proper consideration.

The government are treating the arts and the Australia Council as if they were their own personal plaything—when the very existence of the Australia Council today owes as much to Liberal prime ministers as it does to Labor prime ministers, if not more. Liberal Prime Minister Harold Holt announced his intention to create such a body to the parliament in November 1967. Liberal Prime Minister John Gorton followed through with the plan, and the agency first met in July 1968. These facts were brought to everyone's remembrance at the 40th anniversary of the Australia Council by its Chair, Rupert Myer.

The Australia Council has enjoyed the support of both Liberal and Labor governments for nearly half a century. The coalition's most recent arts minister, Senator Brandis, explained to the National Press Club the Howard government's record on the Australia Council, when he said in 2007:

… funding for the Australia Council, which makes direct, arms' length grants to individual artists and performing arts companies, has risen from $73 million 12 years ago to $161 million in this year's budget – an increase of more than 110%.

The Australia Council today continues to administer and deliver the bulk of the Commonwealth government's investment in the arts in Australia. This includes, as reflected in its most recent annual report, around $164.5 million in grants and direct funding to the full range of Australian artistic practice—from our major performing arts companies, of which there are an enormous number, to around 170 regional and local arts organisations across Australia.

The organisations which the Australia Council has supported, large and small, traditional and cutting-edge, in every platform of the arts—traditional arts and innovative arts—have all been captured and nurtured by the Australia Council. From time to time we may have differences of view about the quality and the nature of the performances and product that is the result of that funding, but we have to agree that Australia has, as a result of that careful nurturing by the Australia Council, an enormously well-developed cultural scene with great, world-class quality output in every field of endeavour in the arts.

Organisations that have been supported by the Australia Council include the Adelaide Symphony Orchestra, the Australian Ballet, the Australian Brandenburg Orchestra, the Australian Chamber Orchestra, Bangarra Dance Theatre, Bell Shakespeare Company, Black Swan State Theatre Company, Circus Oz, Company B, Malthouse Theatre, Melbourne Symphony Orchestra, Melbourne Theatre Company, Musica Viva Australia, Orchestra Victoria, Opera Australia, Opera Queensland, Queensland Ballet, Queensland Theatre Company, State Opera of South Australia, State Theatre Company of South Australia, Sydney Dance Company, Sydney Symphony Orchestra, Sydney Theatre Company, Tasmanian Symphony Orchestra, Queensland Symphony Orchestra, Western Australian Ballet Company, Western Australia Opera, Western Australian Symphony Orchestra—and the list goes on.
I doubt there is a person in this chamber who has not, at some point, experienced and appreciated the great quality of artistic output that those sorts of organisations, and many others over those 40 years, have been able to produce. As such, we owe it to those people who deliver that product to us, we owe it to the Australians who are the consumers of that product, to maintain the very best, the essence of the quality of that process from those last four decades, and to ensure that the Australia Council, as it goes forward, has the capacity to deliver continuing fine quality, apolitical and cutting-edge artistic output in this nation.

I mentioned that the government had chosen to make significant changes to the way in which the Australia Council works by changing its functions, the objects of the Council, in a way which was, frankly, mystifying to many of the stakeholders who gave evidence at the Senate committee inquiry. As I mentioned originally, even reference to Aboriginal and Indigenous art was removed from the objects of the legislation—in a way which the government, presumably, was unable to explain, because it has now reinserted, with amendments, those very provisions.

Most contentious, however, was a decision by the government to remove reference to important parts of the legislation dealing with excellence in the arts, particularly the promotion of freedom of artistic expression. That was a matter which a great many submitters to the inquiry, and witnesses before the inquiry, found very troubling. The implausibility of the reasons for doing this was a matter of great concern.

Freedom of expression in the arts is a hard-won and sometimes contentious concept. There have been many examples of things that we have seen with respect to artistic endeavours and outputs which trouble people, which cause them to question whether that freedom should exist. But there is no question that, as a nation, we need to ensure that that tradition continues and that artists in a variety of art forms are able to challenge us by virtue of what they create, because their ability to do that is a fundamental example of the freedom of expression which underpins Australian society.

I recall in the case of the ACT an extremely controversial sculpture which appeared during the National Sculpture Festival a number of years ago entitled 'Down by the lake with Liz and Phil'. This was a depiction of the Queen and the Duke of Edinburgh sitting on a seat on the edge of the lake, but they were unclothed in this model. That tickles some people's fancy. It was a commentary of some sort on what the sculptor presumably thought about the role of the monarchy. I do not know what they thought about it. Somebody expressed their displeasure with the sculpture by ceremonially beheading one of the two figures. I was arts minister at the time and condemned that because, agree or not with what the artist was saying, he had a point to make, he wanted to express himself and he was entitled to do so, just as somebody might argue that we should not have a monarchy or we should not welcome the individuals who make up the monarchy in this country or whatever. They are as entitled to make those points in that way as anybody else. There have been other recent examples of controversy around freedom of expression in the arts, which remind us continually that these issues will be matters of public debate and contention and that we should always be free to express an opinion about these things but never fall into the trap of saying that the freedom to make those expressions within appropriate bounds should be curtailed or diminished.
Accordingly, I can foreshadow that Senator Brandis, as shadow minister for the arts, will be moving amendments to this bill later in this debate. Those amendments return closer to the set of functions of the Australia Council in the original legislation and owe more to that tradition than to the set of amendments the government has brought forward with these two bills. The objects that Senator Brandis's amendments refer to include 'to promote excellence in the arts, to provide and encourage the provision of and opportunities for persons to practise the arts and to foster the expression of a national identity by means of the arts'. I think we would all agree those things are fundamental. But it also very importantly inserts 'to uphold and promote the rights of persons to freedom in the practise of the arts'. I believe that we would be greatly diminished if we were not to have such an expression centrally in the objects of the Australia Council as part of the legislation that the Senate presumably will put through today, and I urge senators, therefore, to consider very carefully the amendments which Senator Brandis will be moving later in this debate.

There is a proper role for ministerial control over certain elements of the way in which the council works. That is a control which should be transparent and should be capable of proper scrutiny and which should reflect the fact that Australia in a democratic model elects governments to make certain decisions. The amendments that Senator Brandis will be moving with respect to ministerial directions reinforce that concept in a way which is not clear from the present legislation as submitted by the government. I urge senators to consider that very carefully. The amendments here are an attempt to make sure that this legislation provides the best possible vehicle for Australians to continue to enjoy a very high quality of arts products.

I conclude my remarks by saying that I am sure that in an important debate like this there would have been many senators wanting to contribute to the quality of a debate about the richness of the Australian artistic output, to reflect on the quality of our cultural life and to be able to talk about how a body like the Australia Council might make that stronger and better and face the future with more confidence, but it is a matter of real regret that, in the foreshortened time that we have to do this, that is not going to be possible. A debate which probably should occupy a whole day will be forced into a couple of hours, and that is extremely regrettable. That is a function of a government which is in disarray and which is quite prepared to sacrifice important values like debate about our cultural policy for the sake of rushing things through in the dying days of this parliament. That is a matter of regret, but it has to happen.

Senator MILNE (Tasmania—Leader of the Australian Greens) (12:00): I rise today to support this legislation. It has been a long time coming, and I am now glad to see the Australia Council Bill 2013 and the Australia Council (Consequential and Transitional Provisions) Bill 2013 before the Senate. I look forward to their passage before the election.

The Greens are great supporters of the arts. We value the arts, because not only do we see the arts as the ability of people to practise creative expression but it is essential to the wellbeing of our community that we have a capacity to see ourselves through the eyes of the arts community. Artists look at what is happening in the world and they make art about it that reflects the values of a society. They challenge us about who we are and they provide enjoyment and intellectual stimulation. They bring communities together to talk about what is happening
around us. I think the arts are incredibly important as we recognise that this century is going to be about creativity and innovation. The best way to get people thinking outside the square is to get the arts involved, and that is why I have always supported putting artists on boards, for example: because they enable other directors to see problems differently. We need to see the world in a different way if we are going to survive this century, and the way to do that is by looking outside the square and taking on that creativity.

Having said that, I say that the importance of the Australia Council is central to tapping the creativity of Australians and providing a platform for that creativity to be displayed and to be accessed throughout the broad community and through all the regions in Australia. The Australia Council Bill will reform the structure of the Australia Council so that, instead of set art form boards operating strictly within their areas of expertise, there will be one main board with the ability to set up a multitude of committees made up of diverse members for diverse purposes. Art evolves more quickly than legislation, so it is important that the Australia Council have the capacity to respond to popular and emerging trends. The inflexibility of the art form boards meant that emerging artist projects that did not fit neatly into any practice area had a much harder time obtaining funding.

One example of that that I know you are familiar with, Madam Acting Deputy President Stephens, is Big hART. They work across many different art forms and, because their projects often help the disadvantaged in society, they work across government departments and agencies as well. So the funding model that was in place did not suit the development and opportunities. One example of that is that Big hART moved in to offer a project in north-west Tasmania through schools to challenge the idea of binge drinking, which is a critical issue for teenagers to confront. Through this work with schools on artistic expression in film and video, Big hART were able to really engage with a group of students at Wynyard High School in Tasmania. They have also done projects on teenage pregnancy, disadvantage and a range of issues. Of course, they presented that magnificent play Namatjira, if any of you had the opportunity to see it. That is an example of a company that provides all different kinds of challenging, interesting opportunities, but it did not fit in the conventional model.

This will now enable the differing way that the arts are now being developed in Australia to be funded appropriately. The Greens are very proud to have improved the bill in the House of Representatives to ensure protections for artists in the day-to-day operations of the Australia Council. This would not have been possible without the arts community's enthusiasm to secure these amendments and the government's acceptance that these changes needed to happen. I want to thank the arts community for working with us and then working to influence the government to accept these amendments, which I believe seriously improve the bill and which the arts community wanted.

First and foremost, the purpose of these amendments pushed by the Greens is to recognise and celebrate the centrality of Aboriginal and Torres Strait Islander cultures to our national artistic identity. This goes to the heart of recognising Aboriginal and Torres Strait Islander peoples in the Constitution, and, when we talk about the apologies and acknowledgements, we are recognising the centrality of Aboriginal and Torres Strait Islander cultures. I think it is appalling that Senator Brandis is moving an amendment to delete that from the bill—
think that is most regrettable. Trying to take out recognition and support of Aboriginal and Torres Strait Islander art as central to our national and artistic identity is a throwback to a bygone era, and I certainly will not be supporting any amendment from the coalition to do that. It is a very, very bad move and it would just show the threat to progressive thinking in Australia if that kind of amendment were to be successful. Hopefully, nobody else is going to support it.

Secondly, a new function of the council is to guarantee the freedom of artistic expression. I am glad to hear Senator Humphries say how important freedom of artistic expression is. But make no mistake: Senator Brandis's amendment seeking greater ministerial control over funding decisions is absolutely contrary to freedom of artistic expression. Artists must be free to express opinions that might sometimes embarrass or challenge politicians and established norms. That is what the arts do. There must be no fear of funding retribution if they do so. The amendment that the Greens have secured to guarantee freedom of artistic expression is clearly there, but Senator Brandis's amendment to try and bring in much greater ministerial control over funding does away with it.

I would like to give you an example, Madam Acting Deputy President. When the Howard government had control of both houses here, we had a situation where Ros Horin's play *Through the Wire*—about incarcerated refugees—was sought by 22 regional arts centres to show to regional Australians so they could talk about this issue. They applied for tour funding to meet the demand, but they were rejected. To give another example, there was a time when Michael Agzarian had an exhibition, *No more lies*, at the Wagga Wagga Gallery and the gallery received a threatening phone call from a ministerial office here in Canberra telling them that their funding would be threatened if they continued with that exhibition. What was in the exhibition? *No more lies* featured three ministers with their lips sewn shut, and the Howard government took exception to it because it was the arts community challenging the policy of locking people behind razor wire. That is why we are determined to support and guarantee freedom of artistic expression, no matter the subject matter or the political context. Popular art should not be stymied just because it gets up the noses of politicians. This amendment securing freedom of artistic expression does that and sends a clear signal that we want funding based on merit, not on content that might make some parliamentarians feel awkward. That is why I am totally opposed to Senator Brandis's amendment for greater ministerial control over funding decisions. We all know whoever controls the money controls what the arts community can do, what shows can be toured and so forth.

Our third amendment ensures that funding must also be delivered in a way that reflects the diversity of artworks and is not focused too narrowly on any one area of artistic expression. That is why, also, we do not support Senator Brandis's next amendment, which is seeking to remove diversity of funding matching diversity of artistic expression. It is very clear that the coalition are intent on having the arts funding go to established bodies and restoring funding to politically aligned institutions. If that happened in Australia, that would be disgraceful. For example, there is the Melba Foundation. Its funding was cut recently, but Richard Alston is the chair and they recently hosted an event in Jeanne Pratt's mansion in shadow minister George Brandis's honour. When you get to the point of talking about the arts, it should be without fear or favour and based on merit, not political alignment of any particular foundation, any particular
gallery, any particular anything. It should be based purely on merit, and that is why I do not support Senator Brandis trying to remove the amendment that the Greens secured with the government to secure diversity of funding matching diversity of artistic expression. Surely that is a fundamental principle that without fear or favour we should support in the arts.

Fourthly, the Greens have recognised the importance of community participation in our recognition that art projects are no longer simple passive experiences for the audiences, but that community members are often actively involved in the process of developing the piece—whether street theatre, an exhibition, or whatever it might be. It is not a question of the arts just being a matter of the audience coming in, sitting down and watching the performance; it is an interactive engagement which makes the art more significant. So when the art projects involve the community they are so much more potent in shifting ideas in thinking, or opening up new perspectives in the audience, and art and our society are better enriched as a result. This amendment recognises this important cultural value.

As an example, a film has been made in Tasmania called *Mary Meets Mohammad*. It is a terrific documentary which traces the development of community attitudes towards the Pontville Detention Centre and the detainees at Pontville. It actually traces the public meeting in Pontville before the detention centre was opened and then the attitudes in the community through the eyes of a knitting group and through the eyes of those women who eventually get to visit the Pontville Detention Centre. I cannot speak about it highly enough. It goes to the heart of how communities engage. These are real people; these are not actors. This is a documentary film made by a young filmmaker, and I cannot recommend it highly enough. I hope that if there are any knitting clubs listening around the country, they will take the opportunity to screen *Mary Meets Mohammad*.

In the end, needless to say, a 72-year-old woman from Tasmania goes into the detention centre and befriends a young man from Pakistan who has had to leave his wife and family, and of course she ends up thinking of him as her grandson. On the opening night in Hobart they had both Mary and Mohammad on the stage at the end of the film to talk about their experiences. It was a really heartfelt journey, not just for the two of them, but for all of the women engaged in that knitting club and in the community. That kind of interactive engagement of a filmmaker and a community group is an example of positive engagement with a very real issue in the local community. That is why it is essential that community participation is recognised.

One of my great disappointments with the government’s arts funding is that it has completely ignored regional arts funding. I laud a lot of these changes. They are great and I am glad to see the culture policy, but I am very sorry that regional arts have been badly done by. The Greens have a very strong policy to put $10 million into regional arts—$6 million to bring us up to the 2008 level of funding and an extra $4 million to take us through to 2016. I do think regional arts need to be supported in Australia.

There was concern that artists might lose influence over the committees established to decide on funding policy direction. Because this new body is structured like most other boards of statutory corporations, there was a fear that business and legal advisers might be able to dominate decision-making at the expense of practising artists. We recognised that that was a real issue, and we have ensured that the committee making funding
or policy decisions must contain people immersed in that particular art form to ensure quality peer assessment continues. It is important that you do have people practising in the field involved in the decision-making.

I agree, once you get business heads in a room they are not going to see the arts in the same way as people practising arts or in the community do or recognise the value of the arts in challenging our thinking, in assisting us to enjoy our lives and in getting a real appreciation of what the arts can do. I am pleased to say that the government has agreed that there will be at least one person on these committees from the arts community.

Having said that, I recognise that Senator Brandis wants to increase the number of members from the arts to two. I have had real difficulty with this because, while I support the idea of putting two people in that category on the committees, the problem is that any amendment would jeopardise the passage of this bill before the election. If that amendment were passed by the Senate, the bill would go back to the House and I am not confident we would get it through. I would be pleased to say to the government that the Senate has agreed that there will be at least one person on these committees from the arts community.

I would suggest that when it comes to literary awards that is clearly his intent. Having said that, I indicate to the Senate that if anyone here has an opportunity to see the latest exhibition at the Gallery of Modern Art in Brisbane, My Country, I Still Call Australia Home: Contemporary Art from Black Australia, it is a fantastic exhibition. It is a marvellous gallery and a wonderful exhibition. If you happen to be in Brisbane, I recommend it. If you go along you will not be disappointed.

The Greens are very pleased to support these Australia Council bills. We look forward to the changes that are being brought about. We want to make sure that the arts are
on a footing able to respond to the challenges of this century and that the structure we are setting up is able to respond to the differing art forms and different engagement with the arts that is occurring now. Who could have imagined 20 years ago the extent to which installations would now find their way into exhibitions? The video format was something not even thought about 20 or 30 years ago and yet, in the exhibition that I just talked about, the Richard Bell piece *Scratch an Aussie* is a very powerful piece. It just shows how the arts have changed. So I am glad we are now moving to get the framework in place to support the arts in a big-picture context, to support community participation in the arts and to recognise Aboriginal and Torres Strait Islander art as central to our national identity. I absolutely will not support the changes Senator Brandis has indicated he will propose. *(Time expired)*

**Senator BRANDIS** (Queensland—Deputy Leader of the Opposition in the Senate) (12:21): I am very disappointed to hear that the Greens will not be supporting the amendments which I have moved on behalf of the opposition and which the arts community want very badly out of this process. I have heard in the years I have been in the Senate many ignorant speeches. But I have never in my life heard a speech which revealed such a depth of invincible ignorance of a subject as the speech that has just come from Senator Christine Milne, whose knowledge and understanding of cultural policy is non-existent.

Let me outline the opposition's attitude to the Australia Council Bill 2013. We welcome the review of the functions of the Australia Council. The Australia Council, in its current form, was created by the Whitlam government, although the form in which it was established by the Whitlam government built upon an entity established by the Gorton Liberal government—a fact often overlooked by those who choose to rewrite history so as to favour the preferences of the left. So this is a legacy of the Gorton government, expanded by the Whitlam government and maintained with bipartisan support by both sides of politics in all the years since.

I was at an arts function in Sydney recently. I hope Mr Hockey is listening to this. I was flattered to be reminded by one of the most senior arts practitioners in Australia that the government that was most generous to the arts in terms of arts funding was the Howard government in its final year and that the minister who had been most generous to the arts in terms of funding was me. The canard that the Labor Party looks after the arts and the Liberal Party does not is just that. It is a lie. It is a falsehood. As with so many other things, when it comes to cultural policy the Labor Party owns the rhetoric and the Liberal Party delivers the outcomes.

Let me make a comment on the timing of this bill. The review of the Australia Council was a long and detailed one. When the draft bill was published and issued for public consultation, a negligible amount of time was made available for feedback from the various sectors of the arts community—something like a fortnight. So there was, in fact, after the draft bill was published virtually no opportunity for feedback from the sector, something the sector well knew and deeply resented. Nevertheless, the government charged on, and now, in the dying days of this parliament, three days from the end and with about an hour and a half of debate allowed, we are expected to deal with the most significant set of renovations to the architecture of Australian cultural policy that the parliament has dealt with since the act which this bill would replace, the Australia Council Act, was debated all those years ago in 1975. After 38 years, the most important series of changes
to Australian cultural policy is vouchsafed an hour and a half of debate in the parliament. That tells you how seriously the Labor Party takes cultural policy and that tells you how serious is the Greens' commitment to both proper parliamentary process and cultural policy itself. There is no need to deal with this bill now. If it is hurried through, guillotined through, as the government and the Greens propose to do, it will not command the bipartisan respect that it ought to. We know why the government wants to rush this bill through in the absence of any necessity—because this is a government that is determined to lay minefields for any future non-Labor government, and we do not treat that with respect.

Let me turn to the opposition's amendments and let me deal with the three topics which they principally address. When the bill was introduced into the House of Representatives, the most revealing and indeed shocking aspect of it was that, from clause 9 of the bill, there was removed the provision in the Australia Council Act 1975 that one of the core functions of the Australia Council would be—this was in subclause (f)—"to uphold and promote the right of persons to freedom in the practice of the arts'. It tells you everything you need to know about the contempt this Labor government and the Australian Greens have for freedom of expression that, when they rewrote the Australia Council Act, they removed as one of the core functions of the Australia Council the obligation to protect freedom of expression. It was relocated elsewhere in the act, to an inferior criterion, an inferior set of considerations. But it was removed as one of the core functions of the act. Why would you do that? If you believe in freedom of artistic expression, why would you, as a matter of deliberation and careful thought, decide to remove freedom of artistic expression as one of the core values of Australia's principal arts funding body?

There was a Senate inquiry into this bill, and the Senate inquiry recommended that freedom of artistic expression be reinstated into the bill. That is why, in clause 9, we have some non-sequential alphanumeric provisions so that clause 9(1)(bc) would now include 'to uphold and promote freedom of expression in the arts'. That is fine. But why did you take them out in the first place, Minister, and why did you, Senator Milne, connive with the government in doing that?

What the opposition has decided to do, having—

Senator Milne: Madam Acting Deputy President, I rise on a point of order. Under standing order 193, it is improper for Senator Brandis to imply things that are untruthful. It is the Greens amendment that has restored that through the government's amendment to the act.

The ACTING DEPUTY PRESIDENT (Senator Stephens): Thank you, Senator Milne. There is no point of order.

Senator BRANDIS: You were shamed into it by the statements made at the Senate committee by the opposition, and you know that, Senator Milne. Please do not mislead the Australian people.

What the opposition has decided to do is to reinstate as the core functions of the Australia Council the language of the existing act, the language of the Australia Council Act 1975. At the Senate hearing, we received no compelling evidence from anyone that the definition of the core functions of the Australia Council that has underlain the basis of its activities for 38 years is no longer appropriate or sufficient, so the course we have adopted is to reinstate them. That means that, among other things, not only would we reinstate 'upholding and promoting the right of persons to freedom in
the practice of the arts' as one of the core functions of the Australia Council but we would reinstate the objective 'to encourage the support of the arts by the states, local governing bodies and other persons and organisations'. We would reinstate 'the promotion of the knowledge and appreciation of Australian arts by persons in other countries'. We would reinstate 'the promotion of incentives for and recognition of achievement in the practice of the arts'. There is no good reason why those should cease to be core functions of the Australia Council.

I am not sure if it was rhetoric or ignorance, and perhaps it was an unhappy combination of the two, but Senator Milne suggested that by preserving the existing provisions of the Australia Council Act the opposition did not wish core functions of the Australia Council to include certain of the new core functions which are put forward by the bill—such as, for example, to conduct and commission research into and publish information about the arts; to evaluate and publish information about the impact of the support the Council provides; to undertake any other function conferred on it by this act or any law of the Commonwealth; or to do anything incidental or conducive to the performance of any of the above functions. Senator Milne, I know you have sat in upper houses, both here and in Tasmania, for longer than I have. But it has evidently escaped your notice that such functions are among the powers that all bodies corporate, including statutory bodies, already have. We are not stripping the Australia Council of any power that it does not already have. We are restoring to it functions and objectives about certain core values that you would gladly see it lose.

I will now turn to the subject of the grounds of ministerial intervention. The opposition has always accepted that an important principle of arts funding is that arts funding should be at arm's length and that individual decisions in relation to arts funding should not be dictated by government. That provision appears in the existing act and it is preserved by clause 12 of the bill, which the opposition does not propose to amend in any respect material to this issue. Clause 12 of the bill by subclause (2)—taking up language from the pre-existing act—says:

(2) The Minister must not give a direction in relation to the making of a decision by the Council, in a particular case, relating to the provision of support (including by the provision of financial assistance or a guarantee).

That has always been part of the law, Senator Milne, if you did not know, which obviously you did not. The opposition does not propose to amend that provision.

Subclause (1) of clause 12 of the bill says—and you apparently support this, Senator Milne:

(1) The Minister may, by legislative instrument, give directions to the Board:

(a) in relation to the performance of functions, and the exercise of powers, of the Council; or

(b) requiring the provision of a report or advice on a matter that relates to any of the Council's functions or powers.

The opposition supports that and would add another clause in relation to the formation and terms of reference of a committee. So, Senator Milne, regarding concern that you have about inappropriate ministerial intervention, that has always been prohibited by the act and would continue to be prohibited by clause 12(2) of the bill, and the opposition does not seek to alter that. The appropriate scope of ministerial direction to the Council is provided for by clause 12(1). It always has been and would continue to be, although the opposition offers an additional amendment in relation to the new committee systems proposed by the bill.
Let me say a word about the appropriate relationship between the Council and the minister. Having been the minister, Senator Milne, I am able to inform you about this. There is one very important stakeholder in the arts community not directly represented on the Council or on any of its committees, and that is the taxpayer. Within that category, which includes all of us, there is one particularly important stakeholder in the arts community not represented on the Council or on any of its committees—at least not directly represented—and that is the audience. Every dollar that the Australia Council distributes is a dollar of taxpayers' money, money compulsorily acquired from citizens.

The trustee of the public interest, in ensuring the taxpayers' money is spent wisely and appropriately, is ultimately the parliament and, immediately, and answerable to the parliament, the minister. The Australia Council should never be entirely autonomous, nor has any chair of the Australia Council ever said that it should be, because if it were then there would be no supervision of the way in which the taxpayers' money is distributed, and there would be, most particularly, no guarantee to ensure that the interests of audiences—so far as a large proportion of the Australia Council's dollar is spent in the field of the performing arts—were looked after. In a democracy the interests of audiences, in my view, are a very important consideration.

The interests of artists, and in particular the right that you would take away, the right to freedom of artistic expression, are very important values. Undoubtedly, that is why we moved to reinstate it. But the interests of audiences to ensure that their taxpayer dollars are being reinvested so as to produce programs, concerts and shows that they actually want to watch rather than programs and performances that appeal only to a tiny few are respected. Ultimately, that is for the parliament and the minister to have some say in—not to be the arbiter but to have some influence over it. I do not run away from that core position for a moment.

In the time left I will touch on one other matter that the coalition's amendments would restore but the government's proposed bill removes, and that is an obligation to take into account the interests of the people in the various states and the people in regional Australia. Not all excellence in the arts in Australia resides in Sydney and Melbourne. Not all excellence in the arts resides in the metropolitan capital cities. We have some of the great arts companies of the world, particularly in Melbourne and Sydney, but we also have excellent arts practice in the smaller capitals and we have excellent arts practice and loyal, enthusiastic audiences in regional Australia as well. One of the purposes of the opposition's amendments is to ensure that the Australia Council, in discharging its statutory function, pays due regard to the interests of practitioners and audiences in the smaller capital cities, in the provincial cities and towns, and in regional Australia as well—something that I am sure, Senator Christine Milne, is very far from your thinking.

We want the arts to be excellent. We want them to be world standard. But we want them to be accessible to all Australians, not a chosen and self-selected few.

Senator EDWARDS (South Australia) (12:41): I rise to speak on the Australia Council Bill 2013 and the Australia Council (Consequential and Transitional Provisions) Bill 2013 in support of my Senate colleague Senator Brandis. In speaking to that I will also be speaking to his amendments. He has eloquently outlined why they should be supported wholeheartedly in this chamber.
I must reinforce a number of the points Senator Brandis made in relation to the contribution made by Senator Milne. I do share Senator Milne's sentiments on the importance of arts, but I point out that for nearly half a century this has been the area—the Australia Council—where it has been supported by Liberal and Labor governments, well before the formation of the Greens political movement.

I am not sure I understand why, Senator Milne, the level of emphasis is therefore brought to bear that this legislation has to pass this place in a rush, like the other 50-odd pieces of legislation, before we rise, heading towards a 14 September election. As to the threat to progressive thinking in Senator Brandis's proposed amendments, I find it somewhat hypocritical that you draw out the fact that you think that in these amendments progressive thinking is going to be somewhat impinged, when in actual fact at every opportunity you join with Senator Conroy in his march on freedom of the press in this country. Every day he is out there, and again this week we see where he is toying with the idea of bringing it in in a last-ditch effort to try to stem the flow of reporting on this arguably worst period of government in this nation's history.

Regarding the admonishment of the amendment, which, as you outlined, gives some ministerial control over funding, that is what a minister does. A minister administers funding. For far too long we have seen a 'rudderless' government with the bureaucracy looking for direction from their ministers, but unfortunately those ministers are not able to give the direction and leadership bureaucracies in Australia are looking for—the direction in how they spend their funds. They are bereft of any kind of inspiration, and now we are rudderless, heading to 14 September.

I thought ministerial control over funding was just implicit. We are not talking about Orwellian control over funding; we are talking about strong leadership. That is what our amendments hold, and that is what we should be thinking about. You did give some examples of an art show in Wagga, where apparently it was suggested that funding was to be withdrawn because an artist had portrayed three ministers with their lips sewn up. There has to be a level that is not acceptable in public life. I abhor the fact that the office of Prime Minister has had to endure sandwiches being thrown by schoolchildren. I think it is a sad indictment on where we have got to in this place—that that is something schoolchildren would think to do. That is why enough is enough when it comes to what you can do and say in this country. When does the diminishment stop? When is it enough? I abhor people who draw a line on sexuality or gender or any of those things. This creeps into all of society; in artistic expression, diminishment of people has to be an underlying fabric in which the society weaves itself. But that fabric should be credible, honest and full of integrity.

And then there is your criticism of having businesspeople on a board of management. I must say, it did make me laugh, because although I have no artistic ability I do have some skills in managing a balance sheet, and I have met a lot of artists who have no interest in how a balance sheet works or how funding is obtained. That is a generality. My side of the brain does not lend itself to landscape art, pottery, literature, opera or any of the things contained in the Australia Council gamut. But there has to be, as Senator Brandis quite rightly said, a representative from the community who can add to the Australia Council and ensure that the organisation, with its $164.5 million worth of funding, runs itself appropriately and with the level of skills expected of an
organisation that is a recipient of such a large amount of money.

I now want to take the people who are listening to this contribution to how this is so important to me and my home state of South Australia. Our home state of South Australia has a real-life focus on the Australia Council and what it administers. The Australia Council provided support to the Music Board for composer Elena Kats-Chernin to create the new work incorporating 30 pianos and 60 pianists to be performed at the 2012 Soundstream: Adelaide New Music Festival. The Council also supported the State Opera of South Australia in staging its co-production of Jake Heggie's *Moby Dick*, with partners the Dallas Opera, San Diego Opera, San Francisco Opera and Calgary Opera. It was received with great acclaim. The opera was conducted by Timothy Sexton, the newly appointed chief executive and artistic director of the State Opera of South Australia.

South Australia is represented on the governing board of the Australia Council by Ms Lee-Ann Buckskin and Mr Ken Lloyd AM. Ms Buckskin was appointed to the Australia Council as chair of the Aboriginal and Torres Strait Islander Arts Board of South Australia for three years on 16 May 2012. She works for Carclew Youth Arts in South Australia and is a member of the South Australian Museum's Aboriginal Advisory Committee—all inclusive, and no one is missed. Mr Lloyd was appointed to the Australia Council as a community interest representative and a member of the Council for three years from 16 June 2011. He is a member of the audit and finance committee. Mr Lloyd has held senior positions at Arts SA, the Art Gallery of South Australia and Country Arts SA. He had held the position of chief executive officer at Country Arts SA for almost 20 years when in 1996 he was appointed to the honorary position of national secretary of Regional Arts Australia. He is currently a board member of the Carrick Hill Trust.

The Council's mission is to enrich the lives of Australians and their communities by supporting the creation and enjoyment of the arts. That is why I draw the attention of people listening to this debate to what this bill is all about. The Council is committed to excellent and distinctive art, assisting Australian artists to create and present a body of distinctive cultural works characterised by the pursuit of excellence. It is to be accessed by all Australians, assisting Australian citizens and civic institutions to appreciate, understand, participate in, enjoy and celebrate the arts. Also, its charter is to promote a strong and vibrant arts sector, providing infrastructure development for Australia's creative arts.

South Australia, as the South Australians in the chamber—Senator Ruston and Senator Hanson-Young—know, is the Festival State. It is a slogan that appears on many of our car numberplates. It has been around for over 30 years. We pride ourselves on the fact that South Australia is the recipient of funding for many of the initiatives and has been for many, many years. We are known for the number and diversity of festivals that celebrate South Australian, Australian and international arts, music and culture, many of which are supported by the Australia Council.

It is poignant that this bill should be up for debate as the Adelaide Festival Centre, in my home state of South Australia, is celebrating its 40th birthday. While 2013 may be the 40th anniversary of the building, every year is a celebration of arts festivals across South Australia. Despite being a small state, we punch well above our weight when it comes to the arts, with my home state hosting internationally renowned events including
the Adelaide Fringe, the Adelaide Festival, WOMADelaide, the Come Out Festival, the Adelaide Cabaret Festival, the SALA Festival, the Adelaide International Guitar Festival, the OzAsia Festival, the Australian Film Festival and the Feast festival. That is why we are known as the 'Festival State'.

I reinforce Senator Brandis's last point where he outlined that the amendments that we propose contain that equity for the smaller states and the regional centres. This includes my home town, where the Clare and Gilbert Valleys Art Show, a very well supported event, happens at the gourmet wine and food festival in May every year. These are all very interesting community events which engage the community and bring them in from all over Australia. Contained in Senator Brandis's amendments is that point which does protect the rights of the smaller regions and ensures that the Australia Council never loses sight of the importance of culture and the arts in these communities.

However, Adelaide's foremost festival is the Adelaide Festival of Arts, which became an annual event this year. I am very pleased to say that it is supported by the Australia Council. The cultural value of the Adelaide Festival is estimated to be about $85 million of revenue to that city. It is preceded in the calendar of events by WOMADelaide, our international music and arts celebration held over the long weekend, and then the Fringe festival, the largest of its kind in the Southern Hemisphere. These events combine to contribute to what we in South Australia affectionately call 'mad March'.

The Adelaide Fringe has consolidated its status as the leading arts festival in Australia, delivering a massive economic expenditure within my home state of South Australia of $64.6 million. In a state of 1.5 million people which has been run by a Labor government now heading into its 12th year with a $13 billion debt looming and only one ever surplus delivered in its budget—which just happened to be in an election year—every contribution that the arts can make to the small businesses, the hotels and all the people who work in hospitality and retail is very important. That $64.6 million from the Adelaide Fringe is an increase of 34 per cent on the previous year, with over 1.8 million people attending this year's festivities. With a population of 1.5 to 1.6 million—as you well know, Senator Ruston, coming from the Riverland—that means that our state and people from around Australia are fully engaged in the festivals, which are supported by the Australia Council.

In my time, I have known the Adelaide Festival Centre—the iconic building—as much more than just a performing venue. It is impossible to imagine the city without the Festival Centre, which has come to symbolise the cultural heart of South Australia. It was officially opened on 2 June 1973. It was the brainchild of former Premier Steele Hall, and it was opened by the then Premier, Don Dunstan. It was Australia's first performing arts centre built in a capital city, beating the Sydney Opera House to completion by three months at about one-tenth of the cost.

We also cannot ignore the important role arts play in regional Australia. That is why I urge people across the other side of the chamber to support Senator Brandis's amendments. In my and Senator Ruston's home state, organisations such as Country Arts SA play a crucial role in making a real difference to the lives of people living and working in the regions of South Australia. Country Arts SA is one of South Australia's largest arts organisations, providing services across the regions through a range of arts programs and initiatives, the management of performing and visual arts venues, and the
provision of grant funding which supports the creative endeavours of communities and individuals. Each year Country Arts SA tours world-class productions that entertain, challenge and stimulate a wide variety of audiences across the state, including those in the regional towns of Mount Gambier, Port Pirie, Renmark, Noarlunga and Whyalla. It is in ways such as this that the arts contribute greatly to regional South Australia’s sense of community by reaching out to those who are not able to access or participate in the arts due to age, disability or financial hardship. I am blessed to have my parents, at the age of 85, still with me, and I know they do enjoy the arts in the regions. There would be something missing from their lives if these types of organisations did not get on the road.

But I will get back to the specifics of the bill we are debating. This bill began as a review of the Australia Council announced by Simon Crean in December 2011. The review was completed in May 2012, but nothing was done for a year. When this bill was introduced we had 12 sitting days left. We now have three sitting days left and the debate will be guillotined in 45 minutes, which will deny some six or eight colleagues, who I know feel strongly about the matter, the chance to contribute to the debate and support Senator Brandis’s amendments.

There can be no better place for sustained support than an investment in the arts. Nurturing creativity and expression, especially in young people, demonstrably improves their chances of success in life and creates an awareness, tolerance and appreciation of diverse cultures. These are only the intrinsic values, and the intrinsic and intangible values of the arts touch the spirit, the heart and the mind of humankind and are the invaluable and priceless parts of what the Australia Council is all about.

In closing I urge the chamber to support Senator Brandis’s amendments. I know of no other senator in this place with more depth of knowledge and commitment to the arts than Senator Brandis. Wherever I travel throughout the breadth and width of this land people revere his knowledge and his commitment to the arts, and I commend his amendments to the chamber.

Senator RUSTON (South Australia) (13:01): I am very grateful for the opportunity to speak on the Australia Council Bill 2013. As my colleague Senator Edwards pointed out, because of the guillotining, many of our colleagues will not get the opportunity to contribute to the debate on this really important bill. The Australia Council is an extraordinarily important organisation and provides an extraordinarily important role in this country. I acknowledge some of the wonderful things that, over the last 50 years of the Australia Council’s existence, it has been able to achieve on the Australian landscape.

It has been a very robust council due to the fact that over the last 50 years or so it has managed to continue to do what it does with very, very little controversy. Notwithstanding that, from time to time, organisations, bodies and businesses do require review. As such, I think that everybody involved in the review, which commenced in December 2011, would acknowledge that the review was timely and an opportunity for us to have a look at the Australia Council and its roles, structure and governing body and to see whether there were things that could be done to improve and modernise it, given that it was a body that had been operating for such a long time.

When the review commenced in December 2011 we were all very hopeful that we were going to get some positive outcomes. I am not suggesting for a minute
that we have not had positive outcomes. The review reported in May 2012 and in general terms found:

… that the Australia Council had served Australia well—playing an important role in identifying, nurturing and promoting artistic talent, and was staffed by highly professional, knowledgeable and passionate people. However, the Council’s rigid structure was seen as imposing constraints on what had become a free-moving, fluid and ever-innovative art sector—constraints that the Review recommended be removed.

There was a very broad raft of recommendations for changes to be made. When this bill came to this place it was referred to the Senate Rural and Regional Affairs and Transport Legislation Committee for inquiry. Unfortunately, as with many things we have seen, we did not end up with the length of time we would have liked to consider this bill. In the process of receiving submissions and listening to evidence from people who appeared at hearings, everybody accepted that there were some positive benefits from implementing changes and recommendations, but there was a sense that we were, maybe, throwing the baby out with the bathwater with some of the broader changes that were being recommended by the bill.

I will make some comments on a number of the recommendations and changes that have been proposed by this bill. Given that this inquiry commenced in December 2011 and was reported on in May 2012, we have since heard very little about it. Then, all of a sudden, at the eleventh hour we are asked to pass the bill. I do not believe that anybody has had sufficient time to consider the implications of the changes that this bill is proposing. From the little opportunity I have had to consider this bill, I do not believe that we have had adequate consultation and I do not think we have properly looked through the consequences and implications of some of the changes that are being put forward.

This should not come as any great surprise to people in this place because over the last two weeks we have seen an extraordinary amount of legislation being pushed through. This week some serious legislation has been guillotined with as little as 20 minutes being available for debate. I think is an absolute disgrace and it makes a total mockery of what this place is supposed to be doing. I suppose we should not be particularly surprised that this bill in relation to the Australia Council has been forced through. Perhaps we should feel lucky that a bill which preceded this bill for debate was withdrawn, so we now have more time to debate this bill than we have had to debate other bills of equal or maybe more significance and importance.

If you do not provide the opportunity to have debate, to go through issues and to put forward amendments—and I commend my colleague Senator Brandis for the amendments that he has put forward, which I wholeheartedly support—then there are long-term consequences of passing something legislatively that will be enshrined in a law that we will have to adhere to. If we enshrine our mistakes in law then we have them forever, or we come back and have to provide amending legislation, which just wastes the time of this chamber.

I, along with all my colleagues, would like on record just how disgusted we are that this legislation, along with others, is being forced through. I am sure that on Friday morning the opportunity to speak on the Public Governance, Performance and Accountability Bill will also be denied when it comes before the house. Once again, this is a bill of huge significance across the whole of government, and we are going to have no opportunity to debate it. We have had no
opportunity to have a serious and in-depth inquiry into the consequences and implications of this particular bill. Despite the fact that both the Auditor-General and the Commissioner for Public Employment have said that they have an issue with the speed with which this bill is going through, we will get it on Friday and it will be chopped just like this one.

The Australia Council Bill to which we are speaking today is not a bill of simple changes. It is not just touching up a few words here and there; there are significant structural changes incorporated in this piece of legislation. These changes will have far-reaching impacts and effects on arts and arts funding across the whole of Australia. Structural reform is not something that we take lightly. I draw the house's attention to comments made during the Senate hearing on this bill by Mr Rodney Hall, a former chair of the Australia Council. He made the comment that the Australia Council structure 'is not a business model'. He said, 'It is a model specifically for the function that it performs.' We would be very mindful when looking at this bill and the amendments that have been put forward by Senator Brandis to realise that the Australia Council is quite a unique beast and needs to be treated accordingly.

Regarding the proposed new structure that is being put forward, there are a number of things that I would like to comment on. In relation to the conventional skills based governing board that is being proposed, I do not think any of us deny the fact that there are certain skills that need to be provided to these sorts of organisations for good governance and accountability. I do not think we doubt that there are skills required on a board, but this is a governing board that is so totally focused on the skills base. This board seeks to abolish the arts form boards that have so long been provided—the detailed information within each of the industry sectors within the arts community. It is very disappointing.

The other thing that is very disappointing with the change in the structure is the diminution of interaction with the states and local government. Particularly in relation to the states, so often matching funding has enabled many organisations within states and regions to be able to leverage up the money that they get from the Australia Council. Reducing the level of connectivity between the states and the regions and the Australia Council is very disappointing. Over the past, that connectivity has served states and regions very well in being able to increase the level of funding that they are able to get.

I draw attention to the Chamber of Arts and Culture WA Inc. They made the following point:

As local government authorities take an increasingly high profile role throughout Australia in terms of development and funding of galleries, museums and programs of cultural enrichment, it becomes more important that this role is given weight within the new Bill.

Creative Australia refers to the 'dependency on partnerships—across agencies, with state and territory and local governments.' The roles of States, Territories and Local Governments are critical to a holistic approach and to achieving better value for investment.

Relieving the Australia Council of a fundamental responsibility to work effectively and fairly with these partners presents a significant risk to the diversity and breadth of our cultural fabric.

How many times have we seen structural changes because there is some perceived problem, only to find that the replacement structure is worse than the one that we were throwing out in the first place?

I draw the house's attention to an issue that is particularly close to my heart: grassroots connectivity. We mentioned the abolition of the secular board that had
representation on the Australia Council. This happens so often across many industry sectors. I come from a rural and regional area, and with many of our agricultural organisations we have seen the disconnect between the people who do the doing—in the case of agriculture, grow the growing, or, in the case of the arts, perform the performances—and the people who are making the broad big-picture decisions at a federal level about their future.

The disconnect or the breaking of the connectivity between the specific industry sectors or the specific arts areas that the Australia Council seeks to promote, support and fund is a very dangerous precedent for this bill to attempt to achieve. I would suggest that we possibly need to ensure that, whenever we set up new structures or governing authorities or governance arrangements, those structures need to be set up to stand the test of time and not be set up just to deal with—as it is on many occasions—the personalities in the initial structures. If the structure is robust enough to stand the test of time and not be set up just to deal with—as it is on many occasions—the personalities in the initial structures. If the structure is robust enough to stand the test of time and the guidelines and the criteria through which the organisations are seeking to get the funding are properly defined, then the issue of vested interest can often be overcome. I noticed that there was criticism about the fact that the people who sat on these boards were the people who were also the beneficiaries of the outcomes of the funding that is allocated, but I would say that a board that is devoid of the requirement to have true arts representation from a grassroots level is a board that is going to be missing out on a very fundamental component of the things that are important for the Australia Council in its deliberations and decision making. I certainly do not support that.

I also draw attention to comments by the Australian Performing Arts Centres Association on this issue. They said that, whilst recognising the value of moving to a skills based governing board, they are mindful that substantial and diverse arts industry experience remained critical in delivering informed and relevant governance for the arts sector. They therefore recommended that a 'substantial component of the board be members with practical arts experience, not simply "a knowledge of" the arts.

It should be noted, however, that the Australia Council has received support from all sides of parliament over many years. The Labor Party, the Liberal Party and their colleagues in this place, the National Party, have been great supporters of the Australia Council through its entire life. I think we should continue in this place to support the Australia Council. I believe we will be supporting this bill, but we hope that the sensible amendments that are being put forward by Senator Brandis are agreed to, which will enable this bill to go forward in a much more productive and workable state.

Arts is not just about the more highbrow of the artistic disciplines; it is about so much more. Arts is about public amenity. Can you imagine a world without arts? In Australia we are very lucky because we can afford to have art as part of our public amenity and part of our public good. Art in public spaces is one of my truly favourite things. You only have to look at the building we are standing in to see how art can turn what would otherwise be a reasonably cold building into something with a lot of warmth. A lot of people get a lot of enjoyment from just walking around this place looking at the hugely eclectic collection of art on display.

I also see art as an expression of our identity. Senator Brandis raised the issue of the recognition of Indigenous culture as part of the responsibility and role of the Australia Council. I commend him for raising that
issue, because obviously the Indigenous culture in this country has added hugely to the rich tapestry of all the cultures that Australia now boasts it is home to.

There are a number of amendments that will be moved by Senator Brandis today. As my colleague Senator Edwards pointed out, Senator Brandis has previously been the minister for the arts. As you move around Australia, there is no doubt that Senator Brandis has left his mark on the arts community across Australia, not just in the capital cities but in regional areas, from which I come.

I would urge senators to support the amendments that are being put forward by Senator Brandis, because I believe they can deliver a much better outcome. I would like to point out in particular Senator Brandis's amendment in relation to putting back in place the objects that were in the original Australia Council Act. I think it is very important that we recognise that, in all of the submissions we received and all the presentations to us during the hearings, there was definitely a belief among all the arts communities out there that have had a relationship or involvement with the Australia Council that the Australia Council's functions over its 50 years of existence were good and robust and they can see very little point in throwing them out. The amendment that Senator Brandis will put forward to seek to reinstate in the new bill the provisions for the functions of the original bill is something we must commend. Absolutely no-one I saw—apart from perhaps an occasional government department person who possibly wanted change for change's sake—is seeking not to include them. So I would commend that amendment extremely highly, along with all the other amendments.

In addition to the fact that there has been a lack of consultation and a lack of time given to us to debate this legislation, there has been, I believe, a lack of taking notice of the legitimate concerns that have been put forward by the people, the groups and the bodies that have been affected by this legislation. I still think that the Australia Council legislation is an important piece of legislation. It is important not just for the cities but also for country areas. As I said, I come from a country area. I have been a sponsor of arts activities within my region and I can see huge benefit from it. A country area without arts would be a very dull place.

Before closing, I would like to mention the importance of the Australia Council and arts funding to ensuring that everybody across the whole of Australia gets equity of access to the arts and the benefits that come from having access to the arts. In much the same way that we expect Australia Post to deliver all our letters at the same price around Australia, in much the same way we that we expect equity in communications costs if we need to make a telephone call and in much the same way that we have debated in this place in recent times the need for regional content to be delivered to us in our news services and media broadcasts, I believe equally that people in regional Australia have the right to have some level of equity in the provision of arts. That is the very significant and important role that the Australia Council plays for everybody in Australia.

I commend to the Senate that they support the amendments that are to be put forward by Senator Brandis, a man who is acknowledged across Australia as an expert in the area of the arts. If we can be united in endorsing Senator Brandis's amendments, we will see a much better delivery of a very important bill and a very important institution for Australia and the Australian public.
Senator SINODINOS (New South Wales) (13:21): It is a pleasure to have the opportunity to participate in this debate because we are talking about a great Australian institution, the Australia Council. It is an institution that has, with bipartisan support, been around for about 40 years now. It has overseen the roll-out of funding across the arts. Notwithstanding the superstructure of a number of boards that have administered funding for particular sections or areas of the arts, the Australia Council has sat across the top of this and has been the great culmination of Australia's commitment to upholding important cultural values and holding up a mirror to the country and providing us with an insight into ourselves through the arts.

It is important that, from time to time, we review agencies like the Australia Council. All government bodies should be subject to review. Times change. Perhaps our values do not change, but the ways we do things can change. It is important that institutions, particularly government funded institutions, have a capacity to change and adapt to circumstances as they evolve.

Therefore, having a review of the Australia Council is something that I am sure we would have all welcomed when it was announced by Simon Crean, the former arts minister and leadership tragic, in December 2011. The review was conducted by Gabrielle Trainor and Angus James and was delivered to the minister, I understand, in May 2012. That was quite a reasonable time frame for a review of this type, but then nothing seemed to happen for about a year.

In the work of government, not everything can be done overnight. We all recognise that. But the fact that it has taken some time for the government to get to this point and put up legislation to amend the Australia Council Act and so forth is a cause for concern, because we are coming to the end of this parliament. It has been a fractious parliament during a time of minority government. There have been plenty of issues and, yes, that does affect the priorities in terms of what legislation is brought forward, but, as I said before, this is a great Australian institution and it deserves better than to have this legislation introduced into the parliament with only 12 Senate sitting days left—we have far fewer now—and only after the Prime Minister had announced the election date.

As I said before, this is an institution which has received bipartisan support in the past, but at the moment we find it difficult as an opposition to support the bills in their current form. Senator Brandis, the relevant spokesman on our side, will be moving a number of amendments on our behalf. These are amendments which we believe will strengthen the legislation which underpins the Australia Council.

In that regard may I say that it was a Liberal Prime Minister, Harold Holt, who announced the intention to create such a body in the parliament in November 1967. Tragically, he disappeared off Cheviot Beach, never to be seen again. Liberal Prime Minister John Gorton followed through with the plan, and the agency first met in July 1968. Everyone was reminded of these facts at the 40th anniversary of the Australia Council by its chair, Rupert Myer, a distinguished Australian who has done a fantastic job as an arts administrator and as a philanthropist.

So this is a body that has enjoyed the support of both Liberal and Labor governments for 40 years or more. It was therefore, I suppose, with sadness rather than anger that we noted that the bills appeared to be something of a rushed job. The Senate committee inquiring into the bills heard how
much of a rushed job these bills were. They forgot about Aboriginal and Indigenous art altogether and inexplicably tried to remove from the Australia Council's list of functions the protection and promotion of artistic freedom. You could say that in a society like ours that should be taken for granted; why do we have to say it? We have to say it because we are living in a society where, if you look at the polls—I think it was the result in a Lowy Institute poll the other day—you find that young people do not necessarily, as a majority, believe that democracy is the most effective form of political representation.

We live in a society where we take some of the basic rights we have for granted. It is important, from time to time, to spell out what these rights are—and to spell them out in the form that Senator Brandis is intending to do through his amendments. I think artistic freedom is very important. It is an interesting freedom because it can often lead to controversy, because you are often being asked to tolerate things that are not to your taste. But that is not the point. The point of artistic freedom is to allow the full flowering of artistic cultural expression within the community. And we are a diverse community. We must have a capacity to put ourselves, from time to time, in the shoes of others and see the world as they see it.

Art, in all its forms, has always been a way of doing that. The greatest art is the art which communicates to us in a way that is perhaps even beyond expression. So we have to have artistic freedom. It is really another way of saying we need tolerance and acceptance of a diversity of views, opinions and values. It is very important that we have this artistic freedom. The minister, Tony Burke, who is Julia Gillard's third choice as arts minister, eventually capitulated and amended his bill to correct some of the mistakes I referred to, which just goes to underline how important it is for these bills not to be rushed through this place without proper consideration.

The Australia Council is not the plaything of any one side of politics—whether it is a Liberal government or a Labor government. It is an important and independent cultural institution and deserves the respect that goes with that. As I said before, it has enjoyed that support for over 40 years.

The last coalition arts minister—the current spokesman Senator Brandis—explained to the National Press Club in 2007 the Howard government's proud record of support for the Australia Council. He said, then:

... funding for the Australia Council, which makes direct, arms' length grants to individual artists and performing arts companies, has risen from $73 million 12 years ago to $161 million in this year's budget—an increase of more than 110%.

So this idea that the arts are somehow the province of one side of politics is pure mythology. The arts belong to all of us. We should all have a commitment to supporting the arts, and the arts are there for all of us to enjoy.

I declare an interest. My better half, Elizabeth, is a fundraiser for Opera Australia in New South Wales. Through that association I have therefore had some exposure to the work of Opera Australia. I mention that because when we think of these august national bodies we think of the work that they are putting on at the Sydney Opera House, for example, or other such places. We often overlook the role that they play, which has been alluded to by a couple of my colleagues, in disseminating the arts through rural and regional Australia. That is very important.

Every year at the annual fundraising function, one of the things to which we donate, in the context of Opera Australia, is
the regional fund, so that they can tour regional centres. That is very important. I mention that to underline the nation-building function that the arts have and how disseminating the arts through the community binds us more as a community. It makes us all feel part of a broader Australian community. It is very important that we have these sorts of unifying influences. The Australia Council, through bodies like Opera Australia, plays that role.

While I am referring to Opera Australia, I also take the opportunity to pay tribute to the outgoing chief executive, Adrian Collette, who has been at the helm of the organisation for almost, I think, two decades in toto, in various ways. He has played a fantastic role in growing the organisation, he has been a first-class arts administrator and he has seen the organisation not only grow financially and in terms of patronage but also grow as an organisation which promotes opera across Australia. That has been very much part of his personal vision. I pay him tribute. He has now become a university adviser and administrator. I wish him well in that role. He will bring to his new role the insights he has gained from administering such a large non-government, non-profit organisation—it is not quite a commercial organisation although it operates on commercial lines.

I also take the opportunity while I am here to commend another arts administrator who has long since left the field of arts administration, Donald McDonald. For many years he was an administrator of the arts. His longevity in the arts culminated in his appointment, which he has had for a decade, to the Australian Broadcasting Corporation. Donald has made a great contribution to the arts in Australia. We have people like him and Adrian to thank for the fact that modern artistic companies and bodies, like the Australia Council and others, perform so well and have become great paragons of good governance while having commercial nous and a commercial feel.

I think they understand, and we as a country now understand, not only the way the arts play such an important role in our cultural life, potentially even our spiritual life, and the way they give richness and meaning to life, but also the other dimension—the role of the artistic and creative industries in promoting economic growth and development. Increasingly, in this globalised world, a pillar of development which attracts smart, intelligent, high-performing people is the presence of vibrant, vital, high-performing artistic and creative industries.

In regional parts of Australia, such as Bendigo and Ballarat, for example—with which you, Madam Acting Deputy President McKenzie, are so familiar—organisations in the cultural field have been magnets for tourism and for local development. It is very important that we promote the understanding that the arts and the creative industries are part of the fabric of our economy as much as they are part of the fabric of our culture and of our society. In that vein, I commend Simon Crean’s work as the Minister for the Arts, because I think he took a particular view of the arts with that economic lens on it, if you like.

The other point I would make about the arts going forward is that, while we are going into choppy waters economically and financially, no-one should be under any illusion about the commitment of the coalition to the arts in this period. While obviously I cannot talk about budgetary matters, the fact of the matter is that we recognise that it is often not economic for us to put the arts on the same basis as commercial entities. They are part of that fixed cost or infrastructure of an advanced society, so we have to recognise that
government must have an ongoing role in helping to contribute to the funding of the arts and their dissemination. Going with that, an important role is to make sure that there is the opportunity for access to the arts by people across our society.

In Sydney, the Museum of Contemporary Art has done so much work in relating the arts to the needs of, for example, disabled children. They have used the arts as a vehicle for getting through to disabled kids and allowing them to express their innate artistic tendencies—which we all have. Those tendencies are more latent in some of us than in others, but the fact is that we all have talents of one sort or another. The Museum of Contemporary Art, through Elizabeth Ann Macgregor, a fantastic administrator in her own right, and Simon Mordant, who has been a great philanthropist of the arts, has done so much to build those links. I commend them for what they have done. This is yet another dimension to the role the arts play in Australian society.

As I indicated earlier, Senator Brandis has foreshadowed a number of amendments to the Australia Council Bill. These amendments will help to spell out the functions of the Australia Council. As I indicated before, those functions are to promote not only the appreciation, understanding and enjoyment of the arts, or the application of the arts in the community, but to uphold and promote the right of persons to freedom in the practice of the arts. So it is not only to uphold—not only, in other words, to say, 'This is important'—but to promote. I think it is important that we make that point—that it is not just about upholding but also about promoting the right of persons to freedom in the practice of the arts.

It is also about promoting the knowledge and appreciation of Australian arts by persons in other countries. That is very important. One thing that impressed me some years ago was the way France embraced Indigenous art. Indeed, there is a major centre for Indigenous art in the middle of Paris—I forget its name; I do not have it with me. Former minister Amanda Vanstone was instrumental in promoting the use of Australian art there. I recognise also the former President of France, Jacques Chirac, who is a great collector of Indigenous arts and who was very keen on the promotion of Indigenous art. That centre has been able to project Indigenous art onto the front of the actual building. At night they light it up in such a way that you can see Indigenous images on the front of the building. I do not have a picture to show you, but it is there. You can look it up on Google or some other such mechanism.

Doing that sends a great message to the world about who we are and how we see ourselves. Importantly, in Senator Brandis's amendments, there is the recognition of that organic link between the wellsprings of Australian culture and our Indigenous community. That is one of the things that, as a nation, makes us unique in the world. All nations have a brand of some sort or another. Some brands are better than others. Some brands are clearer than others. Part of our brand, indelibly linked to our view of who we are as a country, is our appreciation of, support for and promotion and dissemination of the central role of Indigenous art and culture in expressing who we are as Australians.

In my maiden speech I spoke about the successive waves of migrants who have come to Australia. The point I made about Indigenous people is that, in a sense, they were the first wave that came here—the precursors of all those who came afterwards. It is very important that we continue to do
that. And that is comprehended in Senator Brandis's amendments.

He also talks about incentives for and recognition of achievement in the practice of the arts and this is obviously to entrench this idea about the role government plays in promoting and recognising achievement in the practice of the arts. It is the role that, as I said before, government has in this area, because art generates not only private benefits but also those social benefits we talked about before.

These amendments also envisage encouraging the support of the arts by the states, local governing bodies and other persons and organisations—in other words, this is business for all of us at state and local government level, and also, of course, for those in the private sector who want to be philanthropists. Sadly, Australia does not quite yet have the culture of philanthropy that we see in places like the United States with some of the great philanthropic organisations that have sprouted up there. We are getting there, though. There have been initiatives over the years, like Prime Minister John Howard's, of community business partnerships and amendments to the tax law to encourage the setting up of private funds that could disseminate money for philanthropic purposes. Within that context I think it is important that we recognise that great philanthropists also want to support the arts. I also recognise the fact that some of our greatest artists have themselves been great philanthropists. I think of Margaret Olley and the way she, both before her death and after, disseminated so many of her paintings across the country. These are fantastic achievements and I know a number of Australians who have been successful in other walks of life but who have dedicated themselves to accumulating large collections which they are now seeking to provide to the public for their access.

In winding up my remarks, may I say that it is good, from time to time, to debate issues like this. It is a pity we do not have more time, because these go, as I said before, to fundamentals of how we see ourselves—our identity as a country. Though it sounds sometimes vaguely neo-Stalinist to talk about 'cultural policies and programs' and all that sort of thing, in fact we should not be hesitant about doing so. We should be really positive about how we promote our culture and what we are to the rest of the world, because it is unique; it is something which has not only social dimensions but, as I said before, economic dimensions. With the addition of Senator Brandis's amendments, I think we can wrap this matter up. But, sadly, the government has not left us much time to do so.

Senator SMITH (Western Australia) (13:41): As I was flying across to Canberra on the weekend from Western Australia, leaving early in the morning to get here late in the afternoon, I could not help but reflect upon what an important and historic week this will be in our national parliament, as we draw to a close the 43rd Parliament. They were not thoughts that were filled with lots of joy, actually, and I have often wondered, in the 13 months in which I have been in the Senate, how younger Australians might look at this 43rd Parliament and what lessons they might take out of it for the future.

I think this bill, like many other bills that we have seen this week, is testimony to the ill-conceived, shoddy, rushed way this government has approached our parliamentary democracy over the last three years. I think it is worth reflecting, before I come to the substance of the Australia Council bills—the Australia Council Bill 2013 and the Australia Council (Consequential and Transitional Provisions) Bill 2013—what it is that is happening in our Senate chamber this week.
As Australians go to the polls on 14 September, they might like to think carefully about not just who they might vote for in the House of Representatives but where they might put their votes in the Senate, because the last three years have seen a very shambolic and rushed treatment of our parliamentary democracy—not just by the Australian Labor Party, but by them in cooperation, hand in glove, with the Australian Greens. So I think that when Australian electors go to vote on 14 September they should exercise tremendous caution not to bring back to their parliament the minor parties and Independents who seek, by their example, to wreck our parliamentary democracy.

I will share with people who might be listening to the Senate across the country today and those people in the chamber: it is worth reflecting that in the three years that the coalition had control of the Senate, just 32 bills were guillotined—a mere 32 bills. That is in very stark contrast to the 216 bills this government will have guillotined in its last three years. Anyone in Australia who cherishes our parliamentary democracy, our bicameralism and the federal structure on which it is built would find those statistics quite remarkable. This week alone, we will see 55 bills guillotined—49 of those will have been debated for less than one hour. Of the 49 bills, 30 will be debated for less than 30 minutes.

*Senator Thistlethwaite interjecting—*

**Senator SMITH:** Is that an interjection from the senator from New South Wales? When New South Wales people go to vote on 14 September, they might like to ask themselves whether Senator Thistlethwaite and his colleagues are doing the best by their—

**The ACTING DEPUTY PRESIDENT (Senator McKenzie):** The time allotted for consideration of these bills has expired. The question is that these bills be now read a second time.

Question agreed to.

Bills read a second time.

**The PRESIDENT:** In respect of the Australia Council Bill 2013, the question is that amendments (1) to (8) on sheet 7427 circulated by the opposition be agreed to:

1. Clause 9, page 6 (line 24) to page 7 (line 19), omit subsection (1), substitute:

   (1) The Council has the following functions:
   
   (a) to promote excellence in the arts;
   
   (b) to provide, and encourage the provision of, opportunities for persons to practise the arts;
   
   (c) to promote the appreciation, understanding and enjoyment of the arts;
   
   (d) to promote the general application of the arts in the community;
   
   (e) to foster the expression of a national identity by means of the arts;
   
   (f) to uphold and promote the right of persons to freedom in the practice of the arts;
   
   (g) to promote the knowledge and appreciation of Australian arts by persons in other countries;
   
   (h) to promote incentives for, and recognition of, achievement in the practice of the arts;
   
   (i) to encourage the support of the arts by the States, local governing bodies and other persons and organizations; and
   
   (j) to do anything incidental or conducive to the performance of any of the foregoing functions.

2. Clause 11, page 8 (line 29), after paragraph (a), insert:

   (aa) the policies of State and Territory Governments in relation to the arts; and

3. Clause 12, page 9 after line 2, after paragraph (a), insert:

   (aa) in relation to the formation and terms of reference of a Committee; or
Clause 31, page 18 (line 5), at the end of subsection (1), add ", or as otherwise directed by the Minister"

Clause 31, page 18 (line 10), omit "at least one person who has relevant experience in the arts", substitute "more than one person who has relevant experience in the specific subject matter relating to that committee."

Clause 31, page 18 (line 15), omit "The Board", substitute "The Board, unless otherwise directed by the Minister"

Clause 31, page 18 (after line 25), at the end of the clause, add:

A direction by the Minister will in all cases prevail over a direction by the Board.

The Senate divided. [13:50]

(The President—Senator Hogg)

Ayes........................29
Noes........................33
Majority....................4

AYES
Abetz, E  Back, CJ (teller)
Bernardi, C  Birmingham, SJ
Boswell, RLD  Boyce, SK
Brandis, GH  Bushby, DC
Cash, MC  Colbeck, R
Cormann, M  Edwards, S
Eggleston, A  Fierravanti-Wells, C
Fiffie, MP  Heffernan, W
Humphries, G  Joyce, B
Kroger, H  Macdonald, ID
Mason, B  McKenzie, B
Parry, S  Payne, MA
Ronaldson, M  Rustom, A
Sinodinos, A  Smith, D
Xenophon, N

NOES
Bilyk, CL  Bishop, TM
Brown, CL (teller)  Cameron, DN
Carr, KJ  Di Natale, R
Feeney, D  Furner, ML
Gallacher, AM  Hanson-Young, SC
Hogg, JJ  Lines, S
Ludlam, S  Ludwig, JW
Lundy, KA  Marshall, GM

NOES
McEwen, A  McLucas, J
Milne, C  Moore, CM
Polley, H  Pratt, LC
Rhiannon, L  Siewert, R
Singh, LM  Stephens, L
Sterle, G  Thistlethwaite, M
Thorp, LE  Urquhart, AE
Waters, LJ  Whish-Wilson, PS

PAIRS
Fawcett, DJ  Collins, JMA
Johnston, D  Wong, P
Nash, F  Crossin, P
Ryan, SM  Conroy, SM
Williams, JR  Furrell, D

Question negatived.

Third Reading

The PRESIDENT (13:53): The question now is that the remaining stages of these bills be agreed to and these bills be now passed.

Question agreed to.

Bills read a third time.

PERSONAL EXPLANATIONS

Senator HUMPHRIES (Australian Capital Territory) (13:53): Mr President, I wish to make a brief personal explanation.

The PRESIDENT: The honourable senator may proceed for one minute.

Senator HUMPHRIES: I thank the Senate for its indulgence. In the course of the debate about the Australia Council Bill, I believe Senator Milne made reference to concerns raised by the coalition with respect to the absence of certain provisions in the amendments moved by Senator Brandis. Senator Milne suggested, in making those remarks, that Senator Brandis—and me as a co-author of those amendments—had been in some way derelict in our duty to make sure that these amendments were properly drafted. It is obvious the amendments did

CHAMBER
properly include reference to such things as the fostering of freedom of speech and a practice of the arts. It made reference to such things as promotion, understanding and enjoyment of the arts. But it is absolutely not true to say, as Senator Milne suggested, that other provisions had been left out because they are implicitly— (Time expired)

BILLS
Australian Jobs Bill 2013
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.
Senator COLBECK (Tasmania) (13:55): I rise to contribute to the debate on the Australian Jobs Bill 2013. It is a bit incongruous that here we are in the dying sitting days of this parliament and the government decides to bring in the Australian Jobs Bill—given that their impact on the jobs situation in Australia has been so devastating. Over the term of these last two parliaments they have added to the cost of doing business, made it more difficult for business and cost Australia thousands and thousands of manufacturing jobs.

The government had a steel industry reconstruction plan, the objective of which was to see the steel industry half the size it was when they came to government. Their record in the car industry is absolutely devastating. We are seeing the hollowing out of the food industry in Australia under this government. We see new taxes, additional costs and more difficult conditions for Australian industry. And they expect us to believe that in their last few days the Australian Jobs Bill is going to magically turn the situation around. It is the costs they themselves have imposed on industry over the last three years that have had a negative impact on industry in this country.

We have seen the negative impact of the carbon tax, we have seen the negative impact of the mining tax, we have seen increased energy costs impacting on business and small business right across this country, we have seen an unfriendly industrial relations system put into place by this government and we have seen inconsistent industry policy. We have seen them promise hundreds of millions of dollars to the car industry only to withdraw it. We have seen them change their mind and move around all over the place on industry policy.

And now what they want to do in their dying days is introduce a new bureaucracy that they believe will assist Australian industry to grow jobs. How a new bureaucracy is going to do that is absolutely beyond me. How does putting 50 people into a new government agency create any new jobs other than for those 50 people? How does imposing additional costs on business, which this bill does yet again, improve the situation for business? Every time we have one of these new pieces of legislation the government brings in, they say, 'It is only a little cost; it is only a little bit.' The carbon tax was just a little bit. This is just a little bit—but they all add up. All these costs add up and impact negatively on business in this country.

Senator Cameron interjecting—

Senator COLBECK: Senator Cameron starts his rant, yet what has he done? He has worked to impose additional costs on business and industry and to increase shipping costs around the coastline, which impacts negatively on business and industry in this country.

What the Labor Party does is impose additional cost and add red tape and expect that out of all that we will see an increase in industry and an increase in jobs. Because of these measures we have seen devastating
negative impacts on the steel industry, on the car industry and on the food-processing sector. All of those industries are shedding jobs. And the government expects us to believe that in the last sitting week before an election this piece of legislation is actually going to generate new jobs.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Carbon Pricing
Mining
Asylum Seekers

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:00): My question is to the Minister representing the Prime Minister, Senator Conroy. I refer the minister to the Prime Minister's press conference of three years ago today, the day after she displaced the elected Prime Minister by a midnight coup, in which she justified her behaviour by telling the Australian people that the government had, in her words, 'lost its way'. In particular, she nominated three problems her government would solve: namely, the problem of carbon pricing, the problem of the mining tax and the problem of irregular maritime arrivals. Which of those problems does the government consider have now been solved?

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:01): I thank Senator Brandis for his question. At the first press conference, the Prime Minister was asked what her priorities were. She replied:

My priority as we look through the issues of the Government is to make sure that in every area we are working hard for Australian families, we are working hard for those Australians who work hard themselves; who set the alarm clock early, who get up in the morning, get the kids to school and go to work and work hard. I want to make sure that we are working with them.

And that is exactly what this government has achieved. Labor in government has kept our economy strong in the face of the global financial crisis. The economy is 14 per cent larger now than it was when we came to government, outperforming other advanced economies. The cash rate is very low at 2.75 per cent, lower than at any time under the last Liberal government. Let me just repeat that: the cash interest rate is lower than at any time under those previous. The unemployment, at 5.5 per cent, is well below the OECD average of eight per cent. And we continue to enjoy a AAA credit rating from each of the three leading rating agencies, something those opposite in government never achieved. (Time expired)

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:03): Mr President, I ask a supplementary question. Given that, in the year prior to Ms Gillard's backstabbing of the elected Prime Minister, the number of irregular maritime arrivals was 6,606 people on 140 boats and that in the three years since Ms Gillard became Prime Minister the number has been 38,504 on 596 boats, hasn't this problem got much, much worse, not better, on Ms Gillard's watch?

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:05): Those opposite continue to want to denigrate at every opportunity this government. That is their preferred position. They have no policy agenda of their own; no policy agenda whatsoever. They do not want to use question time to ask about DisabilityCare; they do not want—
**Senator Brandis:** Mr President, I rise on a point of order on direct relevance. Concededly, the primary question was broad and the minister was given a lot of latitude. But the first supplementary question is only about the blow-out in the number of irregular maritime arrivals on Ms Gillard's watch. It is neither directly nor even indirectly relevant for the minister merely to critique the question and abuse the opposition on topics that do not have anything to do with irregular maritime arrivals.

**Senator Wong:** Mr President, on the point of order: as Senator Brandis conceded, the primary question had a wide ambit. There was quite a lot of political rhetoric in both the primary question and the first supplementary. Senator Brandis, in putting a question like that, should anticipate getting a response that deals with refuting some of the political accusations that were included in it.

**The President:** I draw the minister's attention to the question.

**Senator CONROY:** When it comes to the boat issues, Mr Abbott has consistently said, 'It has been done before; it can be done again.' But he has no workable plan to achieve this objective. Before the 2010 election, the Leader of the Opposition said: 'In the end it would be a prime ministerial decision. It will be the government's call based on the advice of the naval commander on the spot when it comes to turning around the boats.'

**Senator BRANDIS** (Queensland—Deputy Leader of the Opposition in the Senate) (14:06): Mr President, I ask a further supplementary question. Given that the carbon tax, which Ms Gillard solemnly promised never to introduce, has had no impact on global temperatures and the mining tax has collected negligible revenue, how does the government consider that those problems have been solved? Isn't it the case that the Gillard government has completely failed to achieve any of the outcomes that Ms Gillard put forward as the justification for backstabbing an elected Prime Minister?

**Senator CONROY** (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:06): Senator Brandis is suffering from amnesia, as some of the interjections from behind me suggested. He must have been missing from the cabinet discussion when they took a policy position to price carbon, because each and every one of those opposite signed up to support a carbon price.

**Senator Abetz interjecting—**

**Senator CONROY:** Oh, 'subject to'. You were in the room, Senator Abetz. No, he was not in the cabinet. My apologies for defaming you, or defaming your cabinet, by suggesting you were. Those opposite have no genuine interest whatsoever in pricing carbon today. They have run an outrageous campaign of smears, lies and innuendo about the impact. Remember the python—remember all of the animals— *(Time expired)*

**Cost of Living**

**Senator SINGH** (Tasmania) (14:07): My question is to the Minister representing the Minister for Families, Community Services and Indigenous Affairs, Senator McLucas. Can the minister inform the Senate how this government is supporting Australian families to meet the cost of raising a family?

**Senator McLUCAS** (Queensland—Minister for Human Services) (14:08): I thank the honourable senator for the question. The Gillard government is committed to building a fairer future for all Australian families. From next week more than 1.3 million Australian families will receive the second instalment of the Gillard
The schoolkids bonus is just one of the ways our government is supporting Australians to meet the costs of raising a family. From next week, more than 1.6 million Australians will get a boost to their regular family payments. This means that Australian families on low and middle incomes now receive up to $8,783 a year in support of a child in primary school, or more than $10,500 a year in support of a child in secondary school.

This is our way, this is the Labor way, of helping Australian families who need it most. We are helping them with the cost of power bills, with petrol and their grocery bills. Around the country Australian families have told our government how important the schoolkids bonus is to their family. But Mr Abbott has already told Australians that the schoolkids bonus is on the chopping block. Mr Abbott is prepared to hurt 1.3 million families if he becomes Prime Minister.

The Gillard government is continuing to support Australian families, students and older Australians. Our government introduced Australia's first national paid parental leave scheme, providing a fair system to support parents to take time off to spend with their newborn child. Already 300,000 Australian families have benefitted from the Paid Parental Leave Scheme.

We have delivered an increase to the childcare rebate from 30 to 50 per cent of out-of-pocket costs, up to $7,500 per child per year. Also, we have introduced the schoolkids bonus, which those opposite have said they will axe if they win the election.

We introduced the biggest dollar increase in history in the age pension and delivered the seniors work bonus, which means that older Australians can keep more of their pension when they work.

Also, we are delivering DisabilityCare Australia to support people with disabilities— (Time expired)

Senator SINGH (Tasmania) (14:11): Mr President, I ask a further supplementary question. Can the minister update the Senate on how the Australian government is supporting Australian families in a clean energy future?

Senator McLUCAS (Queensland— Minister for Human Services) (14:11): The Gillard government is continuing to support Australian families, students and older Australians as we work towards a clean energy future. Since March of this year more than 3.5 million pensioners, including people on age and disability pensions and people on carer payment, have begun receiving their ongoing clean energy supplement as part of their fortnightly payments. Over a year these pension increases are worth a total of more than $350 a year for singles and more than $530 a year for couples, combined.

Starting from this week, students, youth allowance recipients and pensioners...
receiving the quarterly supplement will also receive the clean energy payments as part of the Household Assistance Package delivered by the Gillard government.

We have delivered higher payments for families with teenagers to encourage them to stay in school, and we have delivered three rounds of tax cuts in our first three budgets— (Time expired)

**Gillard Government**

**Senator RONALDSON** (Victoria) (14:12): My question is to the Minister representing the Prime Minister, Senator Conroy.

Honourable senators interjecting—

**The PRESIDENT:** Order! Like every other senator, Senator Ronaldson is to be heard in silence.

**Senator RONALDSON:** Thank you, Mr President. I thought the full moon was waning!

I refer to the commitment given by the Prime Minister at a press conference three years and one day ago, after she rolled Mr Kevin Rudd as Prime Minister. At that press conference the Prime Minister said, 'And today I can assure every Australian that their budget will be back in surplus in 2013,' and that she would provide 'strong management of our borders' and would 'lead a strong and responsible government'. Given that three years later the budget remains in deficit, our borders are open to any boat that happens to come along and the cabinet is split asunder, wracked by disunity, backstabbing and leaking, why would anyone believe that if re-elected a Labor-Greens government would be any different to this one?

**Senator CONROY** (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:14):

As I said, at that first press conference—and I quote again—the Prime Minister replied:

My priority as we look through the issues of the Government is to make sure that in every area we are working hard for Australian families, we are working hard for those Australians who work hard themselves; who set the alarm clock early, who get up in the morning, get the kids to school and go to work and work hard. I want to make sure that we are working with them.

As I was saying earlier, we have delivered a AAA credit rating. We have saved 200,000 jobs through the global financial crisis, and the Labor government is proud of its record of six years of achievement. The Prime Minister is getting on with the job; keeping our economy strong; spreading jobs, opportunity and fairness; and helping modern families—

**Senator Heffernan:** Mr President, a point of order: does he have to read it? You would think he would know it without reading it.

**The PRESIDENT:** There is no point of order.

**Senator CONROY:** The Prime Minister has provided unprecedented support for modern families: the schoolkids bonus, new payments for families with teenagers, more family tax benefit, record support for child care, and help with costs like taking kids to the dentist. Under Prime Minister Gillard we have finalised the health agreement—more doctors, more nurses, more beds, less waiting and less waste, with better accountability and community control. We have invested in mental health. A $2.2 billion package is delivering additional services and a greater focus on prevention and early intervention. We have put a price on carbon— (Time expired)

**Senator RONALDSON** (Victoria) (14:17): Mr President, I ask a supplementary question. Is there any deal the Prime
Minister would not do with the Greens or Independents in order to retain government following the next election?

**Senator CONROY** (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:18): We will continue to deliver jobs. We will continue to support our $3 billion jobs and skills package—

*Opposition senators interjecting—*

**Senator CONROY:** To those opposite who simply want to come in here and throw mud and smear, and not debate policy: when you have an opportunity to ask questions in this chamber—

**Senator Brandis:** Mr President, a point of order: the answer is not directly relevant to the question. The question asked only whether the government was prepared to do any deal with the Greens to retain power. So, the only answer that can be relevant is an answer that addresses the relationship between the government and the Greens. This answer does not address that topic.

**Senator Wong:** Mr President, on the point of order: I am sure most Australians will be disappointed to know that the opposition does not believe that jobs for Australians are important. We on this side do think that is relevant to a question about the priorities of the government.

**The PRESIDENT:** The minister has 32 seconds remaining. I am listening closely to the minister's answer. Minister, you need to answer the question.

**Senator CONROY:** We will continue to champion jobs through to the election, and we will continue after the election to vote to support jobs in this country. We would hope that one day we could get those opposite to vote with us after the election to support jobs, not to try to put 200,000 Australians on the unemployment queue like they did last time.

**Senator Abetz:** Mr President, a point of order on direct relevance: the standing orders require a minister's answer to be directly relevant. The question was very specific in relation to whether or not there was any deal that the current government would not do with the Greens to retain power. Senator Conroy can talk about all manner of other things, as he is doing, but—clearly—doing so is not being relevant, let alone directly relevant, to the question asked.

**The PRESIDENT:** I do draw the minister's attention to the question in the six seconds he has remaining.

**Senator CONROY:** It is either yes or no: those opposite want to write their own answers to their own fantasy questions. (Time expired)

**Senator RONALDSON** (Victoria) (14:20): Mr President, I ask a further supplementary question, on the back of my primary question. Minister, given the chaos and dysfunction of the last three years, why should anyone believe that if re-elected another Labor government would be any different to this one?

**Senator CONROY** (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:21): What I can guarantee is that when we are re-elected we will continue to support a resilient economy that is outperforming the rest of the developed world. We will continue to provide that leadership and strength of direction. We will continue to get steady growth in the economy, which is 14 per cent bigger now than when we came to government, with a forecast of two and three-quarters per cent growth. We will
continue to deliver on that leadership. We will continue—

Honourable senators interjecting—

The PRESIDENT: When there is silence, we will proceed.

Senator CONROY: We will continue to provide the exceptional job creation record that we have delivered. The February employment data showed that over 950,000 jobs have been created since Labor came to office, despite 28 million jobs being lost worldwide. Those economic flat-earthers opposite who interject about debt, we have—

(Time expired)

Honourable senators interjecting—

The PRESIDENT: Order! On my right!

Senator DI NATALE (Victoria) (14:22):

My question is for Senator Conroy, the Minister representing the Prime Minister. I am asking this question on behalf of OurSay, an independent community organisation aiming to revitalise participation in Australian democracy—and our democracy could sure do with some revitalisation at the moment.

Honourable senators interjecting—

The PRESIDENT: Ask the question.

Senator DI NATALE: The OurSay people's question is voted on by the public on the OurSay website. The top-rated question chosen was: Minister, Australia's scheduling of illicit drugs is based on historical precedent rather than any—

Honourable senators interjecting—

The PRESIDENT: Order! When there is silence on my left we will proceed.

Senator DI NATALE: Minister, Australia's scheduling of illicit drugs is based on historical precedent rather than any objective measure of harm. Evidence shows some illegal drugs are less harmful than alcohol to users and society, with most harm a direct result of their illicit status. We seem set to repeat the same mistakes in our approach to synthetic drugs. The question is: what is Australia doing to address this unscientific classification of drugs and the resulting unnecessary harm?

Honourable senators interjecting—

The PRESIDENT: Order! When there is silence—on my left!

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:24): I thank the senator for his question. Illicit drug use is a high-risk activity and has been proven to contribute to social, economic and personal harms. New psychoactive substances are emerging that pose a serious risk to both consumers and the broader community because little is known about their short- or long-term health effects and the exact ingredients are also often unknown. The response of all Australian governments to illicit drugs is focused on implementing the National Drug Strategy 2010-2015, which provides a framework for action on alcohol, tobacco and other drugs, guided by the principle of harm minimisation. The strategy is aimed at improving the health, social and economic outcomes for Australians by preventing the uptake of harmful drug use and reducing the harmful effects of licit and illicit drugs in our society. The need to control certain drugs is also recognised at the international level, and the Australian government has ratified a number of international agreements that require the criminalisation of these drugs.

Senator DI NATALE (Victoria) (14:26): Mr President, I have a supplementary
question which was also rated highly by the public on the OurSay website. Minister, given that law enforcement policies are harming more people than the drugs themselves in many instances and often result in more crime, with recent media reports demonstrating that the illicit drug market is now conservatively estimated at $7 billion per annum, when will this government change its current approach, which is expensive and has failed in terms of targeting end users, and begin treating this as a health issue?

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:26): The government remains strongly committed to protecting the public from the health and safety risks associated with drug use by balancing health responses with effective law enforcement. The response, as I have mentioned, of all Australian governments to illicit drugs is focused on implementing the National Drug Strategy 2010-2015, which, as I have also said, provides a framework for action on alcohol, tobacco and other drugs, guided by the principle of harm minimisation and which has been recognised as a world-leading initiative to combine both health and law enforcement responses.

Senator DI NATALE (Victoria) (14:27): Mr President, I have a further supplementary question asked by the users of OurSay. Recently a New South Wales parliamentary report recommended allowing the medical use of cannabis under certain circumstances. Would the federal government support a change to the illicit drug classification of cannabis to allow it to be tested and developed for medical use?

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:27): Cannabis is a depressant drug which slows activity in the central nervous system and has been linked to a number of mental illnesses including depression, anxiety and psychosis. The Australian government does not support the legalisation of cannabis, and there is no consideration being given to changing its current status as a prohibited drug under Australian law.

National Broadband Network

Senator BIRMINGHAM (South Australia) (14:28): My question is to the Minister representing the Prime Minister and Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Does the minister share the views of the member for Chifley, who last week responded to the manifest failure of the current strategy for rolling out the National Broadband Network by urging that Telstra undertake a larger role? Does the minister agree that greater utilisation of existing construction expertise would have been one practical way of turning his weekend admission of being only 'reasonably certain' that NBN Co. will meet its 30 June targets into a much higher level of certainty?

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:29): I thank Senator Birmingham for being able to get a question up through the tactics committee. Those opposite profess to care about the rollout of the National Broadband Network. Those opposite have sought at every turn to impede, get in the way of and slow down the rollout of the network. The only threat to the National Broadband Network meeting its rollout targets is those
opposite. The policy that they have released will result in nine million Australian homes and businesses being disconnected from Labor’s NBN.

I am confident that NBN Co. will reach its revised June fibre forecast for premises passed. As I have said on numerous occasions, the monthly construction updates that NBN Co. posts on its website are provided for information purposes and are intended to be a guide only. They state that quite specifically. I would advise those opposite who have spent their time trolling around looking for every piece of disinformation on the net—and I mentioned this to you in estimates—that there is a very, very good website produced by a 16-year-old kid which provides more information and more research than you have done in your three years of efforts at Senate estimates. He simply sat down and designed it himself. He is 16 years old and he can tell you more about the government’s NBN rollout than those opposite. (Time expired)

Senator Heffernan interjecting—

The PRESIDENT: Order! When there is silence we will proceed. Senator Heffernan, one of yours is on their feet waiting to ask a supplementary question.

Senator BIRMINGHAM (South Australia) (14:31): Mr President, I ask a supplementary question. Can the minister confirm that it was little more than blind ideological prejudice on the part of the Labor government and NBN senior management that precluded a greater utilisation of existing construction expertise in the rollout, such as that suggested by your own Mr Husic and, of course, utilising skills of companies like Telstra?

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:32): Once again Senator Birmingham spreads misinformation to the Australian public and to this chamber. The construction process actually went through a tender process. Telstra were entitled to apply like every other company. In going through that process NBN Co. got the best value for Australian taxpayers. I am not familiar with all the information of the tender process nor whether Telstra did or did not apply. The tenders were properly run under government guidelines. So far this year, NBN Co. has been switched on all over the country including Aspley, Bacchus Marsh, Blacktown, Coffs Harbour, Darwin, Gosford, Gungahlin, Hobart, Launceston, Toowoomba and Townsville and over 300 new developments all over the country. Many more areas will be turned on in the very near future. (Time expired)

Senator BIRMINGHAM (South Australia) (14:33): Mr President, I ask a further supplementary question. Given the minister’s complete failure to meet his own NBN targets, will the minister confirm his promise to go to the backbench if Mr Rudd is returned to the prime ministership? Has this promise resulted in a surge in support for Mr Rudd in caucus with the minister succeeding where Mr Crean and Mr Shorten and both Senators Carr and, allegedly, Senator Wong have all failed in delivering a knock-out blow to Ms Gillard’s leadership?

Honourable senators interjecting—

The PRESIDENT: Order! When there is silence on both sides—just wait a minute, Senator Conroy.

Senator Conroy interjecting—

The PRESIDENT: No, Senator Conroy, you have not got the call. You will get the call when there is silence on both sides. Order! If you wish to debate the issue, you
know that the time to debate the issue is after three o'clock. Senator Conroy.

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:34): The withering attack on the National Broadband Network from those opposite could not even make three questions. They made about two and a half questions before they had to wander off into politics. The only threat to all Australians getting access to the National Broadband Network is those opposite. Under their policy, if you want to get connected to Labor’s NBN, they want you to pay up to $5,000 per home or you are going to be disconnected from it. Those watching the ABC News over the last two nights might have noticed that Malcolm Turnbull refused to be interviewed—

The PRESIDENT: Order! You need to refer to people in the other place—

Senator CONROY: Mr Turnbull.

The PRESIDENT: Thank you.

Senator CONROY: Mr Turnbull refused to be interviewed because he did not want to try to explain how he was going to use pixie dust to make Australia’s copper network deliver the speeds that those opposite are promising. They know at the end of the day that their policy is ‘fraudband’. (Time expired)

Tasmania: Forestry

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (14:35): My question is to the Minister for Agriculture, Fisheries and Forestry, Senator Ludwig. Can the minister inform the Senate how the listing of up to 170,000 hectares of Tasmania’s unique forest wilderness on the World Heritage Register helps to protect jobs in the Tasmanian forest industry?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:36): I thank Senator Brown for her continued interest in conservation in Tasmania. I was pleased to be in Tasmania to welcome the passage of the forest agreement legislation through the Tasmanian parliament. Why? Because that legislation not only is about the conservation of forestry in Tasmania but also locks in jobs. It is the culmination of an incredible amount of hard work by community representatives, and it will help resolve the debate about the forest industry in Tasmania. It is also a desire from those community representatives to see the twin outcomes of jobs and of conservation of Tasmanian native forests.

The facts are clear. The data has been telling us that the Tasmanian forest industry has been severely impacted by the global financial crisis; by wood products, due to the global financial crisis; by changing market preferences; and by the high dollar. Only a year ago Ta Ann Tasmania announced it was reducing output and reducing staff. On the weekend we saw Ta Ann Tasmania announce its commitment to a secure future for more than 90 direct jobs in the region and for the families and businesses that supply Ta Ann. That is 90 more jobs that have a future that the industry wants and that the coalition are bleating about. The coalition do not want jobs in Tasmania. The agreement was delivering outcomes for Tasmania.

The nomination of the World Heritage listing has seen groups like the Australian Conservation Foundation work with industry in overseas markets, in export markets, to show Tasmanian forest products are sustainable, legally harvested and top quality. I will not ignore the Forest Industries Association of Tasmania which says— (Time expired)
Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (14:39): Mr President, I ask a supplementary question. Can the minister inform the Senate how the Gillard government's constructive approach to forestry in Tasmania encourages investment in jobs in Tasmania?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:38): I thank Senator Brown for her continued interest in creating jobs and opportunity in Tasmania. As part of the Tasmanian forest intergovernmental agreement with the Commonwealth, it committed $120 million for economic diversification over 15 years; in 2012, $24 million in funding and assistance for a range of economic diversification projects, and that includes the Tasmanian Innovation Investment Fund; $8 million for 28 businesses, creating 267 jobs; and economic diversification projects, including $16 million for 10 projects. And, on 17 May, the Prime Minister announced that the government would increase the economic diversification funding to $100 million to be delivered over four years. These things are being delivered in Tasmania because of the changes in the economy, including changes in the forest industry, and because the Gillard government has listened to industry. The jobs and growth plan will bring new opportunities—(Time expired)

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (14:39): Mr President, I ask a further supplementary question. Can the minister advise the Senate if he is aware of any alternative approaches to protecting jobs, protecting the environment and creating community consensus on the future of Tasmania? Does the minister know of any risks to the government's plan to lock in jobs?

Senator IAN MACDONALD (Queensland) (14:41): My question is to the Minister representing the Prime Minister. Minister, we are constantly told by the—

Honourable senators interjecting—

The PRESIDENT: Order! Just wait a minute, Senator Macdonald. Both sides, Senator Macdonald is on his feet. He deserves to be heard in silence.

Honourable senators interjecting—

The PRESIDENT: Senator Macdonald, you will be heard in silence. Order on my right!

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Carbon Pricing

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the Prime Minister that the carbon tax is good for Australia and, indeed, good for the world. Why then did the Prime Minister three years ago solemnly promise never to introduce a carbon tax under any government she led? Did she three years ago not understand what she now—

_Honourable senators interjecting_

_The PRESIDENT_: Order! Wait a minute, Senator Macdonald.

_Honourable senators interjecting_

_Senator IAN MACDONALD_: I can understand why they are trying to drown me out.

_The PRESIDENT_: Order!

_Senator IAN MACDONALD_: Did she not three years ago understand what she now claims are the great benefits of the carbon tax? If that is not the explanation, why then did she break in spectacular fashion the promise never to introduce a carbon tax? Why would the Australian public and Australian families now ever believe anything the Prime Minister might say at the next election or any other time?

_Senator CONROY_ (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:42): It is pleasing to see Senator Macdonald asking a question on policy, because now we are back to the staple of those opposite: the misinformation, the lies and the deceit of the Australian public. What we have opposite is 'the python is back'; 'the wrecking ball is back'; 'Whyalla is off the face of the earth'. I am not going to sing, though. You are all safe: I will not sing. Those opposite have, day after day after day, misled the Australian public about the impact of carbon pricing. This fearmongering about the impact of the carbon price has become understood by the public. It is just scaring people for your own short-term political gain.

Climate Institute research published on the weekend shows that Australians have seen through you. They have seen through you and your scare tactics. The world has not ended, as forecast, because of carbon pricing. In fact, the public support Australia taking action on climate change and are quite worried that, if elected, Mr Abbott will not. The coalition has always been an absolute shambles when it comes to this policy issue. When it comes to action on climate change, absolutely nothing has changed. They do not know if they are pro or anti the climate change policy that they have. They do not know whether they are for or against emissions trading schemes, or even renewable energy. We all know that, should they gain government, they will not repeal the carbon price—(Time expired)

_Senator IAN MACDONALD_ (Queensland) (14:45): Mr President, I ask a supplementary question. Minister, is the climate commission you are talking about led by a person who, two weeks before the greatest floods that ever hit Brisbane, promised there would never be another drop of rain in Queensland? Do you believe that a carbon tax that will next week be $24.15 a tonne will be beneficial to Australia when Europe, which emits about five times as much carbon, has a carbon tax of only $5.84 per tonne?

_Senator CONROY_ (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:46): As I was saying, we all know that, should those opposite gain government, they will not repeal the carbon price because it is the cheapest and most efficient system and it is working. There has been a 7.4 per cent
reduction in emissions in the national electricity market in the first 11 months. Australia's economy and employment has continued to grow. Over 158,000 jobs have been added to the economy since the introduction of the carbon price despite the global financial crisis. We all recognise that the price impacts have been modest and households are getting assistance with payments and tax cuts. But you cannot trust those opposite and what they say. They say we are acting alone. Australia is not acting alone—(Time expired)

Senator IAN MACDONALD (Queensland) (14:47): Mr President, I ask a further supplementary question. Can I ask the minister to explain how Australian manufacturers are expected to compete against manufacturers in the USA, which has no nationwide carbon tax, and China, which has no effective carbon tax at all? Can the minister explain how many jobs in manufacturing have been lost as a result of the government's carbon tax?

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:47): Let us just ignore the high dollar—that has no impact at all, Senator Macdonald! As I said—and Senator Macdonald has just alluded to it—Australia is not, despite the question, acting alone on climate change. An OECD report confirms that an effective carbon tax applies to pollution from energy in every single OECD country. The 27 countries of the EU have an ETS. California and the north-eastern states of the USA have an ETS. China launched its first emissions trading scheme last week. Japan has had a carbon tax since 2012. South Korea has had a scheme for years. India has put a price on carbon for coal. And New Zealand, with a conservative government, has an ETS. So it is great news for the planet as carbon pricing grows and grows throughout the global economy—(Time expired)

Schools

Senator WRIGHT (South Australia) (14:49): My question is to Senator Lundy, representing the Minister for School Education, Early Childhood and Youth. Are the comments today by Minister Garrett—that there are still high levels of bullying in Australian schools and that legalising same-sex marriage could spare some Australian teenagers from bullying on the basis of sexual orientation—based on a recognition that improving policy protections and setting an example through federal laws is a way to reduce these young people's risk of homophobic bullying?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:49): We are of course committed to the highest possible standards of education in Australia. This is reflected in our National Plan for School Improvement. I know that the minister has made several statements to this effect across a range of topics such as those described in your question. Whilst I do not have a specific brief on the issues that you have raised, I am able to say that, through the National Plan for School Improvement, the additional resources provided to schools will allow for a range of improved resources in individual schools to allow these kinds of issues to be addressed.

Improving the ability of each school to take on issues beyond just the curriculum and provide a standard of care and education that is as yet unseen in our generation is something I am extremely proud of. In fact, one of the motivations behind our National Plan for School Improvement is that we as a Labor government have to take what is
effectively a once-in-a-lifetime opportunity to change the face of education. We understand that, by investing in our young people, we are preparing this nation for the future in a way that is unable to be compared with any previous investment—so much so that our National Plan for School Improvement is the single largest investment in school education Australia has ever seen. By making that investment we show up those opposite as far as our respective policies go. They are yet, at least in this place, to get behind the vision of our National Plan for School Improvement, despite the fact that we have several premiers backing— (Time expired)

Senator WRIGHT (South Australia) (14:51): Mr President, I ask a supplementary question. Given that there are lesbian, gay, bisexual, transgender and intersex students in every education system in Australia, including in religious schools, does the government agree that the way to reduce bullying against LGBTI youth, no matter which school they are enrolled in, would be to require all schools which receive public moneys to comply with federal anti-discrimination law?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:52): With respect to the application of the anti-discrimination laws, I would certainly defer to my colleagues in the House—the respective ministers, the Attorney-General and the Minister for School Education, Early Childhood and Youth—for specific policy statements in that regard. I do not have them in my brief before me but I am, again, incredibly proud of the fact that I am part of a government that has taken substantial steps in removing discrimination against gay and lesbian people—the discrimination they face within the Australian community. In fact, it has been the Labor government that has taken the most substantive steps in this regard with several pieces of legislation to remove this discrimination.

Senator WRIGHT (South Australia) (14:53): Mr President, I ask a further supplementary question. Does the government agree with the shadow Attorney-General's statement last night that anti-discrimination laws should not be universal because freedom of religion supersedes freedom from discrimination on the basis of sexual orientation? If not, will the government join with the Australian Greens in standing up for the human rights of our students and support our amendment to the Australian Education Act—that all schools receiving public funding must comply with federal anti-discrimination laws?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:53): In response to that question I do not think I can add any more to my initial answers. I think it is clearly a specific policy in relation to the Attorney-General and discrimination. I will say that in terms of our general approach, the fight against discrimination in all its forms—whether it is on the basis of sexual orientation, on the basis of race or on the basis of religion—is incredibly well developed, and something we are very proud of.

Cattle Industry

Senator BOSWELL (Queensland) (14:54): My question is to the Minister representing the Prime Minister, Senator Conroy. I refer the minister to the serious drought crisis in the northern Australian cattle industry, which threatens the lives of one million cattle if rain does not arrive by the end of the year. In 1969, when Queensland was in severe drought, the
Australian government made Shoalwater Bay Training Area available for the Queensland government for use as emergency grazing land for cattle. Given that that decision was well appreciated at the time, will the government make Shoalwater Bay, Dotswood Station and Townsville Field Training Area available for grazing for starving cattle that will perish if relief is not forthcoming?

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:55): I thank the senator for his question. Defence training areas, particular Shoalwater Bay Training Area and Townsville Field Training Area, are critical assets to our defence capability. The scale and scope of training activities and the training areas to support those activities have changed considerably since 1969. Shoalwater Bay Training Area may be available for the grazing of cattle for limited time frames and in limited sectors. Accordingly, the government would need to consider any use of Shoalwater Bay Training Area for grazing on a case-by-case basis. The decision to allow cattle to graze on Defence land would probably be progressed as a Defence Assistance to the Civil Community request. The approving authority for a DACC request is the Minister for Defence or the Chief of the Defence Force. As yet, neither has received a request from the Newman government.

The Queensland government's reaction to the plight of drought stricken graziers is just a litany of mismanagement. Even in the awful millennium drought nobody grazed their cattle in our national parks. The Queensland is simply looking for an excuse to cover up its own ongoing mismanagement.

Senator BOSWELL (Queensland) (14:56): Mr President, I ask a supplementary question. I refer the minister to the Prime Minister's announcement that she will travel to Indonesia next week. Will the Prime Minister apologise to the Indonesian government for its decision to restrict food supplies to Indonesia by shutting down the live cattle trade—a decision which substantially contributed to the suffering of Australian cattle producers today?

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:57): The action this government took last year was appropriate and weighed and balanced all the issues involved. What we have seen is significant reform in that area over the last 12 months. So I reject utterly the imputation of Senator Boswell's question. I am not sure if there is anything further I can add on that matter.

Senator BOSWELL (Queensland) (14:57): Mr President, I ask a further supplementary question. I refer the minister to a letter in *The Sydney Morning Herald* published on 6 June 2011 and co-signed by Senator Bob Carr, in which an organisation, Voiceless, called on the government to end the live cattle trade. As Senator Bob Carr remains a council member of the organisation Voiceless, how can the government credibly claim that it remains committed to the northern cattle producers—when its foreign minister is clearly against the industry?

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (14:58): I reject the premise. This government is
committed to ensuring animal welfare and getting the balance right. The Gillard government is committed to the livestock export trade where acceptable animal welfare outcomes can be achieved. The Gillard government implemented the Exporter Supply Chain Assurance System, ESCAS, to secure a future for the livestock export trade. This is a trade that supports jobs, families and communities throughout Australia. The Gillard government has implemented the highest animal welfare standards for exported livestock anywhere in the world. Without making these key reforms to the live export trade it would not exist today. By placing animal welfare at the heart of the trade the Gillard government has ensured the trade has a future. I thank Senator Boswell for his question—possibly the last question of his long and meritorious career.

Sri Lanka

Senator STERLE (Western Australia) (14:59): My question is to the Minister for Foreign Affairs, Senator Bob Carr. Can the minister update the Senate on the situation on the ground in Sri Lanka?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:59): After 30 years of civil conflict, Sri Lanka was a traumatised nation when fighting between government forces and Tamil separatists ended four years ago. Suicide bombing was invented during this period of insurgency. Children were conscripted, women and children were used as shields, religious monuments were blown up, tens of thousands of people were killed, thousands of homes were destroyed and half a million people were internally displaced. It went largely unreported—and that makes all the more remarkable and hopeful the reconstruction that has been taking place in the country. It is noteworthy that nearly 11,000 former Tamil Tigers have been reintegrated and that all former child soldiers have been released. Reconstruction is underway, with 2,000 square kilometres of land having been cleared of mines. Freedom of movement has improved and gross domestic product was up 6.4 per cent in 2012.

Serious concerns, however, do remain. More needs to be done to account for abuses by both sides and to help displaced people return to their homes. Media and civil society are still constrained in Sri Lanka. There needs to be a commitment to an independent judicial system. That was undermined by the impeachment of the chief justice. I raised the matter with the Minister of External Affairs, Minister Peiris, in January and expressed Australian concern. Further progress is essential for genuine reconciliation and responsibility rests with the government of Sri Lanka. We have never ceased to raise these matters when we have engaged with the government of Sri Lanka. In December, I raised these matters with President Rajapaksa and said that Australia looks forward to the full implementation of the Sri Lankan government’s own Lessons Learnt and Reconciliation Commission report. We have a legitimate interest in these things.

Senator STERLE (Western Australia) (15:01): Mr President, I thank the minister for his answer and I ask a supplementary question. Can the minister advise the Senate what Australia is doing to encourage further progress on the human rights situation in Sri Lanka?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (15:02): The matter is all about accountability and about the implementation of the human rights benchmarks that the government of Sri Lanka has subscribed to itself. Last week I had an opportunity to
speak directly to the Minister of External Affairs, Minister Peiris, who is visiting Australia. I, with our High Commissioner to Sri Lanka, Robyn Mudie, moved through an agenda that listed our continuing concerns. They involved the question of resettlement and land ownership in the north of the country. They involved full accountability for the offences committed by both sides during the period that the insurrection came to its conclusion. Australia, of course, co-sponsored resolutions on reconciliation and accountability in Sri Lanka in the UN Human Rights Council in 2012 and 2013.

(Time expired)

Senator STERLE (Western Australia) (15:03): Mr President, I thank the minister for that answer and I ask a further supplementary question. Minister, can you update the Senate on Australia's contribution to post-conflict recovery and development in Sri Lanka?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (15:03): Based on our view that engagement, not isolation, is the most effective way of improving human rights and the rule of law in the country, we are proud to report that we have invested more than $180 million in humanitarian development assistance since the end of the conflict in May 2009. We have provided support for de-mining and reconstruction of housing and schools. We have trained, and extended loans to, 4,000 women who are the heads of their households, to get them into small business, earning their own livelihoods and supporting their families. We have provided safe drinking water and new sanitation facilities for over 6,000 tea estate workers and their families. This financial year alone, Australia contributed $42.6 million, and this includes support for better quality education and support to improve the incomes of 3,500 fishing families by building new infrastructure. (Time expired)

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Tasmanian Wilderness World Heritage Area

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (15:04): For the information of the Senate, I seek leave to incorporate in Hansard additional advice on a question asked of me yesterday by Senator Milne.

Leave granted.

The answer read as follows—

Minister for Sustainability, Environment, Water, Population and Communities

Senate Question without Notice

On 24 June 2013 during question time, Senator Milne asked me a question as Minister representing the Minister for Sustainability, Environment, Water, Population and Communities concerning:

Tasmanian Wilderness World Heritage Area

Given this very good news for Tasmania, what action will the minister take to ensure that the Tasmanian Wilderness World Heritage Area is not opened to logging by any future state or federal government?

Answer

Under the Tasmanian Forest Agreement, all Signatories acknowledged the need for a transition period for industry to cease harvesting logs in the agreed reserve areas and transition to new coupes. At the time of the nomination to the World Heritage Committee, there were some coupes in which tree felling operations were to continue however these now have been completed
and no logging will occur within the World Heritage area.

The Australian Government will not approve any harvesting of wood, within the World Heritage area or areas listed under the Environment Protection and Biodiversity Act 1999. The public commitments made by Forestry Tasmania, plus the current and subsequent protections offered by both governments will protect these values.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS

Cattle Industry

Senator BOSWELL (Queensland) (15:04): I move:

That the Senate take note of the answer given by the Minister for Agriculture, Fisheries and Forestry (Senator Ludwig) to a question without notice asked by Senator Boswell today relating to live cattle exports.

The live cattle ban was placed in June 2011. I actually feel sorry for Senator Ludwig sometimes because I do not believe that he really wanted this. He was overridden by his party. He has been made to look completely inept and weak because he has never been able to stand up to the Department of Sustainability, Environment, Water, Population and Communities and other ministers that have overridden him. It was due to a perfect storm. The dollar was high, there was a drought and then there was a ban on live cattle. The repercussions of that have been felt right across Northern Australia—across north-western Australia, the Northern Territory and North Queensland. I have seen stations that have come onto the market and gone broke. They are just holding out to see if something turns up. Stations that have not changed hands for 100 years are going on the market and the price is so depressed.

The bans shattered the confidence of the Indonesian authorities. They relied on Australia. They thought we were honourable people. They could not believe that someone would just cut off their protein supply in a matter of a couple of days. They could not believe it.

I was one of those who went over to Indonesia to try and sort this mess out, about two weeks after it happened. The Indonesians are always terribly polite, but I could see that they were very disappointed. They were shattered by what we had done to them. They trusted us and we let them down badly.

Initially we were exporting 770,000 head of cattle, to a value of $480 million. In 2010, that went down to 520,000 cattle at a value of $320 million. But after the ban took place we exported just 278,000—well under half of what we had been—to the value of only $188 million. The Indonesians cut their quota in 2013 down to 267,000 head. They believed they had to be self-sufficient in cattle because they could no longer trust us as a No. 1 supplier.

And the hurt—the agony—and the financial hurt that you, the Labor Party, have caused out there because you marched to the Greens' band has been unbelievable. I have never seen such devastation. It would not have been so bad if you could have got rid of the cattle somewhere else, but what in fact happened was that the eight per cent of cattle raised for live export that should have gone overseas were forced back onto the market. It is a question of supply and demand. When that eight per cent hit the market it dragged down the price of the cattle that were meant for the domestic market and export markets in boxed beef. Yet no-one ever thought about that.

That is the trouble with the Labor Party—they never think about the repercussions their actions are going to have. For instance, they never thought about what was going to happen as a result of a carbon tax—they never thought a carbon tax of $400 on a car...
was going to have any effect! Mr Oliver, in charge of the unions, demands of the Labor Party that the workers not be penalised. They should not be penalised. But why do you guys insist on putting $400 on a car through the carbon tax and expect the car to be able to sell in Australia? It is the same thing with the Indonesian cattle export industry: no-one even thought of the repercussions. You have halved the trade since 2010. The industry is dying. Indonesia does not trust us. What a way to start being the food bowl of the world: with one stroke of a pen, pulling the rug out from under Indonesia and saying, 'Righto; there's no more meat coming in; you'll have to go and eat fish or chicken or whatever you eat.'

There are probably a million cattle out there that should have been exported. They should have gone overseas; they should have gone on the boats. But they are out there now in the stations. The stations have not been able to get rid of that year's cattle and they are doubling up. There is not enough feed. Consequently, the graziers are having to go out and shoot the cattle. *(Time expired)*

**Senator Mark Bishop** (Western Australia) (15:10): Before I commence my contribution to the debate on this motion, I should echo the remarks from Senator Conroy. It is probably Senator Boswell's last motion to take note of an answer, so I congratulate him on a long and successful career in this place.

**Senator Boswell:** Mr Deputy President, I rise on a point of order. I note those comments, but I will not be retiring until June 2014.

**The Deputy President:** It is not a point of order, Senator Boswell, but thank you for that clarification.

**Senator Mark Bishop:** In that case, I still will not withdraw my remarks; I will just adjourn them to another time.
consequences and what are the repercussions?

Senator Heffernan: Mr Deputy President, I rise on a point of order. It is misleading the Senate to be factually incorrect about what is happening in the market. We have closed down—

The DEPUTY PRESIDENT: No, Senator Heffernan, that is not a point of order. There is no point of order.

Senator Heffernan interjecting—

The DEPUTY PRESIDENT: Senator Bishop, you have the call. Senator Heffernan, you have the opportunity to seek the call shortly if you wish to contribute to the debate. I suggest you save your comments until that point.

Senator MARK BISHOP: What I was saying was that, in the context of Senator Boswell's introductory remarks, there are consequences and repercussions—yes, there are. The markets that we had have been restored. The customers that we had have come back here. Our exporters are engaged in the business they were in. And we have growing trade, in terms of volume and in terms of prices received for the export of cattle and sheep and other products out of this country. So we are proud of the outcome.

We do not for one moment say that this export industry does not play an important part in our economy. The industry provides jobs for thousands of people—station owners, Indigenous workers, non-Indigenous workers—and, in addition, ensures food security for many countries across the world, not least, of course, for our near neighbours in Indonesia who rely heavily on meat and on the protein that makes up the base of it.

Let us put some facts on the table. Since the ESCAP arrangements have come into place through the new framework that has been established, over 2.35 million sheep, over 800,000 cattle and over 40,000 goats have been exported under those arrangements. As we come into the export season, the forecasts and the trend lines for tonnage to be exported are going up and up, because we now have an industry that has guaranteed markets. The competition cannot match the product we offer and those who were engaged in opposition to the market are unable to prosecute their arguments with any sense any longer because of the regulatory framework—the paradigm that has been established by this government for the tracking of cows and other product to be exported. We have an industry worth investing in. We have an industry that is safe. (Time expired)

Senator HEFFERNAN (New South Wales) (15:16): My God! Can I just correct the previous speaker? As Senator Back would know, the market has actually collapsed. The price now, Senator Bishop, is about $1.40 or $1.50, when it was $2.15. Do not come in here and say the market has recovered; it has collapsed. I point out to the Senate with great care that the reason we are in this trouble is that that mob over there do not get it. There is not one solitary soul in the government in this parliament, with the exception of my good friend Ursula Stephens, who actually lives or makes a living in the bush. They have no bloody idea.

I will go to a few facts. Sure, we have had a conflation of events. The agenda of Animals Australia is not to kill any stock. They do not actually think we should kill stock—and certainly you should not eat them. That is their final agenda. Then you ask them, as I have done: 'All right, so we don't kill them; what do we do with them, unless we castrate them all?' I have to declare an interest. This pocketknife is the knife which I have castrated thousands of calves with. It is a beautiful knife.
what you would have to do to millions of cattle to stop them from breeding.

_Honourable senators interjecting—_

**Senator HEFFERNAN:** Yes, that is the knife—that is the famous one.

The contempt with which this debate treats rural Australia is unforgivable. Forget about what has happened so far. It is a complete mess. This debate overlooks that you are not allowed to speak about the fact that you can get a signature on any piece of paper in Asia if you pay them enough money. We will not talk about the facilitation money that goes into all this trade or about the case in the Middle East where two lots of bribery money had a head-on collision and we ended up with a whole shipload of sheep having to be put down the chute. We will ignore all that.

The north is a mess, as Senator Boswell points out, due to a combination of factors and the collapsing of the market. Bear in mind: if you think the market at $2.15 was profitable and at $1.40 you can still do what you did before, think again. It does not even pay the freight. So we have thousands of mature cattle up there that are overweight, are unsuitable for the local domestic market and have to go 3,000 kilometres to be slaughtered. When you do that, instead of getting a cheque in the mail you get a bill for the freight. The freight is worth more than the cattle because the market in Australia has collapsed for mature age cattle, broken pizzled bulls and broken mouthed cows.

So we have a serious problem. As I have said previously in some places, we have to solve this. It is not only about putting a few cattle into the national parks, which would help. There is a lot of Indigenous sit-down country that you could put cattle into, which would help—and it would certainly help the local Indigenous Australians as long as the water is there. There are different management techniques. Some of the operations up there are in more trouble than others because of the water management. Cattle need more water points so they do not have to walk as far to get a feed, because if they have to walk too far to get a feed they cannot walk back to the water.

As Senator Boswell said, there could be one million cattle that are going to die. If the worst comes to the worst—and the Barkly Tableland and some of that country up there looks now like it usually looks in September, just before the wet—why wouldn't we, on the premise of playing no politics and so on, give consideration to what we did with the sheep years ago? Instead of saying to people, 'Send your cattle to slaughter, take up all the slots in the abattoirs and overload the grinding market,' why don't we say to them, 'We'll give you a certain amount of money'—whether it is $50, $60, $80 or $100—to put them in a pit? Do not wear out the trucks; do not use the fuel. This is a last resort thing. We are not there now, but we have to plan ahead because, if this dry continues and they miss the early wet, there is going to be a catastrophe. The RSPCA, Animals Australia and others will probably all go bonkers because these poor buggers will be trying to truck the poor cattle—which are not fit for trucking thousands of kilometres. I know the industry is a bit sensitive about this, but it is bloody well time someone talked about it. Why don't we give consideration to a slaughter levy to put them in a pit? Then at least they will get paid to get rid of them, rather than getting a bill in the mail for trucking them away.

The bush up there is in trouble. Some places are in more trouble than others and some are better managed than others, but we have to have a plan about the future as much as worry about the past. (Time expired)
Senator MOORE (Queensland) (15:21): Again we have this discussion which impugns people on this side as though we have no knowledge of anything to do with rural Australia. Again I point out that I come from a family with four generations of beef producers. I myself am not one, but, if you go to any meeting of my family at any time in Queensland, you will hear major discussions about what is good for this industry and what is not. Yes, everyone knows that there are severe pressures and problems for the beef industry in Australia at the moment.

But to say that all those problems can be attributed to the decision of this government to look at the issue of live cattle export is just not true. The people over there know that because they know the producers better than or as well as I do and it is never a single issue causing these problems. Already we have heard, both in Senator Boswell's questions and in Senator Heffernan's extensive speech taking note of the answers, of a range of issues emerging about what the conditions are like at the moment in northern and western Queensland—and, I believe, in other parts of Australia. There are serious problems in the market.

The decision that this government made to suspend live cattle exports several months ago was an exposure of a serious problem in the system. I defy anyone to say that is not true. There was an issue about the treatment of animals in some abattoirs in Indonesia, an issue which should have been addressed earlier. Again, who can say that is not true? The issue of poor treatment of animals in some of those areas has been identified. There have been statements made, and we even have film—although I do not always trust everything that is on film. But no-one can deny that there needed to be some process put in place to ensure that those scenes that went across the world would not be seen again. The people who work in this industry value their stock. When they produce stock in northern Australia they do not expect that the end result will be the treatment we saw some of that stock receive.

The process that happened after the suspension caused pain. There is no doubt about that. I have spoken with many producers from the north and also from the Northern Territory who have come to this place to talk with us about how they feel about what has happened to their industry. The industry has to look at future processes, the way it markets and the way it operates—again, a point that Senator Heffernan made in his statement. There must be a way that we can effectively work with the department at the federal level, with the departments around the states, with the consumers and with the producers to ensure that we can have a safe, effective beef and other animals trade. I do take the point that Senator Boswell's original question was about beef and not the other animals that came into the further discussions.

Finally, and I believe it has taken too long, we have a process in place which can trace stock from where it is produced all the way through the transit process—which has another series of issues—to where it ends up. It can trace the way it is slaughtered and the way it is brought into the market in other countries. We are focusing in this discussion on Indonesia and that is fair. But there are other areas where this same process must work.

It is too easy to blame one issue for all the problems of the beef industry. Beef prices are at a really bad level. Believe me—our family discusses that at length. However, the prices cannot be attributed solely to the decision to suspend live cattle exports. What we need to do is look at a range of things. I take Senator Heffernan's point—though I do
not think his references to that knife added anything—that we need to work together to look at what we do for people who rely on this industry. They are people who have served our country well. They produce fine stock. Australian beef is renowned across the world for its quality.

There have been real problems with beef cattle that were destined for the export market but could not go there. There were major issues, particularly in northern Australian ports, around that time. That is a reality and the department has been taking up that point. This discussion needs to continue. We as a nation have determined that there will continue to be a live export trade. We need to make sure that works as well as possible. But we cannot have beef slaughtered the way it was in Indonesia.

Senator BACK (Western Australia—Deputy Opposition Whip in the Senate) (15:26): I rise to reflect on the fact that we are in the midst of, and will see develop even further, the worst animal welfare disaster in Australia's history. It can be put down to two causes: one was the dishonest actions of animal activists and the second was the action of Prime Minister Gillard. Why do I speak of dishonesty on the part of the animal activists? I just ask one question: how was it, if footage was found in January or February of 2011, that it took until the end of May or early June of that year before we saw that footage on public television? Answer that question and I will be satisfied. I have demonstrated that that footage was dishonest and I will continue to say so.

I now turn to the actions of the Prime Minister. The Prime Minister took this action because she wanted to get the carbon tax—a tax she said would not happen under a government she led—off the front page of the newspaper. At the time this happened, I begged the minister for agriculture not to ban the trade to abattoirs in Indonesia that were compliant with international standards for slaughtering cattle, yet he went ahead and did so.

I had no difficulty, as the only veterinarian in this parliament, with him banning the trade to abattoirs that did not comply. If there was any truth at all in the footage we saw then those abattoirs should have been banned. On what basis, though, would we ban the trade to abattoirs that are internationally acceptable? On what basis would we turn around and remove the protein supply to 69 million Indonesian people of low socioeconomic background who were relying on this country—once a proud country that would never ever have been the subject of discussion about sovereign risk. Imagine if another country did that to our country, Australia, without consultation, without negotiation, without even informing us that they would turn around and ban that trade.

I regret that Senator Bishop came in here now and said that the trade has increased, that prices have increased. I can assure Senator Bishop and anyone else listening today: that is false. We do have cattle dying. I indicated after 2011 that, if we had a poor season, if we had an ongoing drought and if we had poor conditions, we would see an animal welfare disaster of a type we have never seen before. You are right, Senator Boswell, we will see the death of up to a million cattle.

Recently the cattlemen went through AgForce to the Queensland government and asked it to reopen some national parks and state parks that were themselves cattle stations. We are not talking about the Daintree Rainforest; we are talking about areas that were themselves cattle stations. The Queensland government, acting responsibly—no, Senator Conroy, not acting
irresponsibly—have allowed graziers to turn their cattle in there. We now have environment minister Burke threatening to use the legislation to not only demand those cattle be removed but actually to fine those graziers. Be clear on this: why do we have that disaster?

The cows are about to calve in North Queensland and across the North. The calves from last year should be being prepared to be shipped overseas—they are still here. And the calves from two seasons ago should long have been in our export markets. I have to stand there now, talking to colleagues from Indonesia, to those from the Middle East with whom I was associated when I was a veterinarian in the live animal trade, and explain to them why it is that Australia's reputation has been trashed.

I will finish on the point of animal welfare, where I commenced. Of all of the 109 countries in the world that export live animals, only one attends to animal welfare and management of husbandry and transport in its target markets—Australia, and we have done so for years. It is Australia that has elevated the standards of animal welfare in our target markets, and if we are caused to exit those markets then I will tell you what will happen to animal welfare standards in those countries. Rest assured, they are still importing. The Saudis, who used to import three million sheep a year from us, are still importing nine million sheep a year. I have to stand there and face the pastoralists and the farmers who are shooting stock and who themselves are facing suicide as a result of the decisions of this government. (Time expired)

Question agreed to.

Illicit Drugs

Senator DI NATALE (Victoria) (15:31): I move:

That the Senate take note of the answer given by the Minister for Agriculture, Fisheries and Forestry (Senator Ludwig) to a question without notice asked by Senator Di Natale today relating to drug policy.

I was very happy today to ask a question on behalf of OurSay. OurSay was launched during the 2010 election campaign with the goal of using new technologies to connect the public with decision-makers, with lawmakers. It was founded by a team of young Australians from across the political spectrum and is doing more and more work abroad, including in India, the world's largest democracy. In fact, the Prime Minister herself took part in an OurSay event last year when she answered questions during a Google Hangout.

The People's Question Project aims to close the distance between citizens and the halls of power by inviting elected reps to speak directly to the issues raised by the community. I was happy to ask the question because, in my view, question time is broken. What we get is the usual parade of predictable questions from the opposition—questions that are aimed more at trying to get a grab for the six o'clock news bulletin, more aimed at spinning a line than in fact at probing the government on issues of public policy. What we get from the government are non-answers and obfuscation and we rarely get the questions being addressed. We get Dorothy Dixers, we get insults, we get bickering—question time in this place is broken, and it was with great pleasure that I was able to bring in the voice of the community into this chamber.

I know that members of the community who voted for this question would not have been happy with the answers given by the minister today. What they want to hear is a respectful, honest debate, and they want to get some sense that the government is taking these issues seriously. It is no surprise that
the public do want to see a change in approach to the issue of drug law reform in this chamber. It is an area where public common sense and the conventional wisdom of the parliament are at odds. That is not true of all politicians in this place—in fact, I had the pleasure of standing next to Mal Washer, a conservative member of parliament, and Rob Oakeshott, an Independent, to discuss this issue and to call for a dispassionate look from the Productivity Commission. We would like to see the issue referred to the Productivity Commission.

Usually, this is the domain of retired politicians. It is amazing how much braver and more courageous politicians become on the issue of illicit drugs when they leave the chamber. Unfortunately, what we get from our sitting MPs is usually deathly silence or, worse still, cheap populism.

I am very happy to stand here and say that we do need to tackle this issue. We are currently paying an enormous price for our current approach. For example, we are now getting people like the former UN Secretary-General Kofi Annan and Alan Jones together saying that we need to take this on and reform what we are currently doing. Unfortunately, there is no sign of a change in approach. We have seen the response to the issue of emerging synthetic drugs in the news recently, and, of course, it is business as usual—let's blunder ahead with the same failed policies and let's, in the end, expose people to more harms and more harmful, dangerous substances.

The threshold decision here is: are we prepared to take this issue on as an issue of public health? Are we prepared to say that this issue needs to be dealt with through the health framework rather than simply rattling the law and order chain? That is the threshold decision that needs to be made in this chamber.

In fact, in New Zealand we saw a very different change in approach to the issue of emerging synthetic drugs, where we are going to see the onus on the industry to prove safety. That, I think, is an important step forward. We have an opportunity to do that here in Australia rather than going down the same failed road, yet at this stage it looks like politicians on all sides are not prepared to do what the public health community and the drug and alcohol sector say, which is: let's invest more in treatment, let's invest more in harm reduction and let's start treating this issue as it must be treated—as a public health issue rather than a law and order issue.

Question agreed to.

CONDOLENCES

Baird, Corporal Cameron Stewart, MG

Senator CONROY (Victoria—Leader of the Government in the Senate, Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (15:36): by leave—I move:

That the Senate records its deep sorrow at the death, on 22 June 2013, of Corporal Cameron Stewart Baird, MG, while on combat operations in Afghanistan, places on record its appreciation of his service to our country, and tenders its profound sympathy to his family, friends and colleagues in their bereavement.

The PRESIDENT: I ask honourable senators to stand, in silence, to signify their assent to the motion.

Question agreed to, honourable senators standing in their places.

PETITIONS

The Clerk: Petitions have been lodged for presentation as follows:
Work, Life and Family Survey

To:
The Australian Senate, To the Honourable President and members of the Senate in Parliament assembled

The WoLFS survey provides data on how Australians spend their time. This gives us a clear picture of how much unpaid and paid work is done to keep this country moving. Knowing the amount of care done on a voluntary basis is the key to understanding gender equality and making well informed decisions about our future. We cannot get this information any other way, yet the survey was recently cancelled.

The Government recently renewed their commitment to flexible working hours for workers with caring responsibilities, but this was followed closely by the cancelling of the Work, Life and Family Survey (WoLFS) by the Australian Bureau of Statistics (ABS).

Time-use surveys such as the WoLFS are the only accurate record of the unpaid work that underpins economic activity. They provide crucial data enabling policy analysis that accurately encompasses women's working lives and experience. It provides accurate data concerning the extent and distribution of unpaid work and its intersection with paid work.

This data is vital for good policy and planning. We need to know how much care is currently being provided on a voluntary basis, how this affects retirement incomes and the effects of increased participation in the paid workforce on availability for care work.

Such data is particularly important due to the aging of the population. It is also relevant to early life care and education policy agendas and to understanding the time required to maintain health and reduce future health system costs.

We need to be able to estimate the value to the economy of goods and services provided on an unpaid basis. Without such measures economic statistics are incomplete, misleading and can lead to counter-productive policy outcomes.

The time-use survey is also an absolutely vital statistical record of women's work, which too often goes unrecorded because the bulk of it is unpaid.

The distribution of unpaid work is also key to understanding women's cumulative economic disadvantage over the life course and to effective strategies for gender equality.

Australian time-use methodology is world class and accepted as best practice internationally. It is also among the most cost-effective of ABS surveys. To save a relatively trivial amount a national data treasure will be lost.

National time-use surveys took place in 1992, 1997 and 2006. In 2000 the time-use survey was dropped as a core social survey. This meant it lost some continuity despite change in this area being at least as pervasive as in other areas of social concern. We need repeated measures over the years to capture changes in work and family balance. Anecdotal evidence is insufficient and risky as a basis for family policy, including policy that enables men to spend more time on caring responsibilities.

Policy departments need this data.

At a time when such data is most urgently required, and when existing data is already more than six years old, the time-use survey needs to be enhanced rather than abolished. Making policy in the dark will mean that millions of productive Australians will continue to be disadvantaged.

Our petitioners ask that the Senate restores the funding to the ABS that will allow the ABS to bring forward the WoLFS time use survey, 2019 is too far away. If this is not possible, at a minimum, engage in a consultation process to develop an interim solution.

by Senator Hanson-Young (from 1,191 citizens).

Petition received.

NOTICES

Presentation

Senator Abetz to move:
That the Senate—

(a) notes:

(i) that in 2011, the Government passed the Work Health and Safety Bill 2011 which
removed the term 'control' from the Duties of Care which changed the longstanding principle that responsibility for safety under the Act should be allocated according to what was within reasonable and practicable control,

(ii) that this principle was established in the 1972 Robens Review which recommended that responsibility for safety be allocated according to reasonable and practicable control and enshrined in the International Labor Organization Convention 155, article 16,

(iii) that the Parliamentary Secretary for School Education and Workplace Relations, Senator Collins, confirmed in the 2011 Senate debate that a principal contractor retains responsibility for all safety down the contractual line with the new person conducting a business or undertaking test,

(iv) the numerous reports of exposure to asbestos in telecommunications pits while rolling out the National Broadband Network,

(v) evidence from the Chief Executive Officer of Comcare at Senate estimates that the Commonwealth Government may be liable for these exposures under the Work Health and Safety Act 2011, and

(v) further evidence that more than half of all asbestos cases since 1996 involving telecommunications pits have occurred in the past 6 weeks;

(b) calls on the Minister for Broadband, Communications and the Digital Economy and the Minister for Employment and Workplace Relations to provide the Senate with a detailed report before 27 June 2013 on asbestos in telecommunications pits and the responsibilities of the Government, the Department of Broadband, Communications and the Digital Economy and the National Broadband Network Corporation under the Work Health and Safety Act 2011; and

(c) supports moves to protect workers by the Government and Telstra, and recognises the longstanding contribution of the trade union movement towards awareness and identification of asbestos.

Senator Rhiannon to move:
That that there be laid on the table, by the Minister representing the Minister for Infrastructure and Transport, no later than noon on Thursday, 27 June 2013, the overdue report by the National Transport Commission, 'Review of the Australian Road Rules and Australian Vehicle Standards Rules: Draft Evaluation Report', which was due for release in March 2012.

Senators Pratt and Singh to move:
That the Senate—
(a) supports the world's largest network of marine parks put in place by this Government; and
(b) supports the management plans for the marine parks.

Senator Ludlam to move:
That the following bill be introduced: A Bill for an Act to provide for the better use of, and fairer access to, copyrighted information, and for related purposes. Copyright Legislation Amendment (Fair Go for Fair Use) Bill 2013.

Senator Rhiannon to move:
That the Senate—
(a) notes that:

(i) the Global Fund to fight AIDS, Tuberculosis, and Malaria board meeting, held in the week beginning 16 June 2013, approved the first funding grants under its new funding model, 

(ii) one of the first three countries receiving funding is Myanmar, with which Australia has established significant ties, including support for its health sector and efforts to tackle HIV/AIDS and tuberculosis,

(iii) the Australian Government has been a significant supporter of the Global Fund since 2004, contributing $310 million to help the Global Fund save an estimated 8.7 million lives to date,

(v) this money has been leveraged in the Asia Pacific, where between 2002 and 2012 the Global Fund has invested $3.1 billion, and

(vi) the Global Fund remains the biggest international funder for the three diseases, providing 80 per cent of international funding for
tuberculosis, 50 per cent for malaria and one-fifth of international funding for HIV;
(b) calls on the Government to consider the request of the Global Fund and civil society health professionals to significantly increase Australia's financial support to the Global Fund to help address the funding gap that has grown between patient needs and resources available to meet those needs, as part of the Fourth Global Fund replenishment at the end of 2013; and
(c) reiterates the commitment of all parties to Australia's ongoing financial support for global efforts to eradicate HIV/AIDS, tuberculosis and malaria.

**Senator Waters** to move:
That the Senate—
(a) notes:
(i) the government estimates that the Reef Rescue program has stopped the equivalent of over one million wheelbarrows worth of sediment run-off entering the Great Barrier Reef,
(ii) that at least 116 times that amount of sediment has been approved by this Government for offshore dumping in the Great Barrier Reef World Heritage Area, and
(iii) scientific understanding, that added sediment in the marine environment has destructive impacts on seagrasses and corals; and
(b) calls on the Government to prohibit offshore dumping of dredge spoil within the Great Barrier Reef World Heritage Area.

**Senator Singh** to move:
That the Senate—
(a) notes that the Universal Periodic Review (UPR) Working Group of the United Nations Human Rights Council will review the implementation of recommendations which emerged from the first UPR cycle of 14 states, as well as human rights developments since the first review of these states, in its seventeenth session commencing in October 2013;
(b) urges the full and transparent engagement of all states with the UPR process and consideration of the recommendations arising thereof; and
(c) notes that China is scheduled in this session for review, and:
(i) supports China's participation in the UPR,
(ii) notes the ongoing tension in the Tibetan regions, and nearly 120 deaths by self-immolation in protests against China's policies in those regions, and
(iii) endorses Australia's efforts to promote human rights in Tibet.

**Senator Moore** to move:
That the Senate calls on the Federal Government to:
(a) work cooperatively with the states through the Council of Australian Governments and the Australian Council of Trade Unions, in order to get agreement among all states on a minimum standard of entitlements for all workers in all industrial relations jurisdictions across Australia, particularly around reflecting Australia's international obligations in respect of consultation, dispute resolution, general protections, major organisational change and entitlements;
(b) commence the process of ratifying the International Labor Organization's Collective Bargaining Convention 1981 (No. 154) and Collective Bargaining Recommendation 1981 (No.163); and
(c) explore options to:
(i) deal with the growing problem of indirect employment relationships, particularly through labour hire arrangements used by state governments and the Commonwealth, and
(ii) ensure all Australian workers, including those in state public sector employment, have adequate and equal protections of their rights at work.

**Senator McKenzie** to move:
That the Senate—
(a) notes the importance of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and specifically that signatories to the convention:
(i) are conscious of the value of wild fauna and flora from aesthetic, scientific, cultural, recreational and economic points of view,
(ii) recognise that peoples and states are and should be the best protectors of their own wild fauna and flora, and

(iii) recognise that wild flora and fauna are an irreplaceable part of the natural systems of the earth, needing protection for generations to come;

(b) acknowledges that flora and fauna have value to recreational users of our national parks; and

(c) supports the different values that are placed on flora and fauna by different people and groups, and agrees those different values should be balanced through sustainable usage approach.

Senator Siewert to move:

Senator Siewert to move:
That the Senate
(a) notes that Australia's legal action against Japanese whaling will begin in the International Court of Justice, The Hague, on 26 June 2013, and will be followed closely by all Australians who have expressed significant concern about the annual slaughter of whales in Antarctic waters; and

(b) urges the Government to outline how a positive result for Australia in this court case will be enforced by Australia and what financial provisions have been made to resource the enforcement efforts.

COMMITTEES

Foreign Affairs, Defence and Trade References Committee

Meeting

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (15:38): by leave—At the request of the Chair of the Foreign Affairs, Defence and Trade References Committee, Senator Eggleston, I move:

That the Foreign Affairs, Defence and Trade References Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Wednesday, 26 June 2013, from 1 pm.

Question agreed to.

Community Affairs Legislation Committee

Reporting Date

Senator McEWEN (South Australia—Government Whip in the Senate) (15:39): by leave—At the request of the Chair of the Community Affairs Legislation Committee, Senator Moore, I move:

That the time for the presentation of the report of the Community Affairs Legislation Committee on the provisions of the Homelessness Bill 2013 and a related bill be extended to 20 August 2013.

Question agreed to.

NOTICES

Postponement

The following item of business was postponed:

General business notice of motion no. 1233 standing in the name of Senator Rhiannon for today, proposing the introduction of the Overseas Aid (Millennium Development Goals) Bill 2013, postponed till 26 June 2013.

REGULATIONS AND DETERMINATIONS

Australian Charities and Not-for-profits Commission Amendment Regulation 2013 (No. 1)

Senator WONG (South Australia—Deputy Leader of the Government in the Senate and Minister for Finance and Deregulation) (15:39): At the request of Senator Collins, I move:

That, in accordance with section 45.20 of the Australian Charities and Not-for-profits Commission Act 2012, the Senate approves the Australian Charities and Not-for-profits Commission Amendment Regulation 2013 (No. 1) made under the Act on 1 March 2013.
Senator SIEWERT (Western Australia—Australian Greens Whip) (15:40): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for two minutes.

Senator SIEWERT: The Australian Greens are supporting this motion on the government's standards for the Australian Charities and Not-for-profits Commission, which will enable the commission to better fulfil its objectives under the act. We note that this has not been an easy decision. We strongly supported the creation of the ACNC and secured a number of amendments to strengthen the legislation and secure the independence of both the ACNC and the sector. The ACNC has three objectives: to promote an independent and vibrant sector; to reduce unnecessary regulatory obligations; and to maintain, protect and enhance public confidence and trust in the sector.

Over the last few months the ACNC's culture has had a fairly proactive approach to enforcement of some of these objectives—particularly around its data collection requirements—and this process has been heavily criticised by some charities. I share their concerns that the ACNC is being unnecessarily heavy-handed in its approach to regulating charities, presenting a view of the sector that focuses on the rogues rather than the thousands and thousands of organisations that help and support the community. They are concerned that the ACNC is being unnecessarily heavy-handed in its approach to regulating charities, presenting a view of the sector that focuses on the rogues rather than the thousands and thousands of organisations that help and support the community. 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I am glad that the ACNC has made an effort to understand the concerns of the community organisations, but that there is still more work for it to do to win the trust and confidence of the sector. There is more work for it to do to understand the impact that its communication strategy has had on the sector and that it is not promoting the enhancement of public trust and confidence in the sector—rather, it could undermine it. I also note that not-for-profit organisations have been generally supportive of the governance standards themselves. (Time expired)

Question agreed to.

COMMITTEES

Environment and Communications References Committee

Reporting Date

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (15:43): At the request of Senator Birmingham, I move:

That the time for the presentation of the report of the Environment and Communications References Committee on extreme weather events be extended to 10 July 2013.

Question agreed to.

MOTIONS

Asbestos

Senator McEWEN (South Australia—Government Whip in the Senate) (15:43): At the request of Senator Singh, I move:

That the Senate—

(a) commends the Government for taking action to protect Australians from asbestos and continuing to lead the world in trying to eliminate deadly asbestos-related diseases;

(b) notes the establishment of the new National Asbestos Exposure Register in the wake of community concerns after asbestos was found in Telstra pits in four states during the rollout of the National Broadband Network;
(c) acknowledges the response from Telstra to ensure all workers are trained in the removal and handling of asbestos located in its pits; and
(d) recognises the historic legislation to implement the National Strategic Plan for Asbestos Awareness and Management by:
  (i) establishing the Asbestos Safety and Eradication Agency, which will be dedicated to working with all states and stakeholders to create a nationally consistent approach to the eradication, handling of awareness of asbestos,
  (ii) working to develop a public awareness campaign to highlight the dangers of asbestos,
  (iii) implementing a prioritised removal program across Australia, and
  (iv) playing a leadership role in the global campaign for a worldwide asbestos plan.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (15:43): Mr Deputy President, I seek leave to make a one-minute statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator ABETZ: It is disappointing that we have this motion of self-congratulation by the government for the government, when each and every member of this place and the other place supported the bill in its passage. Labor rightly accepted a number of amendments that the coalition put forward in a bipartisan manner to ensure that some of the wrinkles were ironed out. Even a CFMEU publication has recognised my role and that of the coalition. If even the CFMEU could be bipartisan, one wonders why Labor in this place could not. That the government can congratulate itself in circumstances where they cut funding to the asbestos agency before it even started speaks a lot louder than self-serving self-congratulatory motions. In a spirit of bipartisanship, given the importance of this issue, the coalition will overlook the crass politics and not oppose the motion.

Question agreed to.

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**Homelessness**

Senator LUDLAM (Western Australia) (15:45): I seek leave to amend general business notice of motion No. 1292 standing in my name for today.

Leave granted.

Senator LUDLAM: I move the motion as amended:

That the Senate—

(a) notes that:
  (i) on any given night more than 105 000 Australians are experiencing homelessness, including 7 000 people sleeping rough or without adequate shelter,
  (ii) while the rate of rough sleeping fell by 13.5 per cent between 2006 and 2011, in 2012 more than 136 800 instances for a request for assistance went unmet, and
  (iii) the Leader of the Opposition (Mr Abbott) refuses to commit to the goal of the Homelessness White Paper to halve homelessness by 2020 and provide services to all those seeking them; and

(b) calls on:
  (i) the Liberal Party to commit to the goal to halve homelessness and provide services to all seeking them by 2020, and
  (ii) all parties to commit to support a new agreement with state and territory governments to 2020 and beyond, with increased transparency, accountability and targets, in order to provide the housing, support and services necessary to help Australians most in need.

Question agreed to.

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**Gene Patents**

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:45): I, and also on behalf of Senators Di Natale and Heffernan, move:

That the Senate—

(a) notes the recent ruling by the United States Supreme Court that human genes are not eligible for patent protection;
(b) recognises that this ruling is a significant development in the debate over gene patenting and the future of medical research; and
(c) urges the Australian Government to consider the implications of this for the Patents Act 1990.

Question agreed to.

**DOCUMENTS**

Freedom of Information

**Order for the Production of Documents**

Senator RHIANNON (New South Wales) (15:46): I move:

That there be laid on the table, by the Minister representing the Attorney-General, no later than noon on Thursday, 27 June 2013, the report of the review into the operation of the Freedom of Information Act 1982 and the Australian Information Commissioner Act 2010 and the government response to the review.

Question agreed to.

Senator WONG (South Australia—Deputy Leader of the Government in the Senate and Minister for Finance and Deregulation) (15:46): by leave—In relation to the motion that the Senate has just dealt with, the government has opposed the motion on the basis that the documents in question do not exist. In October 2012, the then Attorney-General released the terms of reference for the review. The legislation requires that a written report of the review be prepared and be laid before the parliament within 15 sitting days after the minister receives the report. I am advised that the report has not yet been completed, though I am advised by the Attorney-General that Dr Hawke is at an advanced stage of work on the report. As I understand it, the Attorney-General's office has advised Senator Rhiannon's office of this fact—that the Attorney-General is yet to receive the report in question, let alone have an opportunity to prepare a response. Therefore the government is not in a position to table either the report or the government response at this time.

**MOTIONS**

Australian Vaccination Network

Senator DI NATALE (Victoria) (15:47):

I move:

That the Senate—

(a) notes:

(i) the low vaccination rates in certain parts of Australia, and the threat this poses to the health of Australian children, and
(ii) the irresponsible campaign run by the Australian Vaccination Network (AVN), which is spreading misinformation about the risks of vaccination and discouraging parents from vaccinating their children; and

(b) calls on the AVN to immediately disband and cease their harmful and unscientific scare campaign against vaccines.

Question agreed to.

**BILLS**

Commonwealth Electoral Amendment (Leaders' Debate Commission) Bill 2013

First Reading

Senator MILNE (Tasmania—Leader of the Australian Greens) (15:48): I move:

That the following bill be introduced:

A Bill for an Act to amend the Commonwealth Electoral Act 1918, and for related purposes.

Question agreed to.

Senator MILNE: I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator MILNE (Tasmania—Leader of the Australian Greens) (15:49): I move:

That this bill be now read a second time.
I seek leave to table an explanatory memorandum relating to the bill.

Leave granted.

**Senator MILNE:** I table the explanatory memorandum and seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

*The speech read as follows—*

Too often our political leaders do not answer the questions which are important to voters, instead feeding them one line slogans or just engaging in a slanging match with their opponents. Voters deserve better from their political leaders.

The Australian Greens believe the Commonwealth Electoral Amendment (Leader's Debate Commission) Bill 2013 provides a way to make sure the leaders of our country are held to account and give voters the answers they are waiting for. In the past we've witnessed the farce of the two old parties making all the decisions about the format, timing and rules for election debates. This bill establishes an independent, non-partisan Commission to take the politics out of political debates and give Australians an opportunity to hear from all political leaders before the election. The Australian Greens hope to have the Commission established in time for the 2013 federal election and, as the third largest political party, expect to play a key role in this year's debates.

The bill establishes a Leader's Debate Commission which will implement a system to convene three or more debates between the leaders of each party that is a registered political party, and independent or non-aligned members of parliament, within the period of three months prior to each general election for the House of Representatives. The Commission will be impartial, independent and apolitical at all times.

The bill requires a Commissioner and seven Deputy Commissioners to be appointed. Together they will determine the format, length and structure of the debates, the number of debates, the participants, the moderator, the location of the debates, the broadcast and promotion of the debates as well as a system to identify questions that the participants will be asked at each debate.

In order to be representative of all those involved in the debates as well as the general community, the Deputy Commissioners will be chosen from a broad range of professions. The Deputy Commissioners will be a member of the Commonwealth Parliament Press Gallery, a representative of the National Press Club, 1 representative of each of the ALP, Coalition and Australian Greens Parties and 2 non-partisan community representatives. It is necessary to ensure the community have a role in administering the debates to ensure the Commission deliver what the people of Australia want.

The establishment of a Leader's Debate Commission is an important democratic reform for Australia. It will increase the level of the public's engagement with politics at the crucial time of elections to better inform voter's choices.

I commend this bill to the Senate.

**Senator MILNE:** I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**MOTIONS**

**Climate Change**

**Senator MILNE** (Tasmania—Leader of the Australian Greens) (15:49): I move:

That the Senate notes that:

(a) climate change is still the greatest moral, economic and social challenge of our time; and
(b) the Coalition's Direct Action Plan, which was announced before the last election in 2010, still has not received public support from a single Australian economist or industry group.

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

The Senate divided. [15:54]

(The President—Senator Hogg)

Ayes ......................36
Noes ......................31
Majority...................5
Question agreed to.

Tasmanian Wilderness World Heritage Area

Senator MILNE (Tasmania—Leader of the Australian Greens) (15:57): I move:

That the Senate—

(a) welcomes the World Heritage listing of the extension to Tasmania's Wilderness World Heritage area decided at the World Heritage Committee meeting of the United Nations Educational, Scientific and Cultural Organization [UNESCO] on 24 June 2013;

(b) supports the values of Australia's World Heritage listed areas and the provision of adequate funding to maintain their natural and cultural values; and

(c) supports a total prohibition on logging in any World Heritage areas in Australia, now and into the future.

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

The Senate divided. [15:59]

[The President—Senator Hogg]

AYES
Bilyk, CL
Brown, CL
Carr, KJ
Di Natale, R
Feeney, D
Gallacher, AM
Hogg, JJ
Ludlam, S
Lundy, KA
McEwen, A (teller)
Milne, G (teller)
Polley, H
Rhiannon, L
Singh, LM
Sterle, G
Thorp, LE
Waters, LJ
Wong, P
Bishop, TM
Cameron, DN
Crossin, P
Farrell, D
Furner, ML
Hanson-Young, SC
Lines, S
Ludwig, JW
Marshall, GM
McLucas, J
Moore, CM
Pratt, LC
Siewert, R
Thistlethwaite, M
Urquhart, AE
Whish-Wilson, PS
Wright, PL

NOES
Back, CJ
Bernardi, C
Birmingham, SJ
Boswell, RLD
Boyce, SK
Bushby, DC
Cash, MC
Colbeck, R
Cormann, M
Edwards, S
Eggleston, A
Fawcett, DJ
Fierravanti-Wells, C
Fifield, MP
Heffernan, W
Humphries, G
Johnston, D
Joyce, B
Kroger, H (teller)
Macdonald, ID
Mason, B
McKenzie, B
Nash, F
Parry, S
Payne, MA
Ronaldson, M
Ruston, A
Ryan, SM
Sindonis, A
Smith, D
Williams, JR

PAIRS
Collins, JMA
Conroy, SM
Faulkner, J
Brandis, GH
Scullion, NG
Abetz, B

AYES
Bilyk, CL
Brown, CL
Carr, KJ
Di Natale, R
Feeney, D
Gallacher, AM
Hogg, JJ
Ludlam, S
Lundy, KA
McEwen, A (teller)
Milne, C
Polley, H
Rhiannon, L
Singh, LM
Sterle, G
Thorp, LE
Waters, LJ
Wong, P
Bishop, TM
Cameron, DN
Crossin, P
Farrell, D
Furner, ML
Hanson-Young, SC
Lines, S
Ludwig, JW
Marshall, GM
McLucas, J
Moore, CM
Pratt, LC
Siewert, R
Thistlethwaite, M
Urquhart, AE
Whish-Wilson, PS
Wright, PL

NOES
Back, CJ
Bernardi, C
Birmingham, SJ
Boswell, RLD
Boyce, SK
Bushby, DC
Cash, MC
Colbeck, R
Cormann, M
Edwards, S
Tuesday, 25 June 2013

SENATE

3931

CHAMBER

NOES

Eggleston, A
Fierravanti-Wells, C
Heffernan, W
Johnston, D
Kroger, H (teller)
Mason, B
Nash, F
Payne, MA
Ruston, A
Sinodinos, A
Williams, JR

Fawcett, DJ
Fifield, MP
Humphries, G
Joyce, B
Maclennan, ID
McKenzie, B
Parry, S
Ronaldson, M
Ryan, SM
Smith, D

PAIRS

Collins, JMA
Conroy, SM
Faulkner, J

Brandis, GH
Seullion, NG
Abetz, E

Question agreed to.

BILLS

Australian Jobs Bill 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator COLBECK (Tasmania) (16:01):

Prior to question time I was making some comments in relation to the Australian Jobs Bill 2013. In my comments I did not say that the opposition are opposing this piece of legislation, but I did put on the record some of the reasons why we might be doing that. One reason in particular is that this legislation imposes additional costs on industry and on business, which, as I said earlier, is a hallmark of this government. I talked about the fact that this government has imposed the carbon tax on Australian business. The government claims that it has only a small impact, but it does its calculations on an economy-wide basis—it ignores sectoral specifics of the cost of a carbon tax on industry. I know one business, for example, that has spent $17 million to mitigate the cost of the carbon tax on its business. It did receive some government assistance to put a co-generation plant in as a part of that project. That will reduce their energy costs, but not in a net sense. After they have spent that $17 million, after they have received $4 million in taxpayers' assistance to spend that money, they will still have a $7 million a year bill over and above what they had before the carbon tax came in.

The government talks about its food and foundries program. Government members were in Wynyard in Tasmania with a company recently, talking about the fact that that company was going to save $140,000 a year on its energy bills, but they did not say what the net cost to the company of the energy bills was. That is what the opposition has been complaining about the whole time: the government talks about the saving but it does not talk about what the overall cost is going to be. As I said, one business spent $17 million to reduce its energy costs, which it has done, but in a net sense it is still $7 million a year worse off. These are costs being imposed on industry by government. When I go around talking to business and industry here in Australia, I hear that the cost of government to business is a significant issue.

What does this bill do? This bill adds more cost to business—yes, on large projects, but it does impose additional cost and create a new bureaucracy. We have seen extraordinary growth in the bureaucracy over the last six years, since this government has been in place. That is what we oppose. We oppose additional cost on industry and business, and we oppose the unnecessary growth of the bureaucracy.

This piece of legislation requires Australian industry plans for projects with a capital expenditure of over $500 million to have an Australian industry opportunity officer embedded in the procurement teams.
of those companies. There was some concern earlier in the piece that this would mean that a bureaucrat would be embedded into the business. We know now, through the discussions we had at estimates, that that is not the case. We are pleased that business is not going to be impacted here.

This legislation will establish a new bureaucracy, the Australian Industry Participation Authority, supposedly to raise the profile of the industry plans and to help industry gain access to opportunities. The legislation talks about the 10 industry innovation precincts, which the government is going to create. The government says that these changes will create an extra $1.6 billion to $6.4 billion worth of economic activity for the region. The other thing that was discussed at estimates was how this will be funded. It will be funded by cutting access to research and development. So $1.1 billion will come off R&D for industry in Australia and placed into this program. A lot of concern was generated around where the costings for this would come from. We talked to the industry department within the tax office, and they could not tell us where the difference was between, I think, the $460 million in the initial discussions on this and the $1.1 billion that it is now. The tax department talked us through the process for that number. But the fact is that here we are talking about creating jobs by taking assistance away from industry, away from the R&D that gives industry its leading edge and technological advancement. So we are going to fund this plan by cutting back on the smart end of industry. That is how we are going to allegedly create these jobs.

As I said prior to question time: here we are in the last sitting week and the government bring in the Australian Jobs Bill. We are supposed to believe that this is part of a broader plan, which the government fund by cutting R&D. They create a new bureaucracy of 50 people, but they impose an additional cost on business. The government have brought in more than 20,000 new regulations. It is no wonder that, when Senator Sinodinos and his deregulation task force set about to find savings, they found in excess of $1 billion a year worth of savings. There have been 20,000 new regulations created under the Gillard and Rudd governments, yet the government now, with this piece of legislation, wants to create more regulation and more cost and impose additional cost on industry.

Let us go through the costings. The department estimates that the development of a plan under this process will cost $9,000 based on an employer spending two weeks on the plan at an annual salary of $200,000. So fairly highly qualified people will be creating these plans. The reporting on the implementation of the plan, which is every six months, would be another $9,000 a year. So, for the life of the project, it will cost $9,000 a year for reporting, and it would take one week to prepare every six months. The cost of implementing the plan is put at $29,000 a year. It is starting to add up: $9,000 to develop it, $9,000 every six months for reporting and then $29,000 to implement it. As I said before question time: more cost, more regulation, more bureaucracy in the last sitting week of parliament.

Twenty thousand regulations have already been imposed by this government at a time when industry is telling us that the cost of government to business is a significant issue. I have talked about the mining tax, we all know about the carbon tax and we know about increased energy costs; all of these things have been imposed by this government on industry here in Australia, and the government tries to walk away from the fact that these things have had a negative
impact on the competitiveness of Australian business and industry.

We have seen the Steel Transformation Plan; that is a transformation that nobody likes to see, because the steel industry will be half of what it was before the government brought in the Steel Transformation Plan. We have seen a huge loss of jobs in the food processing sector and we see even more jobs under threat in that sector right now. In my home state of Tasmania we see significant concern around the Simplot plant. The company has given that plant until August or September to come up with a plan to see it survive beyond the next three to five years. We know that the Bathurst plant may not see out the next 12 months. Yet this government thinks that the way to deal with those things is to layer more regulation and more cost onto industry and business and expect that they might survive or thrive.

We have seen an out-of-balance industrial relations system being put into place; industry talk to us about that all the time. We have seen the inconsistency in industry policy. We have seen the car industry talk about sovereign risk in relation to government policy and the inconsistency of government policy over the last two years. We have seen concern about the promises that have been made. The cash-for-clunkers scheme that was going to assist the car industry disappeared before it started. Other elements of funding that were to go to the car industry were taken away before they were fully implemented. That sort of inconsistency undermines the confidence of industry and business in the governance of this country, particularly in their willingness to invest into the future—and we are seeing that.

We have seen Ford say, 'That is it; we are going to cease manufacturing in this country.' We are seeing Holden right now having some very difficult conversations with their employees in South Australia about their future and what it is going to take. If these are not manifestations of the concerns around policy in this country and of the fact that industrial relations and costs are concerning industry, I do not know what are.

In relation to this bill, we are concerned that we are creating a bureaucracy of 50 people. We are imposing tens of thousands of dollars of additional cost, yet again, through a requirement for a plan to be put in place, six-monthly reporting and then the implementation of that plan. We are concerned that this is all being funded by reducing research and development in this country. We have already seen the reform that this government put through on the R&D tax process, which was designed to restrict and limit the growth of R&D in this country beyond $20 billion a year. Yet here we are taking away the access of more companies to R&D in order to fund this process, which is about more red tape, more compliance cost and more bureaucracy.

This is symptomatic of the issues that we have dealt with from this government right through the last six years, issues that industry tell us continue to be significant problems for them. Yes, we have had the impact of the high dollar. But when you have that particular environment why would you then continue to layer on red tape, green tape and bureaucratic costs? It does not make sense—and yet we are expected to believe that this piece of legislation is going to assist in job creation at a cost to R&D expenditure. That is the reason that the opposition will not be supporting this piece of legislation.

Senator XENOPHON (South Australia) (16:15): At the outset, I would like to indicate my broad support for the Australian Jobs Bill 2013. But I also believe that this bill does not go far enough. I note Senator
Colbeck's comments in relation to the bureaucracy. I am always concerned about a new bureaucracy being created. Senator Colbeck gained a unique insight into manufacturing and into our food-processing sector through the inquiry that he very capably chaired and that I was pleased to be a part of. That inquiry uncovered some of the problems in the processing sector. There were a whole range of factors. There were supply chain issues, the duopoly issues and a whole range of other factors in terms of cost pressures on the industry. That gave us a unique insight into that sector. You can extrapolate some of the issues there about the problems with Australian manufacturing and the jobs being lost from there and jobs being lost in the sorts of projects that this particular piece of legislation will relate to.

Australian manufacturers are under threat. They are competing against a high Australian dollar and cheap overseas imports, and they are struggling to survive. Fortunately, the Australian dollar has come off the boil a bit—about 11 per cent—which is unambiguously good for the economy. I hope that it goes down even further to give our farmers and our manufacturers a fighting chance. I appreciate that this bill is an attempt to support Australian manufacturers and contractors and to ensure that they get a slice of the investment in both the public and the private sectors. But there are still too many hurdles in the way.

A report from the Prime Minister's Taskforce on Manufacturing in August last year estimated that 950,000 people were employed in the sector and it contributes eight per cent of our gross domestic product directly. That does not include the significant amount that it contributes indirectly through flow-on effects to other businesses. The multiplier is quite significant. It also comprises 29 per cent of Australia's exports, despite the high dollar. But the report also stated that over the last four years over 100,000 jobs have disappeared. That means that 100,000 families around the nation have been affected by this plunge in employment in our manufacturing sector. The report also estimates that another 85,600 jobs at a minimum may be lost in the next five years. I believe that that is unacceptable. We need to tackle that.

If we lose our manufacturing sector, we will be at a global disadvantage. We will lose not only hundreds of thousands of jobs but also our self-sufficiency. We should also look at what the Obama administration has been involved with in the United States. There has been a renaissance of the manufacturing industry in the United States, a turnaround. It is interesting that in that country, in exchange for the bailout funds given to General Motors, the United States took equity in General Motors. It is not unreasonable to say that if there is further assistance to industry we should look at the model that has been used in the United States, at least in regard to the funding being secured against assets and the like. We need to have a debate about that.

It is plain common sense that Australian contractors and manufacturers should have the first chance of tendering for government funded projects. Unfortunately, the tender process often does not look further than the flat price, so an Australian company can lose out to a cheaper overseas company. But that does not take into account the flow-on effect to the economy—the multiplier effect of using a company that is based here, employing people in this country, paying Australian taxes and contributing directly to the economy in a way that we may not see with other entities. An Australian company, although it might be slightly more expensive in dollar terms, may be a much better deal for our economy. Surely that justifies paying some extra taxpayer dollars, especially
considering that those paid to an overseas company might simply go offshore.

I acknowledge that this bill aims to ensure that any company applying for tender has to meet certain requirements of, for want of a better term, Australian content whether it is applying for a publicly or privately funded project. But I do not think that this bill goes far enough. We also need to look at what has happened in the United States, where there has been a turnaround in their manufacturing industry. Procurement is an issue that my colleague Senator Madigan has campaigned on and been very vocal on. That needs to be considered very closely. There should be specific requirements to consider one-off costs versus overall economic effect.

I will also be moving an amendment aimed at ensuring that companies are aware of antidumping and countervailing issues. Under this amendment, project proponents who are operators of new relevant facilities will have to ensure that they are not using goods or services that contravene Australia’s antidumping or countervailing laws. In practice, this means that contractors will need to look more closely at the overseas products and services that they are using to ensure that there is no possibility of dumping or countervailing. Naturally, contractors are not able to make formal judgements of whether dumping or countervailing is occurring. However, there should be a level of responsibility in terms of abiding by Australian laws in this respect.

Because the gag will be applied on this debate and there is not enough time to consider amendments, I will speak to my amendment on sheet 7400. The aim of this amendment is to require that contractors take every reasonable step to ensure that they do not use dumped goods or services in major projects. Dumping occurs when an item is sold in Australia below the cost it would normally retail for in its domestic market. Dumping is one of the biggest challenges facing Australian manufacturers. It is impossible to compete with the low cost of these goods, and the process of mounting an antidumping case against the importers is long, complicated and costly. Given that the aim of this bill is to increase the use of the Australian workforce in major projects, the issue of dumping must be addressed.

Late last year, we saw the case mounted by BlueScope Steel against cheap imported steel products. At the time, BlueScope Steel estimated that it had lost $50 million due to the dumping. While BlueScope has had some success in that area, there are still problems if duties are imposed by Customs. There are multiple stories of importers making slight changes to products, or even changing the location in which they are produced, to avoid duties.

The intention of this amendment is not that contractors must make a formal determination of whether a product has been dumped in Australia. Instead it requires them to take reasonable steps to ensure that the goods do not contravene any of the provisions of the Customs Act relating to antidumping. So, if it appears that a good or service is being sold below cost, it is reasonable to assume that dumping is occurring. Similarly, some projects require items to be made specifically for that project because they exceed normal specifications or are not readily available—for example, a steel girder of unusual size. Where there is an arrangement for the manufacture of these unique items, the contractor will have a better idea of the relevant costs involved and may decide the item could be in contravention of antidumping provisions because of the comparative pricing or quotes they have received for the work.
Antidumping law is incredibly complex, and this amendment does not require contractors to make formal decisions. It does, however, put antidumping on the radar and gives Australian companies a better chance of competing against dumped goods or services. I note that tonight there will be a debate—as truncated as it is—in relation to dumping, which is a very important issue in terms of Australian jobs being needlessly lost through unfair practices.

I should also note that the Australian Greens will also be moving amendments in relation to the major product threshold and to allow the minister to designate a project as a major project for the purposes of the act. I broadly support that. I also note that my colleague Senator Madigan will be moving an amendment, which I have co-sponsored but he has instigated, to change the current major project threshold. At the moment it is $500 million. A limit of $20 million is more appropriate. Senator Madigan can speak to that. To be truly effective, the measures in this bill should be more widely applied. I think $20 million is quite a reasonable threshold, and that is the threshold it should apply to. Otherwise, all the principles and criteria in this bill will be simply too narrowly applied. The amendment that Senator Madigan will be moving, which I am very pleased to co-sponsor, will ensure that a significant number of projects in Australia will have to comply with the requirements of this bill, and that will further support Australian jobs.

Ultimately, I support the general intent of this bill. I note the matters raised by Senator Colbeck, which I think are quite reasonable, about other cost pressures on Australian industry, but I think it is also important that there is a level playing field when we are tendering in these major projects where taxpayers funds are involved, and we need to consider once and for all what the true benefit is of having local companies involved and local jobs being involved in manufacturing and production for major projects. The multiplier effect cannot be understated. My fear is that if we lose more and more manufacturing industry in this country, which we must avoid at all costs, we lose that base of innovation, we lose that technological advantage and we lose the skills that we will never, ever get back. I think we should look at what the United States have been doing in recent times, where they have seen a renaissance in their manufacturing industry. They have had policies similar to this, as I understand it, and this has encouraged a renaissance in the manufacturing industry.

To the workers at General Motors Holden who might be listening in my home state of South Australia: I believe that this bill will help. It opens up debate about procurement policies that are reasonable and fair for Australian manufacturers and Australian jobs. So I support this bill, and I look forward to the amendments that I will be moving also receiving the serious consideration of my colleagues.

Senator BACK (Western Australia—Deputy Opposition Whip in the Senate) (16:26): I rise to comment on the Australian Jobs Bill 2013 and to pick up on some of Senator Xenophon’s final comments, in which he made mention of the United States of America and its renaissance—to use his word—in manufacturing.

The major driver for that in the United States is a return to two words, words that have underpinned and driven Australia’s wealth for so long, and those two words are ‘cheap energy’. I speak with some interest in the United States in this matter. Two of my children are in the United States. My daughter resides in Houston, Texas, and works in the oil and gas industry supplying...
services to the offshore oil and gas industry, and one of my sons resides in Lafayette, Louisiana, and is employed in a senior position in the shale gas industry throughout northern and eastern USA. So I have a keen interest. Our family reflects often on how it is and how it has been. I hope the young people up there are listening, because I hope that when you get to adulthood we once again might have returned to a better circumstance.

How is it that our country is geographically similar to the United States, which has a population of 350 million, whereas we have only 23 million people, yet our per capita income is so high and we enjoy such a high standard of living? When I speak to young people and ask them the reason for this they tell me it is because of oil and gas. But of course it is not, because oil and gas are only relatively new in terms of their size and scale at the moment. Then they will tell me it is iron ore. But we have only been heavily involved in iron ore exports to any extent in the last 10 to 15 years, so it certainly is not that. Then they go back as far as the wool industry, but it is a long time since this country survived on the sheep's back. Eventually, since they cannot answer the question, they will say to me, 'You tell me, Senator Back, what the reason is.' The answer has been our cheap energy. The unfortunate thing is that through the life of the Labor government, since 2007, starting with then Prime Minister Rudd and continuing under Prime Minister Gillard, they have done every possible thing they can to destroy the one economic advantage this country has had.

When one looks at what drove manufacturing away from the United States to other markets, it was indeed the fact that they had lost the advantage of their cheaper energy. It is only now, with the resurgence of the shale gas industry, in which the geologists and others found the technique and the mechanism to actually start drilling sideways once they got down 2,000 to 3,000 metres, that they have been able to unlock those reserves of shale gas. And the US once again is in that position of having the advantage of cheap energy and bringing back onshore so much of the manufacturing that once upon a time this country would also have proudly said was our birthright, but no longer. It would be tremendous to support this legislation, because who does not want more Australian jobs? Who does not want to see more young people like these and others having a brighter future in manufacturing and related industries?

But of course there are two elements to why we cannot support this. The first is the fact that it is being driven by a government that is grossly incompetent and that unfortunately does not know how to interact with business and industry. Secondly, and regretfully, we now have a gross debt of $300 billion. That is $300,000 million. And the reality is, unfortunately, that this country is now paying $1 billion per month in interest—not capital repayments but $1,000 million a month in interest on that debt.

We know the Australian Industry Participation scheme, one introduced originally by the coalition. It has stood the test of time well and has focused on Commonwealth government procurements worth $20 million or more. Should that trigger be reached, it excites an Australian industry participation plan. These have the objective of ensuring that local firms receive and achieve optimal opportunities to tender and to undertake some or all of these project works.

In my own previous and recent existence as the chief executive officer of a company selling technology throughout Asia, India and other regions of the world, particularly
very high level IT for high-value asset protection, it was a source of great frustration to me—through you, Mr Deputy President, to our shadow Attorney-General—that we never, ever seemed to be able to sell any products at all to the Australian Defence Force. Indeed, it was only when an American company eventually copied our technology and commercialised it in the US market that the Australian Defence Force bought it—as an American product. So I can assure you that I have a very strong affinity for ensuring local employment, local jobs and work going to local companies. And the closed mindedness has been a source of great frustration to me, particularly that of the Australian Defence Force procurement system in consistently looking beyond Australia’s borders for supply of products when indeed superior products or equal products exist in this country. I can assure the Australian people, should they honour us with government, that those who will have responsibility in this area will have me in their offices pleading consistently for a reversal of those policies.

But what this does, which is why it must be opposed—and I congratulate Senator Colbeck for the comments he has made in this area—is extend this beyond government procurement to all procurement across industry. The proposal by the Labor government is that this would, in their words, 'strengthen the capacity of Australian firms to win more work on major projects'. But what are some of the implications of this? First, it would require that all these plans be generated for all projects with a capital expenditure of $500 million. Secondly, projects worth $2 billion or more would require an Australian industry opportunity officer. Can anybody imagine that—an Australian industry opportunity officer being embedded in the procurement teams of individual companies? I thought these things went out with the demonstrated failure of the communist system.

Senator Brandis interjecting—

Senator BACK: Yes, I do take up that observation made by Senator Brandis. You can really see the words of Stalin, and the feeling, coming through here. One wonders exactly what the role of this officer would be, what their skill sets would be. Would they sit in on the board meetings of a company? And what would that do to the levels of confidence of a business or a consortium or indeed its financiers? What would the role of the person be? Would they have to approve? Would they note? Would they rush back to a bureaucrat here in Canberra and report? And is this creating the sort of climate that we need to encourage Australian business and multinational business to continue to invest or indeed to increase their investments?

I accept and endorse the comments of Senator Xenophon, as he struggles from the chamber—perhaps he is in need of some veterinary assistance! But I endorse his comments and those of Senator Madigan in relation to comments associated with antidumping. I look forward to the debate in this chamber this evening—should we be so fortunate as to be able to have one before the guillotine mercilessly comes down on our necks—so that we can aerate far more actively and openly the issues associated with antidumping. I will not waste the time in this contribution, because I know there are others who do want to speak on it.

As part of the Australian jobs announcement, the Australian Labor government will also commit to establishing 10 industry innovation precincts. These have excited quite a degree of interest, and one would actually look to support the notion of such precincts. In my home state of Western Australia, where the offshore oil and gas
industry is so important and is growing, we have, south of Fremantle in the Cockburn Sound area—the area referred to as Henderson—active shipbuilding and high-speed aluminium ferry construction; we have a lot of concentration of activity. For years, long before I came into this place, I was pleading for Henderson to become the Stavanger of the Southern Hemisphere. Stavanger is that wonderful area in Norway in which all their offshore oil and gas technology, research and development is focused, and from Stavanger is based the entire Norwegian offshore oil and gas industry.

I referred earlier to Houston. I was in Houston in December and early January to see now the massive investment that is going on by the major oil companies and the concentration of expertise, funding and finance to support the North American offshore oil and gas industry in the Gulf of Mexico and on land. I certainly see the opportunity for a place like the Cockburn Sound area to become one of these industry innovation precincts, and I look forward to seeing what prospects there are.

It was interesting during Senate estimates that we explored further the undertaking by the government to commit to expending some $10 million in advertising the plans for this program to develop these industry innovation precincts. I go to an interchange between Senator Colbeck and officers of the department of industry in the Economics Legislation Committee prior to estimates. Senator Colbeck was asking on this occasion if they could give us an indication of 'all the programs that will be rolling into the administration under that agency.' He said:

The government has announced that it is going to spend $10 million of taxpayers money advertising the plan. Can you tell us how specifically the money is going to be spent, and when and if it is all going to be spent before the election?

Ms Watson from the department said:

Yes, you are correct that $10 million has been set aside for an information campaign—

isn't that wonderful—

to promote the plan for Australian jobs. At this stage it is a campaign that is under development, so we do not have any details we can share.

She went on to say that, yes, the expenditure is committed in the current financial year.

If I consult my watch, it is now only six months till Christmas, as indeed it was six months from Christmas. My estimation is that we have 3½ business days left to spend the $10 million, but there do not yet seem to be any specifics as to where that is going to be. Ms Watson was somewhat more hopeful in her answer to Senator Colbeck in which she said that the campaign is still 'under development'. Let us hope that it gets somewhere in the next 3½ days.

Where are the problems in this? The first, of course, is waste. This is simply going to create a new bureaucracy, one in which industry will probably not be a participant or a consultant, because this government has demonstrated in the time since 2007 that you certainly do not consult meaningfully with industry. If you are the Treasurer and you think you get some political mileage out of it, it is all right to tickle them up and to start class warfare against industry and business, particularly people who are generators of huge employment around the country. They are fair game. I noticed in an answer in question time today that the Leader of the Government in the Senate, Senator Conroy, talked very proudly about the number of jobs created under Labor. Let me tell you: more than 70 per cent of those jobs have been created in my home state of Western Australia, and you would have to walk a long way on a hot day, Senator Williams, to find anybody in industry and business that would agree with a statement that the Labor
government has been in any way associated with that job growth in Western Australia.

Therefore we are going to see a new level of waste. We have the objectionable proposal that the government may seek to embed public servants into private companies' workforces to shape and possibly even dictate their purchasing decisions. Can you imagine that? Can you imagine such a scenario at Clough, an engineering company with a long, proud history of doing work throughout Australia and our region? I would just love to see the look on Harold Clough's face when a bureaucrat comes along and is introduced to him and he is told that that person not only is there embedded into his company but will be part of the decision-making process.

As usual with legislation that comes in from the government, there is a lack of clarity around the legislation. We do not know when it is due to start, and we do not know many of the elements of it. The exposure draft of the bill indicates that there will be a lowering of the threshold to $500 million. But what effect will this have on affected projects, which will rise from, in this case, some six per cent to 26 per cent? We do not know what the implications of these issues are.

In the few minutes that I have left I really want to focus, because jobs for Australians are so critically important. The way that you create employment in this country, particularly employment in new industries, is not to run around the countryside imposing bureaucrats into boards or into the decision-making process of companies. The way in which you do this is to sit down with business and industry and work out what government can do to help, not what government can do to stand in the way or put more burdens in place. What can government do to facilitate? Regrettably, when I ask myself that question, all I do is see where the obstacles have come.

If we look at the car industry, I think a million cars were sold in this country in 2011. I think it was a record. Of that million, 200,000 were manufactured here in Australia. If my numbers are correct, it is somewhere near the lowest number of cars produced in this country since the 1960s. Here we have a situation in which eight out of every 10 vehicles are imported, and 200,000 then—and far less now, of course—were manufactured locally, so the government imposes a carbon tax. This had two effects. One was to increase the average cost of Australian manufactured cars by $400 per car, and the other, as a direct result, was to cheapen imports so that Australian manufacturers were disadvantaged. I know there are issues associated with the Australian dollar. I know there are issues associated with the industrial climate in this country. But something as simple as that is such a key issue.

I have a branch office in Kalgoorlie in the Goldfields, so I obviously interact a lot with employers, with employees, with workers and with communities in the Goldfields. What a tragedy that it is estimated that we are losing somewhere around 3,000 jobs in mining, mining construction, mining exploration and extraction in our state alone. Why? Certainly there are a range of issues, and I do not pretend that there are not. The dollar has been high and it is now coming down. We have got to the stage where when China coughs we all get pneumonia, and that is an issue that has to be addressed. The price of gold has dived. More importantly than that, since 2008, any encouragement by this government to invest in mining exploration in Western Australia has ceased.

I recall that not long after our state election I asked Senator Conroy how the
Prime Minister was going to explain the drop-off in jobs. Senator Sterle, who should have known better, abused me by laughing and carrying on and said, 'Why don't you get out there and talk to industry?' Well, industry have been talking to me and they have been telling me about the disastrous effect this government has had with the mining resource rent tax and the carbon tax. I plead for Australian jobs, but I do so from a climate of consultation and not a climate of conflict. That is what we must do to achieve change.

Senator BOSWELL (Queensland) (16:46): I have looked at the Australian Jobs Bill 2013 and I have looked at the Labor Party over the last 30 years, and I have seen some beauties. This has to be the most bizarre bill that I have ever come across in my history in politics. How could anyone support this bill? It is almost like the Red Army, where you have the army officer and the political commissar. We are going to embed into successful businesses people with no business experience and hope that they can get out and provide jobs.

I have listened to the debate on this bill as I have listened to many, many debates. I have come to the conclusion that Labor are either con men or con women or they just do not know what they are doing. That has bothered me for the last 12 months, and I have come to the conclusion that they just do not know what they are doing. As someone who spent 20 years in business before I came to this place, I do understand business. I understand the costs and I understand that, if you are a businessman, you try your hardest to buy Australian products because you are aware of the jobs created and the benefits in providing those jobs.

I do not believe that anyone who is in the business of manufacturing would deliberately go out and buy an overseas product if he could get the same product of the same quality and at the same lines of delivery in Australia. I definitely do not believe he would buy an imported product. Why would he? Why would he buy an imported product when he could get the same thing on the local market? It would save him time, energy and money in shipping documents and so forth.

I cannot understand this bizarre bill before the parliament. You have a successful business out there that is trading, trying to get ahead and trying to provide wealth. The government, which knows everything, which is all knowledge, comes along and says: 'You don't know what you're doing. We're the government. We're here to help. We'll tell you how to run your business.' Well, obviously the managing director says: 'Well, that's interesting, but what experience have you had in business? What experience have you had in this type of business—manufacturing?' 'Well, I did senior year and I became a public servant.' And the managing director asks, 'What benefit is that going to provide?' It is absolutely farcical. I have seen some beauties such as closing three million square kilometres to fishing and locking out amateur and professional fisherman. But the beauty was the $10 billion bank that the Greens demanded. Whatever the Greens demand they get.

I have seen businesses going down the chute. We have seen Australian industry evaporate before our very eyes. Yes, there are jobs created in areas such as health and with people working in old people's homes, and they are doing a great job, but I have seen industry collapse before my eyes. Industry that has taken 100 years to build up has been going down the chute over the last 18 months before your very eyes. Let me cite a few of them: BlueScope Steel in Victoria—170 jobs gone; Boral—790 jobs gone; Penrice Soda in South Australia—60 jobs
gone; Pentair, a company in Western Sydney that has made steel pipes for 60 years—160 jobs gone; Amcor—300 jobs; Caltex Kurnell Refinery—330 jobs; Norsk Hydro Aluminium Smelter—350 jobs.

As well, Kelley Foods are going overseas; Kresta Blinds are going overseas; Cousins Soaps are going overseas; Aerogard is going overseas with 190 jobs; and Harley-Davidson is going overseas. Golden Circle, which is a cooperative—and my father-in-law was one of the directors who started it with blood, sweat and tears—is closing down and going overseas to New Zealand. Rosella, an iconic Australian, has been in business for 120 years and has gone. The second last cannery at Windsor Farm at Cowra has gone. SPC are saying, 'If we don't get some help, we're not going to survive for three months.'

What is the answer? Yes, the dollar is a problem, and I would be the first to concede that. When you get into these troubled times, you cut your expenses and you do not add a carbon tax that gives your competitors an advantage.

The US at the moment is paying industrial electricity costs at just over $60; in New Zealand it is just about the same; in Norway it is a little bit more expensive at about $70; and in Canada it is about $65. What does it cost in Australia? It costs $160 per megawatt hour, and we expect Australia to survive. Australian industry was put here because we had low-cost energy and an abundance of power, an abundance of cheap energy. So what did we do? The Labor Party said: 'You can't have a natural advantage. That's terribly unfair. Let's penalise our natural advantage and put a carbon tax on it.' New Zealand is now paying a carbon tax of $1.36; Australia is paying $21.27; China is paying $4.47; and the United States is paying $3.62. And then it doubles it up with renewable energy. No wonder we are going out the door backwards.

The jobs you are creating are childcare workers and healthcare workers, but they are not in manufacturing. Manufacturing has lost 140,000 jobs in net terms; 307,000 were lost in food processing and 352 businesses went offshore in food processing and manufacturing. Where are the blue-collar workers that you are supposed to represent and help get a job? In a nursing home, looking after old people! What are you doing? Why are you deserting your base—no wonder you have 29 per cent of the vote; I reckon it will bottom out at around 26 per cent—and coming in here and saying that a carbon tax is a great benefit? Who do you think you are fooling? You must underestimate the intelligence of the workers who are forced to pay their $300 union fees. I feel sorry for the people who are paying $300 and being ratted on by people like you over there. You know that you cannot provide jobs for those people. Where are they supposed to work? Why don't you care about them? Why do you take their money and desert them? Why do you take their money and walk away from them? Why do you take their money and desert them? You have no credibility. I will tell you why you do it: because you do not have the guts to stand up against the Greens. They lead you around by the nose and people are sick of it. Your blue-collar workers are sick of it. They know what you are doing to them. They absolutely understand how you have deserted them.

Today in The Australian it says 'Holden bosses must share the pain'. That is provided by Dave Smith, head of the Australian Manufacturing Workers Union. Mr Devereux, who is Managing Director of Holden, says we have all got to share the pain. We even have to look at how many light bulbs we use. Everyone has to share the pain. Paul Howes from the AWU said the very famous statement: 'If one job is lost in
manufacturing, we will pull the AWU out. Hundreds and thousands of AWU members’ jobs have been lost, and what has Paul Howe said? Not a thing, except that he is there to protect the Prime Minister.

I have seen some bizarre legislation and I can never understand it, but, what is more, I cannot understand how you, the Labor Party, can be led around by the nose by nine ultra-left people who believe in boycotting Jewish industry, creating wind farms and so forth. How can you fall for it? Can't any of you read the polls? Can't you understand what 29 per cent means? It means oblivion. It means you are knocked out. I know we have to have an opposition. Every government has to have an opposition. But you are not an opposition. You have become a sick joke because you will not stand up for the blue-collar workers. Why is it that on one hand you are saying, 'We've got to help the car industry; we can't walk away from the car industry,' but you penalise the car industry with $400 carbon tax? This is from PricewaterhouseCoopers. I have heard Mr Combet or Mr Albanese say that it is only $50. PricewaterhouseCoopers says it is $412. It is $84 million per year that is being inflicted on the car industry, and then you say we have to subsidise it. You penalise it on one hand and subsidise it on the other hand. No wonder we are being done like a dog's dinner.

Senator Back made an observation that it is cheap energy. There is America's recovery, because they have shale gas and shale oil. They are bringing back their industry to America. There is an extra $15 trillion in increased manufacturing production and there will be 3.7 million manufacturing jobs by 2025. General Electric is spending $800 million bringing back its production from China and putting it in Kentucky. Apple is spending $100 million on US manufacturing of Mac computers. BASF, the German chemical company, are spending $5.7 billion to open a factory in America because they are sick of the carbon tax and they are sick of renewable energy. People are talking with their feet and marching with their feet and putting industry back in America. Meanwhile, back at the ranch, we are just killing industry, killing jobs, killing blue-collar workers and putting poorer jobs into the health industry. I cannot understand how you cannot see it.

Fancy trying to embed in a successful business a person who has no knowledge of the industry and no commitment to it! He is a public servant and he has to make the plans. He has to sit down and talk to the board and observe the plans. It is just another one of those crazy bills that you have inflicted on us, in the last three days of parliament, that we will have to manoeuvre around somehow. If you cannot do this, let us just hope we can win the Senate. With the DLP senator, we might be able to get some sort of consistency to protect blue-collar workers and protect business.

There is not an industry in Australia that thinks this is a good idea. But the unions think it is a good idea. And when the unions think it is a good idea and the Greens think it is a good idea, you put your hand up and say, 'We've done you over on the carbon tax and you lost a lot of jobs, but we'll do this for you: we'll make sure that you get embedded in successful manufacturing businesses a spokesman who'll stand up for you.' It is almost as silly as the 457 visas.

The food-processing industry and abattoirs run with about 25 per cent 457 visas. If 457 visas were not there, you would not have a cattle industry; you could not have an abattoir. I have been into abattoirs and they say they have spent thousands and thousands of dollars advertising for people
and they cannot get them. No-one wants to work in the abattoirs, so they have to employ 457 visa holders. But the Labor Party says, 'We're protecting your jobs. We're going to bear down on these 457 visas.' You will not protect their jobs. If you make it too hard, you will close the meat-processing industry and a lot of other businesses that depend on 457 visas.

When I came into this place, the Labor Party had some people who had experience in business. There were doctors, lawyers and even a wharfie from Tasmania—someone who had actually picked up a tool and was from a working-class background. There were many different occupations. But what we have now is union hacks, union people. A lot of them are nice people, but they do not have any experience in business. There is not one of them who has ever had to meet a payroll or an electricity account or had to mortgage their own home to pay the payroll tax or to pay the payroll this week or this month. They do not know how gut-wrenching it is when you run a small business and the bank manager calls you in and says, 'You're up to your limit, mate. We're not going to let you go over.' Those are the experiences you have to have in small business. You know that, if you are making one per cent or five per cent on turnover, you are travelling okay. But all this government has done is run interference with business.

Last week I went into a club—a club which, when I was a manufacturer's agent, you almost had to book a table to get into. When I went into that club, there were 10 empty tables. I thought, 'Where is everyone?' There were a couple of old retired people but there was no business. There are no businesses like Ron Boswell's anymore that employ 10 or 15 people. They are gone. There are Woolworths, Coles and the big mining companies but there are no little entrepreneurs that buy products in and go out and sell them. They have gone. You have killed them. You have killed the business that goes with it and you have killed the employment that goes with that. I used to employ nine people. They all started out as absolute red-hot Labor people, but after two years they were on the polling booth for us because they understood what we went through. You have no contact with them. For goodness sake, go out and find a couple of candidates. If you cannot find them, I know a couple of people who vote Labor who would love to come down here and represent you. But you do not do it. You stick to a closed circle of union after union. You are inbred and you do not have anything to offer the Australian people. That is why you are stumbling around at 29 per cent—and you will bottom out lower than that. People have had a gutful of what you do to them.

Senator MADIGAN (Victoria) (17:06): I acknowledge the contributions of Senators Colbeck, Xenophon, Back and Boswell. Basically, I agree with the intent of the Australian Jobs Bill 2013. I think the government has good intentions but the outcome may be that there is going to be some disparity between the rhetoric and the reality. We should be talking today about the definition of major projects—the threshold, the amount. I see here that a project will only be considered if it exceeds $500 million. In my opinion, that is ridiculous. People who are running a project only have to divide it up. I do not see anything in the legislation to tell us why a project that is worth $500 million cannot be divided up into 10 lots of $50 and escape any scrutiny.

I see here that you are going to insert people—bureaucrats, public servants—into businesses to police the thing, but really we are all in this together. This adversarial position that we have heard today is not
going to save any jobs and is not going to help our industries and our manufacturers. As I said, I think some pretty clever operators will just divide up their projects worth $500 million.

In government circles, when projects are discussed, I often hear the notion of 'best value for money'. We have not spoken here today about the real jobs, the real skills, the real people and the real prosperity that is generated by our manufacturers, our farmers and our food processors, amongst others. I think this bill could have gone some way to addressing the fact that when people have jobs—a sense of self-worth and gainful employment—we have less demand on Centrelink, less alcohol and drug abuse, less domestic violence, less vandalism, fewer mental health problems et cetera.

We have to look at how we sell this to people and how we build bridges between the union movement, industry and government. How do we get a bigger cake to pay for the aspirations of all the people? I suggest—I have put it in my amendment—that we lower this to $20 million, which is far more realistic. There are a hell of a lot more projects across rural, regional and urban Australia that come in at around that figure than at the figure of $500 million. Even a project of $20 million has huge flow-on, knock-on, domino effects for small- and medium-sized businesses in the community, let alone the larger businesses. We need to be thinking about Australian intellectual property as well, because that is integral to Australian jobs. We also need to be looking at Australian patent protection.

We need to talk about the state of our oil refineries and the fact that, amongst others, Shell has the refinery at Geelong on the market. As some of us know, LPG is a by-product of the refinery business and there are a hell of a lot of cars in Australia—in both a domestic context and a business context—that use gas. If we think that the rest of the world is going to give us cheap oil, petrol and gas when we have no ability to produce our own, we are, quite frankly, kidding ourselves.

Australian manufacturing delivers socially, economically and environmentally. Our salaries and our perks of office are provided by businesses who pay tax in this country and by the people who pay their PAYG tax in this country. They are not paid for by companies operating overseas. We legislate for Australian businesses—manufacturers, food processors et cetera—and they are the people who pay our salaries. We owe them the greatest duty of care.

We also need to talk about our domestic gas reserves for industry and for households, which was mentioned earlier in one of the contributions, and the natural advantage they have given us. As I said, in essence I agree with the sentiment of the bill but I fear that the bill has some glaring inadequacies. I plead with the government not to butcher a bill which, in essence, could and should help our industry and Australian working people.

I plead with the opposition to make some positive contributions about how this bill may be improved to deliver for all the players this bill will affect.

Senator BERNARDI (South Australia) (17:12): The Australian Jobs Bill 2013 is important for Australia in many respects because it highlights the haphazard way this government has gone about its legislative program. When I examine the documents I have before me, one of the things that galls me about the proposals in this bill relates to questions raised by Senator Colbeck in Senate estimates—that is, that this government has applied $10 million worth of taxpayer money to promote, advertise and market the changes that this bill will be
implementing within the Australian Industry Participation system. In and of itself, whether that is justified could be the subject of much debate, but what Senator Colbeck flushed out four weeks ago was that this $10 million had to be spent by 30 June—in this financial year. There are four and a bit days left of this financial year and, as of four weeks ago, the department and the government had no idea what form their campaign was going to take.

So $10 million of taxpayers' money is going to be spent in the next four days to advertise and market a bill on which substantive and full debate will not have taken place—because it is subject to this vicious guillotine that is stifling the development and fostering of positive amendments and debate in this chamber. This government is using its numbers in a brutal manner in this chamber, where it is undermining the role of the Senate as the states' house and the representatives truly of the people, dedicated to improving legislation. It is also wasting taxpayers' money by rushing bills like this through and then, on the back of it, having a marketing campaign which I am sure will have more to do with promoting whatever virtue is left in this government than the actual act before us. It is galling.

Yet, strangely, I am not surprised—because of the track record of this government. I know the Australian people are, quite rightly, outraged and appalled at the mismanagement of taxpayers' money in the past by this government. We have had, after all, deficit after deficit—record deficits of $50-plus billion—and there is no end to them in sight, no matter what this government says, unless we change this government. Then there could be hope and optimism for the future, because there would be reward and opportunity for the Australian people. They would know that the merits of their labours would be fully rewarded by a prudent and sound government, with the adults in charge of the Treasury benches.

The figure of $10 million which is applied to this advertising campaign is particularly galling because this is the government that, in the last week, sought to rig the referendum on changing Australia's Constitution. What an appalling, grubby piece of work that was—rigging a referendum on Australia's constitutional document. With the same amount of money, they are trying to promote their grubby deals. This is $10 million worth of taxpayers' money. In the case of the referendum, they gave it to the case that they wanted to advocate. But they would not give the same amount of money—they gave one-twentieth—to those who want to preserve and protect our Constitution and maintain the separation of powers, those who do not want to see the grubby transfer of power from local communities into Canberra.

I can understand why the Australian people are outraged about that. They should be aware that this is a government which has very little regard for the Australian people. It has very little regard for the checks and balances in our Constitution. It has very little regard for the prudent use of taxpayers' money, as the $10 million marketing campaign in this bill suggests. I am appalled. I am sure the Australian people would be equally disappointed. I compliment the forensic questioning of Senator Colbeck which exposed the department, who were forced by the nature of the questioning to expose the government and their malfeasance. It is appalling. It is, some would say, almost a rort, and that is something no-one in this place can condone.

To turn to the substance of this bill: the bill's passage would result in changes to the Australian Industry Participation system. On this side of the chamber we are supportive of
the Australian Industry Participation system because it was an initiative of the Howard government, in 2001, and its core purpose was to give Australian firms increased opportunity to secure work on major local projects. It is a good idea. But I am not going to listen to lectures or some sort of homily from this government about the importance of including Australian industry and Australians in major projects when they have to import a grubby spin doctor from the UK to prop up their disgraceful conduct over many years.

We have seen the spin come out and the objectionable use of abuse. We have seen the Prime Minister's office—need I remind all of us in this chamber?—involved directly with trying to engineer an Australia Day race riot by agitating one group of people and unleashing them to endanger the Leader of the Opposition. The poor result of that, of course, was a Prime Minister fleeing for her very safety, with her security protection detail, and losing a shoe in the process. That sort of grubby behaviour was engineered by someone in the Prime Minister's office—the same people that are now lecturing the opposition about our own conduct and how we should be dealing with the public and with the politics of this situation. I will not take any lectures about including Australians or Australian industry, particularly on a program that was started by the Howard government and that has always been soundly managed, to the best of my knowledge.

This government is intent on making rushed changes that I suggest are anathema to the operation of the vibrant private sector, which—strangely!—has quietened down under the uncertainties provided by the economic climate of this government. In regard to the private sector, it is very clear to me in my dealings with business people, whether their businesses be big or small, that they are desperate for some certainty, because the one thing they all say to me is that this government provides uncertainty. They do not know whether the ground they are standing on to conduct their business is going to change radically because of red and green tape. They do not know whether a new tax or a new burden is going to be placed upon them at the whim of some spin doctor or based on some back-of-the-envelope calculation. They know that the government has very little regard or respect for those who actually generate the wealth.

The government set up class warfare—it is the employer versus the employee. In my experience, that has never really been the case. Employers do whatever they can to keep their employees happy, because they know they are absolutely vital and necessary to their business. It is, as Senator Boswell suggested, some more militant people within the union movement—seeking to feather their own nest or to build their own empire, increase their power base and build a profile for themselves so that they can get into parliament—who seek to agitate and stir up industrial action. These are the problems that businesses are facing today in this country.

One of our great challenges is: how can we get the balance right? But I think the Howard government's approach to the Australian Industry Participation system did get the balance right. I say that because this bill is going to create an increased bureaucracy. It is going to create a new bureaucracy with up to 50 individuals who are going to have new powers to enforce compliance and apply penalties for noncompliance. This is just what the country does not need—more bureaucracy stifling innovation and people's ability to be creative and develop their business as they see fit.

Importantly there is a principle attached to this. This objectionable bill contains a
proposal that the government could embed public servants into a private company's workforce. I would be delighted to be corrected on that, because it concerns me that those public servants could then shape and even dictate the purchasing decisions of that particular company.

Since when did a public servant know what was better for a company than the shareholders, the directors or the employees—those who are closer to the action? Since when was it acceptable to embed public servants in private sector companies to tell them what they should and should not be doing? It smells more of the old communism or socialist totalitarianism than it does of a modern-day capitalist environment in which work is provided for the benefit of all engaged in it.

There is also a lack of clarity in the legislation about what has been termed the trigger date, the date when the production of an AIPP becomes mandatory. I would welcome the opportunity for a committee stage in which we could discuss this and ask these questions of the minister, because that is a very important part of thrashing out the problems with a bill. The difficulty we have with that, of course, is that this bill is one of more than 50 this week and one of more than 200 under this parliament to be subject to that thing benignly termed 'time management'. That is the guillotine. That is where the government and the Greens team up and say, 'I'm sorry, but we're not allowing any more debate or discussion on this subject because we have not been able to get our own house in order and we do not think the Australian people should know much more about this.'

Senator Feeney interjecting—

Senator BERNARDI: I note the interjections from the other side, from Senator Feeney, who is the minister on duty. It is very hard for him to justify his engagement in and involvement with this bill. He has probably just been lumbered with it. It probably just landed on his desk before he came in here. But the difficulty we have is this. Anyone with a true commitment to democracy knows that there will be the odd occasion when time management is necessary in this place—and it can be done, with cooperation. But in this week alone—and we are only on day 2—there will be more guillotines brought down on more bills than in the entire last term of the Howard government.

It is little wonder that the Australian people regard the years of the Howard-Costello coalition government as the golden years, because they knew that they had a government with inherent decency. They knew they had a government that believed in a fair go. They knew they had a government that wanted to see the right thing done by Australia. There are very few people in the country today who think we have a government that is committed to doing the right thing for Australians.

We know how desperate the Prime Minister is at the moment to cling to her job. We know how desperate some on the other side of the chamber are for her to be deposed from that job so that they can get some benefit out of it. We know how desperate another group of them are to stop that from happening. This is a desperate government that is trying to desperately ram through a bunch of objectionable bills that have flaws in them—because they can. And they are frightened about what might happen when they put the question to the Australian people in a couple of months time. That is a problem.

We have many more weeks in which parliament could sit. We could have had extended hours for many weeks previously.
But the point is that the government did not have an agenda, save for: “What can we do politically to spin our way out of trouble?” It has not worked. The blue-tie fiasco of last week did not work. The race riots of Australia Day did not work. None of the spin has worked because the credibility of the government is at rock bottom.

This bill adds to the lack of credibility of this government because all Australians should rightly be ashamed of a government that is seeking—in these difficult financial and economic times, when there are more clouds gathering on the horizon globally that are sure to impact us in this country—to increase bureaucracy, increase penalties and increase compliance requirements on the very industries that can be providing opportunity, jobs and economic growth.

What is lost on this government is that it is not government that provides wealth creation. Government can provide the right environment for it, but it is up to individuals and companies who invest capital to develop actual productive wealth for this nation. The problem is lost on the government, which only sees wealth producers as some sort of cash cow. This government has always been the most guilty of that. They have been the most heinous breakers of any credibility in respect of prudent financial management.

So why would we trust them to be doing the right thing by Australian industry at the eleventh hour? Why would we trust them? How could we? Our own questions have not been answered. Mrs Mirabella asked for a briefing from Minister Combet’s office to discuss the industry innovation statement but was refused. I suggest to Mrs Mirabella that it is probably because the government had no idea what they were doing at the time—just like their marketing plan, just like the $10 million they are going to spend in the next four days promoting a bill that has not even passed yet. And it should not pass because we will not have the opportunity to fully explore the problems within it or the opportunity to amend it and make the changes necessary to clean and tidy it up.

The government has of course tried to publicly create the pretext that its industry statement somehow represents an injection of $1 billion in new funding to the industry portfolio, but anyone who makes more than a cursory examination of these headline-grabbing statements, which are like something out of a sitcom, knows well that it cannot be true. Instead, the industry statement seems to incorporate around $600 million worth of cuts. So on one hand we have a government promising to promote Australian industry; on the other hand we have a government making about $600 million worth of cuts. On one hand we are saying this is going to help Australian businesses procure bigger contracts; on the other hand the government will be installing public servants into private businesses to determine the purchasing decisions of private companies.

I suggest, and I stand firm with the coalition in saying, that the best results are always going to be achieved by working cooperatively with industry and business in this country rather than through coercion. Where confusion and ambiguity exist, this chamber exists to seek clarification. I regret the dastardly and bloodthirsty manner that the government are killing off debate. It suggests to me that they have something to hide, just as they were seeking to rig the referendum on the constitutional recognition of local government by a disgraceful bias in funding. That was unprecedented in 100 years in this country. Never before has a referendum received such shoddy treatment by such a shoddy government.
Now we have another $10 million that is going to be spent in the next four days promoting another dodgy scheme, a scheme that they will not allow full scrutiny of. The scheme needs the full scrutiny of this chamber and this parliament, but, unfortunately, we will not be allowed to do that. But I think the Australian people will render their verdict come the opportunity on 14 September.

An honourable senator interjecting—

The ACTING DEPUTY PRESIDENT (Senator Edwards): Order!

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (17:32): Yes, encore indeed! I think the chamber could learn a lot from Senator Bernardi making more contributions. Perhaps, if those on the other side listened a little more to the contributions from this side of the chamber, they might actually learn something and somehow—somehow, colleagues—improve the standard of government in this nation, because it is most sorely lacking.

I rise to make some remarks on the Australian Jobs Bill 2013. Its title is in some ways a misnomer because it is yet another shambolic piece of legislation put forward by this government. As people would undoubtedly know, the bill's passage would result in changes to the Australian Industry Participation system. The government says that its aim is to make revisions to the system which will potentially increase the number of Australian suppliers to major local projects. However, it certainly seems to this side of the chamber, which puts a rather more practical, sensible and objective slant on these pieces of legislation, that some of those changes are impractical and, indeed, unreasonable.

We do not have any obvious problem with the intent of the program, given that it was something that came in under the Howard government. I do not think anybody in the nation would have any quarrel with looking to improve the use of local firms' capabilities in major public and private sector projects. There are obviously a number of benefits to be gained there. Our issue with this bill is the fact that it is again shambolic. We see in the first instance yet another creation of yet another bureaucracy. It certainly seems that, whenever the government are scrambling around to try and do something, one of the first things they say is, 'Let's create a new bureaucracy. Let's put another layer of red tape in. Let's make it more difficult for business to actually get on and do business—to do what they need to do on a daily basis.' So we are seeing yet another new bureaucracy, this one with new powers to enforce compliance and apply penalties for noncompliance.

We never cease to be astounded on this side of the chamber by the fact that this government can continually place greater burdens and more red tape on business. Indeed, as my very good colleague Senator Boswell said earlier, this government has absolutely no idea about small business—absolutely none at all. There is likely to be a rise in the number of plans that will need to be produced. There is undoubtedly going to be a rise in the compliance and reporting requirements. Business has been clearly saying that this will be yet another burden on it. Here the government is wallowing around trying to come up with a policy that in some way is substantive or appropriate or can be seen as a piece of legislation. One day, those on the other side might surprise us and come up with a bill where we say, 'That's a cracker piece of legislation for the business sector—look at that!' But it has not happened to date and I suspect it is not going to happen this week.
There is a $10 million advertising plan attached to this but no detail about how it is going to be spent. We have seen nothing from the government about how that is going to be rolled out or any scrutiny of how that money is going to be spent. Rather, we see yet another bucket of money being spent by this Labor government. It is extraordinary. When we look at this government's activities, time after time there does not seem to be any sort of rigorous cost-benefit analysis done. We only have to look at the NBN to know that the government has a track record.

Senator Cormann interjecting—

Senator NASH: Thank you, Senator Cormann, I will take that interjection. They never do have a cost-benefit analysis. Look at the NBN. How did that come about? I think it was our very good friends Senator Conroy and Mr Rudd scratching on the back of a piece of paper in a plane—somehow they came up with the NBN. There was no cost-benefit analysis whatsoever. One of the hallmarks of this government is the fact that they cannot provide for the Australian people substantive and well-thought-out policy. They are simply incapable of doing it. Perhaps the Prime Minister might be able to knit together a good piece of legislation one day, but I have not seen it as yet. We do not have any confidence that it will ever turn up.

This government has no idea. Here we have a piece of legislation, as my good colleague Senator Bernardi referred to before, that the shadow minister, Ms Mirabella, could not even get a briefing on from the minister. That is unheard of when it comes to protocols and processes in this place. My understanding is that apparently the shadow minister was told she was being critical of the government. Good lord, if everybody critical of the government were going to be shut down in this place, there would be a plethora of people shut down. It is all too easy to criticise this government—because there is so much to criticise.

This is a government that just cannot run the nation. All people out there in the community want are some grown-ups to please run the country. All we have at the moment is this self-indulgent navel gazing from the other side when it comes to whom they want to be leader. It is like watching kindergarteners tussle in a sandpit: 'I want to be leader. I want to be leader!' It is ridiculous. The interesting thing is that if the Prime Minister were doing a good job, if she were doing an appropriate, proper and diligent job in leading this nation, there would not be a leadership question. There would be no question over whether or not Mr Rudd should be leader or whether or not Ms Gillard should be leader or whether or not the local cat should be leader. There would not be any speculation whatsoever.

Senator Feeney interjecting—

Senator NASH: I am hoping, with your interjection Senator Feeney, you might be indicating who you support. You are apparently one of the powerbrokers. Perhaps you could give us an indication of where this might all end up.

Senator Feeney interjecting—

Senator NASH: I will take that interjection, Senator Feeney. He has asked me to provide the name of the bill, the Australian Jobs Bill 2013. Any minute now he is going to interject and say it is not relevant. Actually, it is relevant because it is about the government supposedly providing legislation to grow jobs in this nation and they simply do not do that because they are clearly incapable. Why are they incapable of doing that? It is because they simply do not understand how business, small business in particular, works.

When we look at those on the other side, as my good colleague Senator Boswell said
earlier, there is a lack of background in business skills in the government. It is absolutely true. What do we see from the other side? Who on the government side has any real knowledge about small business when it comes to farming? On this side, we have a bucketload of regional representatives who understand and know regional communities, who understand regional Australia. On the other side there is precious little. That is why they have been simply incapable of coming up with legislation that is going to help those communities and provide jobs in the regions to make sure that our future is sustainable. They simply cannot do it.

From what we can tell, the funding indicated for this piece of legislation is supposed to be around $98.2 million over the next five years. The expenditure is supposedly offset by cuts of a billion dollars overall to the R&D tax incentive. But the figures do not appear to have been appropriately modelled. They have certainly never been publicly clarified or justified. One day this government may appropriately explain a proper, thorough, diligent process when bringing a piece of legislation before the parliament. But we are yet to see it.

Senator Feeney: Two minutes 40 seconds.

Senator NASH: Senator Feeney, I am so glad when you interject and tell me how much time I have left. I can only assume you are enjoying my contribution so much that you want it to go on and on.

Senator Cormann interjecting—

Senator NASH: Thank you very much, Senator Cormann. I will take that interjection. Senator Cormann has indicated he believes it is a great contribution. I unfortunately only have two minutes left to speak because of the nature of the gag. But it is very important.

Senator Cormann: I would like to speak to it too.

Senator NASH: Thank you, Senator Cormann. I will take that interjection. You would like to speak to it too. You see, it is very important. Other colleagues before me have been very diligent and thorough in placing their views on the record about this piece of legislation. This government’s track record for shambolic policy development has to be highlighted. Not only do they have no ability to deliver proper diligent policy but once they actually bring a piece of legislation in here to the chamber, they guillotine it. I can remember in this place—when we were fortunate enough to sit on the other side of this chamber—when we were howled down about the guillotine. We were absolutely held to account as if it were a travesty of democracy when we did that. Let me share with you that, in the time we did have the majority here in the Senate, 32 bills were gagged.

Senator Feeney interjecting—

Senator NASH: Do you know, Senator Feeney, how many your side have gagged since you have been in? Over 200 pieces of legislation have been guillotined. The hypocrisy from this Labor-Greens-Independent government knows no bounds. It is extraordinary. It says one thing—it does not matter if it relates to the truth or not; it makes absolutely no difference to this government whatsoever, absolutely no difference at all—and does another. With this piece of legislation, after bringing in more than 21,000 new regulations, the government is going to bring in another agency, another bureaucracy. It is not at all surprising.

Senator Feeney interjecting—

Senator NASH: That is a very important point to make again. Thank you, Senator Feeney. I made that point and it is very
important to make it again, because it shows the shambolic nature of this government. The Australian people deserve much better.

The ACTING DEPUTY PRESIDENT (Senator Pratt): The time allotted for the consideration of this bill has expired. The question is that this bill be read a second time.

Question agreed to.

Bill read a second time.

Senator WRIGHT (South Australia) (17:45): I indicate that in fact the Australian Greens are withdrawing all of their amendments, so we will not be needing to vote on them. I seek leave to withdraw those amendments.

Leave granted.

The ACTING DEPUTY PRESIDENT (Senator Pratt): The question now is that amendment (1) on sheet 7401 revised and amendments (1) and (2) on sheet 7400 revised 2, circulated by Senator Madigan and Senator Xenophon, be agreed to:

(1) Clause 8, page 12 (line 16), omit "$500 million", substitute "$20 million".

(1) Clause 36, page 33 (after line 37), at the end of the clause, add:

(3) The project proponent must take all reasonable steps to ensure that goods or services provided by non-Australian entities do not contravene the anti-dumping and countervailing provisions set out in the Customs Act 1901 and any other relevant legislation.

(2) Clause 40, page 37 (after line 8), at the end of the clause, add:

(3) The operator of the new relevant facility must take all reasonable steps to ensure that goods or services provided by non-Australian entities do not contravene the anti-dumping and countervailing provisions set out in the Customs Act 1901 and any other relevant legislation.

The Senate divided. [17:50]

(The Acting Deputy President—Senator Pratt)

Ayes ......................2
Noes ......................43
Majority ...............41

AYES

Madigan, JJ
Xenophon, N (teller)

NOES

Back, CJ
Bilyk, CL
Bishop, TM
Boyce, SK
Brown, CL
Bushby, DC
Cameron, DN
Carr, KJ
Carr, RJ
Colbeck, R
Cormann, M
Crossin, P
Di Natale, R
Eggleston, A
Feeney, D
Fifield, MP
Gallacher, AM
Hanson-Young, SC
Lines, S
Ludlam, S
Ludwig, JW
Lundy, KA
McEwen, A (teller)
McKenzie, B
McLucas, J
Milne, C
Moore, CM
Nash, F
Parry, S
Polley, H
Pratt, LC
Rhiannon, L
Scullion, NG
Siewert, R
Singh, LM
Smith, D
Sterle, G
Thistlethwaite, M
Thorpe, LE
Urquhart, AE
Waters, LJ
Whish-Wilson, PS
Wright, PL

Question negatived.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Pratt) (17:54): The question now is that the remaining stages of this bill be agreed to and this bill be now passed.

Question agreed to.

Bill read a third time.

Tax Laws Amendment (2012 Measures No. 6) Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator CORMANN (Western Australia) (17:54): Another day, another Labor Party
tax bill. This is a government that has been very active in the tax space, generally because it was looking at raiding yet another part of the Australian population to plug yet another budget black hole created by Prime Minister Gillard and Treasurer Wayne Swan.

Here we are at five to six on Tuesday night. We are allowed to debate this latest tax bill, which has eight different parts to it and is highly complex, for a total of 35 minutes. I am very disappointed that the captain's pick, the aspiring member for Batman, has left the chamber, because I was rather looking forward to asking him some questions in the committee stage about some of the more intricate parts of the Tax Laws Amendment (2012 Measures No. 6) Bill.

Quite contrary to the usual approach to things, this tax laws amendment bill actually includes a tax cut, as well as a series of other measures that are not so good. Let me list all of the things we are dealing with in this particular bill. It seeks to provide an across-the-board tax exemption from income tax and capital gains tax for native title benefits. It seeks to update the list of deductible gift recipients by adding two entities and extending the listing of another three, which the government does from time to time. It seeks to extend the immediate deductibility of exploration expenditure provided to mining and petroleum explorers and to geothermal energy explorers. This measure is attached to Labor's failed mining tax, the mining tax fiasco being one of the massive failures of the Gillard-Swan government. It also seeks to extend the interim streaming rules for managed investment trusts until the commencement of the new tax system for managed investment trusts. It adds an income test to the rebate for medical expenses, from 1 July 2012. It seeks to clarify the definition of 'limited recourse debt' to ensure it includes arrangements where, in substance or effect, the debtor is not fully at risk in relation to the debt. It seeks to remove the concessional fringe benefits tax treatment for in-house fringe benefits access, by way of salary-packaging arrangements. It also makes a series of other amendments that are described as 'miscellaneous' amendments.

As you can see, it is a whole series of different measures across our tax laws, which will see our tax laws become even more complicated than they were before this bill. It builds on 30 new or increased taxes under the Labor government already. It builds on massive increases in red tape under the Labor government. And it builds on a very bad track record under this government when it comes to regulatory and tax arrangements more generally.

I will now go through the schedules one by one. Schedule 1 concerns the tax treatment of native title benefits. It seeks to classify such benefits uniformly as non-assessable, non-exempt income so that they are not subject to income tax or capital gains tax in the hands of the beneficiary or recipient taxpayer or taxpayers. The changes within the schedule also allow impacted taxpayers to amend their tax returns, in certain circumstances, where the amendment period has expired. This bill was considered in an inquiry of the House Economics Committee. Not surprisingly, you will find that the Indigenous organisations that were told that income from native title benefits would be exempt from income tax and capital gains tax in the hands of the beneficiary or recipient taxpayer or taxpayers. The changes within the schedule also allow impacted taxpayers to amend their tax returns, in certain circumstances, where the amendment period has expired. This bill was considered in an inquiry of the House Economics Committee. Not surprisingly, you will find that the Indigenous organisations that were told that income from native title benefits would be exempt from income tax and capital gains tax, moving forward, were—surprise, surprise—supportive of this amendment as they will no longer have to pay tax.

I am yet to find a taxpayer who, in the face of being given a 100 per cent tax exemption, is going to say, 'No, no, no; please make me pay some tax.' So it is not really a surprise here that Indigenous
organisations have suggested that this is a good idea. In fact, Indigenous organisations that appeared before the inquiry—guess what?—thought this exemption should go further, that it should be broadened to include making investment income that is generated from these native title payments tax exempt as well. Maybe we should also scrap land tax, and GST payments on anything that is purchased with money that comes from native title! Maybe the government wants to add a whole other list: 'Whatever you do with this money, you don't have to pay any tax on it!' Obviously that would start to get a little bit ludicrous.

There is a proposition—and it is a proposition that was put very strongly by the state government of Western Australia—that tax-exempt status for native title benefits, as a matter of course, was not warranted outside the normal provisions for charitable trusts. Why should there be a 100 per cent tax exemption across the board? What is the justification for it, particularly given the mess the government has created with our budget, and particularly given that this government has spent $220 billion more than it has raised in revenue over the last five budgets?

Mining companies, who were generally supportive of a tax-exempt vehicle for such payments, have pointed out that this schedule should not proceed in its current form as it may encourage substantial up-front payments to individuals at the expense of longer term intergenerational goals. And this is really the point: by providing this tax incentive you are actually providing a very perverse incentive—in terms of the way some of these benefits, which are supposed to be long-term intergenerational benefits for Indigenous Australians—to front-load these sorts of payments. Given that they are going to be entirely tax exempt and given that there is now a lobby that seeks to ensure that investment income generated from these payments is going to be tax exempt, there is going to be a distorting effect that is not going to be beneficial for Indigenous Australians. That is certainly the risk mining companies have identified as part of this inquiry.

Now, there are unintended consequences. As I have said, one of them is that this sort of structure may actually—and is likely to—encourage large payments for individuals, which the coalition is concerned about. We are concerned about these unintended consequences from this change. This is also a view that was strongly put by the Minerals Council of Australia—that compensation paid to individuals versus that paid to groups or their trust funds, in particular, should be treated differently. The concern really is that individuals with an inside running would actually be able to benefit in a counterproductive way from the way the government is structuring the tax arrangements in the Tax Laws Amendment (2012 Measures No. 6) Bill 2012.

On a somewhat related point, these changes in schedule 1 make no distinction between native title compensation paid to individuals and that paid to groups or their trust funds. If paid to an individual or a number of individuals, with possible inside running, the benefits of native title are unlikely to be shared widely or equitably, which does not seem to be in the spirit of native title or the Native Title Act. Where such compensation payments are paid to a large group, possibly into a community trust or fund, then the benefits of native title are likely to be shared more widely and even across generations. This would enhance the justification for allowing these payments to be tax exempt. But having this schedule make such a distinction would add some complexity and might appear slightly paternalistic or be open to such arguments or
claims. However, it would be more in the spirit of actually ensuring that native title compensation is provided to Indigenous Australians for the long-term benefit of Indigenous communities across Australia, rather than just for specific individuals who happen to be particularly well organised in the context of a particular claim.

There have of course been recent developments in this area. These concerns that the coalition has put forward have been borne out in a recent Federal Court decision, which was reported in the Australian Financial Review earlier this year, on 27 March 2013. The headline of the article was ‘Court raised Aboriginal native title rort concerns’. The article described orders of the Federal Court that money paid to a native title group by gas companies in Queensland should be administered by a registrar. The decision followed government concern about money paid to native title groups not benefiting the Indigenous communities the group supposedly represented. The proceeds from native title were not being handled transparently and not being distributed widely or equitably across the relevant community, with some members not having enough money to pay for bus fares to attend meetings. This is not an isolated case. More specifically, and according to the article:

The decision followed government concern about money paid to native title groups not benefiting the Indigenous communities the group supposedly represented. The proceeds from native title were not being handled transparently and not being distributed widely or equitably across the relevant community, with some members not having enough money to pay for bus fares to attend meetings. This is not an isolated case. More specifically, and according to the article:

The Federal Court ordered a Queensland Aboriginal group to hand over millions of dollars paid by companies, including Santos, Origin Energy and QGC, after a judge raised concerns about rorting of the native title system.

The decision by judge Steven Rares in the Mandandanji claim in south-west Queensland is likely to have wide implications for indigenous groups across the country. Similar orders are set to be made as early as today in another Queensland native title claim.

The decision follows concerns from state and federal governments that billions of dollars from resources companies paid to native title groups have failed to benefit indigenous communities. As a result, the federal government is reviewing native title bodies and payments to them. Justice Rares made the order as a result of a dispute within the Mandandanji about who should be in the native title claim group. He ordered a court registrar manage all money paid to the group by gas companies and any future payments made as a result of their native title claim.

Et cetera, et cetera.

Our argument is about the way the government are proposing to make all income from native title benefits, whether they go to individuals or whether they go to groups indiscriminately, exempt from income tax or capital gains tax. They are actually making this situation, which is already emerging now, worse. They are providing a perverse incentive that makes this situation worse.

This approach also offends the key tax principle of horizontal equity. The coalition is concerned that the operation of schedule 1—the proposed tax treatment of native title payments—offends this key tax principle of horizontal equity, which is something we expressed in our dissenting report to the committee. Making compensatory or any other income exempt from tax is a clear violation of the tax principle of horizontal equity. A dollar earned by one person, regardless of how it is earned, or from what activity, should be given the same tax treatment as if it were earned by another person. That is a pretty fundamental principle that, quite frankly, the Australian government should continue to abide by. It is for these reasons that the coalition will move an amendment to excise this schedule 1 from the bill.

The coalition does not have any particular comments in relation to schedule 2, on deductible gift recipients. We support the changes that are made in that schedule.
Schedule 3 of the bill seeks to extend the immediate deductibility of exploration expenditure provided to mining and petroleum energy explorers. This is a measure which is linked to Labor's failed mining tax. Remember the mining tax? It was supposed to raise $100 billion over the first 10 years. Then Prime Minister Gillard and Treasurer Swan got involved, and it became $38½ billion over the first 10 years. It was supposed to raise $4 billion in year 1. But, of course, we now know that the mining tax has come in 95 per cent below Mr Swan's original forecast—I repeat: 95 per cent below Mr Swan's original forecast. On the basis of this comprehensive incompetence where he comes up with a new tax which comes in 95 per cent below the original forecast, I cannot believe that Mr Swan still has his job. But that is not all. Not only is it a tax which targets an important industry for Australia, not only is it a tax which has come in 95 per cent below the original revenue forecast that Mr Swan put out there, but he has also already spent all the money he thought it would raise and more.

So what we have said, quite responsibly, is that we will not be supporting any of the measures that the government, irresponsibly and recklessly, has attached to the mining tax, because, unlike the Labor Party, we take a responsible approach to fiscal management.

There is much wrong with the mining tax, and way too much to explore in the short time available to us today. One of the big problems with the mining tax is that, even if all of Labor's predictions had come true, even if the blue-sky scenarios painted by Mr Swan had come true and we had raised $4 billion of revenue in year 1, over time the revenue from the mining tax was always going to be highly volatile. It was always going to change with commodity prices. It was always going to change with the exchange rate. It was always going to be downward trending over time, because, at a time when you have high and record commodity prices and you get a supply response which responds to the high commodity prices, prices are always going to come down. This is something that Treasury very clearly predicted in its forecasting. But what did the government do? They took a highly volatile, downward-trending revenue source, and to that volatile, reducing revenue source they linked about a dozen measures which were costing a lot of money. Not only were they going to cost a lot of money but the cost of those measures was going to be fixed and increase over time. It is a recipe for disaster.

No wonder that the Labor Party can never manage money. No wonder that the Labor Party can never live within its means. Only the Labor Party can come up with two multibillion-dollar new taxes which are bad for the economy and which actually leave the budget worse off. This is because the government spend more than they think the taxes will raise in revenue, and the situation gets worse over time, exposing the budget to a worsening structural deficit position. This is just one of the measures that the government quite recklessly and irresponsibly proposed to attach to the mining tax.

To remain consistent with our long-adopted position, we will not be supporting this measure. We will be moving an amendment to excise this particular schedule from this bill.

In relation to schedule 4, the extension of interim streaming provisions for managed investment trusts, this bill seeks to extend the interim streaming rules for managed investment trusts until the commencement of the new tax system for MITs. The interim rules enable the streaming of capital gains.
and franked dividends to beneficiaries, subject to relevant integrity provisions, until the new MIT regime commences. The commencement of the new MIT regime has been deferred by two years to 1 July 2014 to coincide with the intended commencement of rewritten MIT and other trust provisions in the income tax acts. Originally these streaming rules for MITs were to apply from 1 July 2012, but they were extended by two years to 1 July 2014 because the provisions for the new MIT regime were not ready in time. Surprise, surprise!

This is the most chaotic, the most dysfunctional, the most incompetent government in the history of the Commonwealth. Here we are at schedule 4, and we are about to run out of time to talk about all eight schedules. This is just another Labor fix to a Labor stuff-up, because Labor is not able to get its act together and do things in an orderly, professional, methodical way. Here we are, looking at another two-year extension, because it was not ready with the new MIT regime in time. This will now be an issue that will have to be sorted out after the next election.

This extension of the transition period is a direct consequence of delays in progress in other announced and anticipated changes in the tax laws. It reflects a growing backlog of changes to the tax law which have been announced but not enacted. It is entirely consistent with the chaotic, dysfunctional and incompetent nature of this government's approach to tax reform.

Schedule 5, dealing with the rebate for medical expenses, seeks to apply an income test to the rebate for medical expenses from 1 July 2012. It is a budget measure. It is another example of the government's desperation for more cash. This is another grab for cash from a fiscally reckless and irresponsible government which is not able to control its spending addiction.

Schedule 6 of this bill, dealing with limited recourse debt, makes changes in the Income Tax Assessment Act 1997, following the 2011 decision of the High Court in Commissioner of Taxation v BHP Billiton Ltd. We actually support this particular schedule.

I am running out of time. I just want to say that, in relation to schedule 7, the change to in-house fringe benefits under salary-packaging arrangements is yet another grab for cash. This is a cash-grabbing government which, of course, has completely lost control of our finances, and this legislation needs more scrutiny. (Time expired)

Senator BOYCE (Queensland) (18:15): I would like to thank my colleague Senator Cormann for speed in speaking his way through the eight schedules that we are supposed to be debating in the very, very brief time that we have been given for yet another bill to fix a bill. I noted, whilst preparing to speak on the Tax Laws Amendment (2012 Measures No. 6) Bill 2012, that in the House of Representatives the shadow Treasurer, Mr Joe Hockey, said:

Noting that we were given two minutes notice that this bill was being brought on for debate, I rise to speak on the Tax Laws Amendment (2012 Measures No. 6) Bill 2012, which deals with a range of changes to the taxation system …

Whilst we were given two minutes notice for the debate in the House of Representatives, we have been given not much more, 45 minutes, for the debate of the entire bill in the Senate under the gag situation that the Gillard government and the Greens have forced through.

I note also that the government would want to describe this bill as an omnibus bill,
with eight schedules dealing with eight different aspects of tax. I would suggest that what we are, in fact, looking at is probably more like a dog's breakfast than an omnibus bill. We have schedules where the introduction of the provisions is being delayed. We have others where we are going back nearly 12 months in claiming moneys from the poor, ever-suffering Australian taxpayers, who are trying to prop up, firstly, the mirage of a deficit that this government has developed and who are now stuck in trying to pay off the debts of this government.

We have schedule 4 of the bill, which seeks to extend the interim streaming rules for managed investment trusts until the commencement of the new tax system for the managed investment trusts. The interim rules enable the streaming of capital gains and franked dividends to beneficiaries subject to relevant integrity provisions until the new MIT regime commences. The commencement of the new MIT regime has been deferred by two years to 1 July 2014 to coincide with the intended commencement of the rewritten MIT and other trust provisions in the income tax laws. Originally these interim streaming rules were supposed to apply from 1 July 2012, but now they have been extended by two years to July 2014 simply because the provisions for the new regime have been delayed by two years to July 2014. The legislation that may have been thought about and may have been considered is the legislation that got bumped, so that all goes to the back of the queue. As a result we have tax reform measures that provide no budget boost or, worse, come with a cost and are relegated to second-class status and do not come in. This is exactly what has happened with the managed investment trust regime. It got bumped and bumped, so we have the situation where we have a two-year delay in developing this regime. Goodness knows when it will get caught up.

This process has not been helped by the fact that the Assistant Treasurer's portfolio has been held by five different people. Five different people have attempted to be Assistant Treasurer to Mr Swan in just over five years since this government came into office. Of course, we have a similar problem in the small business portfolio. I cannot remember quite how many, but it is certainly at least five. With this swinging door of people, by the time someone gets around to getting their head around the legislation, it is time for them to get moved out and for someone else to get moved in.

We have schedule 4, around the managed investment trusts, which is delayed for two years. The next schedule, schedule 5, applies an income test to the rebate for medical expenses from 1 July 2012. Here we are in June 2013 debating a piece of legislation that came into force, allegedly—or would have if they had gotten it up in time—to apply from 1 July 2012. I guess the government will manage to get this through before the end of the financial year, so that will be all right, won't it? How incredibly bizarre! This is a budget move that was announced in May...
2012 and yet, only now, we have the legislation in this parliament. This is yet another of the government's efforts to scrabble around looking for money, shouting their 'class warfare, class warfare' mantra to tackle families and others who quite recently expected out-of-pocket medical expenses to be reimbursed past a certain level, as they have been under an excellent policy developed by the former Howard-Costello government.

The current claim threshold is $2,120 per year for all taxpayers and it is indexed by CPI, with net expenses exceeding the threshold giving rise to a tax offset or rebate worth 20 per cent of the excess above the claim threshold. Of course, the government thought: 'This is a bit too good. We'll have to get into this. We don't want those rich people having any assistance with their health benefit.' So for singles they brought in an adjusted taxable income of $84,000. I guess a single who earns $85,000 is one of Mr Swan's richies who is out to rort the system and destroy the working class. If a single person earns more than $85,000, their claim threshold is $5,000 and they only get 10 per cent back. For married couples, it is $168,000 and, again, the claim threshold is $5,000 and they only get 10 per cent back. Because this government does not understand families and how to run them or how to budget, the income threshold increases only by $1,500 for each dependent child. This is yet another tax grab from an imprudent government that cannot control its spending addiction.

My colleague Senator Cormann earlier outlined that we will be seeking to amend schedules 1 and 3 of this bill because of their offensive nature. It continues to beggar belief that this government wants to ram legislation like this through when we have unintended consequences in the native title area and many other problems with this legislation.

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (18:25): I would like to talk at length to the Tax Laws Amendment (2012 Measures No. 6) Bill 2012, but of course I cannot. I follow on from Senator Boyce talking about people earning $85,000, such as schoolteachers and police officers. These are the wealthy? This is simply amazing. It takes me back to John Laws when he constantly said, 'You don't make the poor rich by making the rich poor.' That is something that the Labor government and the Greens have never learnt. They rob the people who are successful—the ones who invest, the ones who run large businesses that started off as small businesses and grew.

I would like to speak at length to this because of the tax treatment of native title benefits. Schedule 1 deals with changes to the tax treatment of native title benefits. It seeks to clarify such benefits uniformly as non-assessable, non-exempt income so that they are not subject to income tax or capital gains tax in the hands of the beneficiary or recipient taxpayer or taxpayers.

There are many things I would like to say here. I would like to go on about the failed minerals resource rent tax that my colleague Senator Cormann mentioned. I was on a committee with him. Amazingly, the government said, 'We're going to get $3 billion back to $2 billion,' and then they spent the money before they got it, did not get it and then wondered why their books were in such a shambles. I do not know how many hundreds of times over the last 18 months we have been promised by Prime Minister Gillard and Treasurer Swan that there would be a surplus this year. What a farce. There is now a turnaround of about $21 billion. The Australian Labor Party do not know what the word 'surplus' means. They do not understand money management.
I would like to talk on many things, but the guillotine will drop at 6.30 and I have to leave some room for my colleague Senator McKenzie, who desperately wants to say some words. All I can say is that the guillotine is well oiled, you are going to put it to use, and you do not care about the debate or the amendments in this place. It is contempt of the Senate. Fifty-odd pieces of legislation will be guillotined this week—nearly twice as many in a week as the Howard government guillotined over three years when they actually had control of the Senate. I cannot say any more; I have to sit down. To the Labor Party and the Greens: thank you for the guillotine and stopping debate on these very important issues!

Senator McKENZIE (Victoria) (18:28): I appreciate the minister's desire to get to his feet and close the debate, but I do have the right to say a few words about the Tax Laws Amendment (2012 Measures No. 6) Bill 2012. Schedule 1, tax treatment of native title benefits, and schedule 3, deductibility of geothermal energy exploration expenditure, are the two areas that the coalition is interested in making amendments to, to excise them from the plethora of other schedules which are very comprehensive and grab-bag, as they have been described previously in the debate on this bill before us. Essentially, in the very brief amount of time I have before me—and I am conscious that many other senators on the floor of the chamber are seeking the call—I can say that it is a case study of bad government.

Before us today we have policy redesign on the run, we have time lines pushed out, and we have measures budgeted for a year ago before us today—all to fix a 'revenue problem', as we have heard it described so many times before. What the Australian people know and what we on this side of the chamber know is: there ain't no revenue problem; it is an absolute addiction to spending, which Senator Boyce mentioned earlier. That occurs when you have designed a mining rent tax with the people who are designed to pay the rent tax. The Treasurer has been forced to admit that his personally handcrafted mining tax rates only a fraction of the revenue promised in the budget, and I am wondering whether he is being quite truthful in saying he designed it. He might want to retract that. I think he had a lot of help from the people that were actually looking to pay the tax. It is no surprise it is not raising any money. This government has introduced or increased 27 taxes since coming to office just five years ago—

The ACTING DEPUTY PRESIDENT (Senator Pratt): Order! The time allotted for the remaining stages of the bill has expired. The question is that this bill be now read a second time.

Question agreed to.

Bill read a second time.

The PRESIDENT: The question is that schedules 1 and 3 stand as printed.

Opposition's circulated amendments—
(3) Schedule 1, page 4 (line 1) to page 9 (line 19), TO BE OPPOSED.

(4) Schedule 3, page 12 (line 1) to page 18 (line 29), TO BE OPPOSED.

The Senate divided. [18:34]
(The President—Senator Hogg)

Ayes ..................... 33
Noes ....................... 26
Majority ............... ?

AYES

Bilyk, CL  Bishop, TM
Brown, CL  Cameron, DN
Carr, KJ  Crossin, P
Di Natale, R  Farrell, D
Feeney, D  Gallacher, AM
Hanson-Young, SC  Hogg, J
Lines, S  Ludlam, S
Ludwig, JW  Lundy, KA
Marshall, GM  McEwen, A (teller)
Milne, C  Moore, CM

CHAMBER
AYES
Polley, H
Rhiannon, L
Singh, LM
Sterle, G
Thorp, LE
Waters, LJ
Wright, PL
Pratt, LC
Siewert, R
Stephens, U
Thistlethwaite, M
Urquhart, AE
Whish-Wilson, PS

NOES
Back, CJ
Birmingham, SJ
Boswell, RLD
Cash, MC
Boyce, SK
Colbeck, R
Cormann, M
Bushby, DC (teller)
Fawcett, DJ
Edwards, S
Fifield, MP
Grover, H
Humphries, G
Johnston, D
Kroger, H
Mason, B
McKenzie, B
Heffernan, W
Parry, S
Kent, N
Ronaldson, M
Ruston, A
Ryan, SM
Sinodinos, A
Smith, D
Williams, JR

Question agreed to.

The PRESIDENT (18:37): The question now is that amendments (1) and (2) on sheet 7365 revised, circulated by the opposition, be agreed to:

(1)Clause 2, page 2 (table item 2), omit "Schedules 1 to 7", substitute "Schedule 2".

(2)Clause 2, page 2 (after table item 2), insert:
2A. Schedules 4 to 7 The day this Act receives the Royal Assent.

Question negatived.

Third Reading
The PRESIDENT (18:37): The question now is that the remaining stages of this bill be agreed to and this bill be now passed.
Question agreed to.
Bill read a third time.

Sitting suspended from 18:37 to 19:30

Customs Amendment (Anti-dumping Measures) Bill 2013
Customs Tariff (Anti-Dumping) Amendment Bill 2013
Second Reading
Debate resumed on the motion:
That these bills be now read a second time.

Senator COLBECK (Tasmania) (19:30): I rise to make my contribution on the Customs Amendment (Anti-dumping Measures) Bill 2013. This is the fifth installment of antidumping legislation this government has presented. It has taken a while to get there, but we continue to go through the process. This piece of legislation does a couple of things. Firstly, it removes the minister’s mandatory obligation to consider the so-called lesser duty rule. It also provides closer alignment of retrospective duties provisions within the relevant WTO agreements and introduces new anticircumvention provisions that widen the range of options available to government, including to address the practice of sales at a loss and attempts by foreign producers to evade the full payment of duties.

We have seen in recent weeks the concerns that industry players have expressed in relation to their competitiveness—particularly in the Shepparton district of Victoria, where SPC Ardmona has requested emergency assistance and consideration of emergency duties under the WTO provisions. I think that particular action by SPC Ardmona— their concern about their competitiveness and their concern that there may be countries who are dumping product into Australia—demonstrates the importance to this country of having effective antidumping measures.

Although I do accept that the government has made a number of changes—as I said, this is the fifth in a series of changes this
government has made over the last couple of years—concerns exist in the broader community that the current regime remains expensive to access. The opposition has for a considerable period of time had an antidumping policy on the table. As with previous incarnations of changes made by the government, they go some way towards meeting the policy we have put in place. So we welcome them and we support this piece of legislation and the measures within it. I do not need to go into the details of the opposition's antidumping proposals. But I, along with a couple of others, was part of the task force that Mrs Mirabella put in place and I was really pleased to play a constructive part in the policy development. It is good to see that the government is slowly moving down the track of putting in place measures that could provide the capacity for protection.

In the case of SPC Ardmona, one of their concerns was that the New Zealand industry have had measures in place to support them against dumping for a period of time. So there has been a lot of discussion about whether or not there might be retaliatory action against Australia or Australian industry if we were to put in place emergency measures or countervailing measures under these emergency provisions and about what those emergency provisions might actually mean. But the rules exist under the WTO for a reason and that is that, if there is a problem there, it can be addressed. We should not be frightened of using the rules if there is a bona fide case. It is pleasing to note that the government has referred the request by SPC Ardmona to the Productivity Commission for review. The review will take about three months, as I understand it—and we did have some questions to the Productivity Commission at estimates a few weeks ago. It is pleasing that the government has taken the action of making that reference but it is disappointing that it has taken about six weeks.

I have had the opportunity to spend a bit of time in Shepparton over the last few weeks. I was there about a month ago talking to some really smart young farmers who had taken the effort to set themselves up and plan for their business. They realised that the industry they were in is not really a long-term one and they had set themselves up to turn over about 10 per cent of their orchard on an annual basis so that they could move with the times. But the SPC decision had completely gazumped their plans. They were bringing in new varieties. They had set up a nursery. They were providing plants and trees to other growers in the region so that they could build a critical mass to develop markets locally and internationally if they were able to get into those markets. But this decision by SPC Ardmona, because of the pressure they are under, particularly from imports, really gazumped them. They were in a situation where, rather than turning over 10 per cent of their orchard on an annual basis, they were going to have to take 50 per cent of it out. And that had made a really big impact on their business plan and how they were operating.

We have had discussions in this place over the last few weeks about the government's farm assistance program, which still is not up and running. I talked to those young farmers about the opportunities that might exist under the low-interest loans the government is proposing but which it still cannot come to an agreement with the states about. The protection and the assistance they might have been looking for could be drastically assisted by a progression of the case SPC Ardmona currently has in front the Productivity Commission. That could put assistance in place, as I understand it, for a period of 200 days, to provide some
temporary protection—to give SPC Ardmona breathing space.

This piece of legislation does not specifically deal with those particular issues, but it is part of the broader package providing the protection that Australian industry might need when businesses from other countries might be dumping product on the Australian market. We often hear the term—I think it has even been mentioned in the chamber here today—of 'fair trade'. We like to see, as much as possible, fair trade take place, but we know that, in the broader rough and tumble of the market, businesses often take the opportunity to sell below the cost of production or below market value. It is in those circumstances that we want to give the Australian business community some protection. So where a business is selling below the cost of production in their local market, or below what a reasonable market price might be, it is reasonable for an Australian industry to expect some support. That is the circumstance that exists with SPC Ardmona. They are concerned that there is product coming in from other nations—I have seen the retail prices—which might be selling for $1.60 or $1.80 per can when the SPC Ardmona price is closer to $4 or $5 per can. That is a particular issue. We need to provide the industry the time and the space to transition.

It was interesting that the young farmers I was talking to talked about the process of canning as being something that was not necessarily going to be around the Australian market for long. That says to me that SPC Ardmona need to do some work on their technologies and put some investment into their business. They say that they have invested a lot but they need to be progressive about that. We need to give them the space to do that so that they can put new products into the market and so that they can change their packaging regimes and provide more attractive products to the local market.

These farmers said to me that, if the dollar got down to about 80c, they could not grow enough fruit. So we also know about the general economic conditions that exist. We have talked about this in previous debates. The cost of government applied to industry is a problem but the dollar has also had a significant impact. So how do we make sure that when we get into a circumstance such as the one we have just seen, where the dollar has been well over US$1.00 or US$1.10 for a period of time, those core industry assets survive through that time? It is a really difficult problem to consider because the rest of the community—the non-rural community, or the non-manufacturing community in a lot of senses—get a benefit from that value of the dollar. They receive lower priced product coming in from overseas. How do we maintain those assets into the long term? How do we give producers the capacity—how do we encourage them—to survive through those periods of time so that they can maintain and sustain the industries, and the businesses that supply them, into the longer term?

In the context of this piece of legislation the changes to the lesser duty rule will ease the current restrictions on the minister's ability to choose whether to apply the full margin of duty in order to remedy the impact of a dumping activity. The coalition supports that. Under article 9.3 of the WTO agreement on dumping, antidumping duties may not exceed the dumping margin calculated during an investigation. But under Australia's laws, as they stand, we have been limited by further provisions that force the minister to consider the lesser duty rule in every case. So we support the changes being made in this circumstance.
The changes to the retrospective notice provision essentially gives the minister more scope and discretion in making decisions about the level and timing of duties to be retrospectively applied to companies that have dumped goods in Australia. Again, the opposition supports those measures.

The new anticircumvention provisions are chiefly aimed at more aggressively countering the practice of sales at a loss, where a foreign producer off-loads excess stock in Australia at a loss. They also target various other flaws in existing arrangements relating to circumvention, including by adding scope consideration of the export price as a variable factor in relation to reviews and providing anticircumvention inquiries with new means for calculation of the export price.

The changes give the minister increased scope and discretion in considering the level of duties and the timing of their application and to impose duties on companies found to have dumped in Australia. Importantly, they reduce inconsistencies between the approach in Australian and other jurisdictions.

I have had cause to have discussions with officials in estimates over recent years about Australia's antidumping regime. We have been told, in a number of those conversations, that we were regarded by others outside as having global best practice. There are many in Australia who would interpret that as Australia being a pretty easy touch—that it is pretty easy to get things past us. There is no question in my mind that we need to have legislation that is compliant with our WTO requirements. And we need to be prepared to use the rules that exist for our benefit under those WTO requirements. We ought to do all of those things.

To make our approach more consistent with other countries' jurisdictions, I think is a positive move. In our own policy we have stressed the aim of more closely aligning our rules here in Australia with other jurisdictions and to crack down on those from overseas who do not cooperate with Australia when we are investigating dumping claims. That can be a very difficult part of the process. Trying to get information in another jurisdiction, getting through their local processes and getting into their systems can be extremely difficult. That can be used to string out a claim, it can be used to make it very difficult to investigate, it can be used to delay the process and it can even be used to prevent a proper investigation. If people are going to make it hard for us to genuinely investigate a claim, there should be some way for us to deal with that. I think that is only reasonable.

The coalition will be supporting the legislation. We do note that there are a number of amendments that will be placed in this debate by other members. We certainly acknowledge the work that Senator Xenophon has done on this. We know that it is a concern of his. We appreciate his cooperation with the shadow minister, Mrs Mirabella, and the work that he has done in talking to us in developing his amendments. We do not support all of the amendments that Senator Xenophon is putting up, because we consider that they are largely dealt with through existing laws and that WTO agreements provide the necessary scope and discretion to make the kinds of changes and enforce the kinds of decisions at which governments are aimed. But we do recognise the importance of having a very sound antidumping regime for Australia.

As I have said, we have a circumstance right now where SPC Ardmona feel that they are under fire. In my home town of Devonport, Simplot are looking at their plant—the last place in Australia that snap-freezes vegetables. We will not be able to buy Australian grown snap-frozen vegetables
if that plant closes. It would be a crying shame if that happened. That business is, right now, conducting an intensive review of its operations to decide whether it will survive beyond the next three to five years. We need to be doing everything we possibly can, and getting out of their way where we should, to ensure they can survive. It is even worse for that company in Bathurst, where they are looking at perhaps 12 months survival. In Devonport, where I live, $18 million goes into the rural sector from that plant, from peas, beans, broccoli, carrots, cauliflower and brussels sprouts—one of my favourites; I like my brussels sprouts—and even broad beans, which look like they could make a comeback. That would be a bit of a test for some, but I do not mind broad beans either.

We need to make sure that the appropriate protections are available for those businesses and industries through our antidumping measures, so the opposition welcome this piece of legislation. We indicate our support for it. There will obviously be further debate through the chamber today. We note that it is the fifth small set of antidumping changes that have been made over the time of this government. We have supported all of those. They bring the government progressively closer to the coalition's policy. We look forward to the further debate and the amendments being put, particularly those being moved by Senator Xenophon. We thank him for his work on those amendments.

Senator WHISH-WILSON (Tasmania) (19:49): The Greens have been supportive of the government's reforms to strengthen antidumping legislation to provide greater protection to Australian manufacturers. However, we believe there are some further key amendments that would assist Australian companies to more readily establish a case of dumping and compete on a level playing field with our trading partners. That is obviously a key issue for all exporters, and even importers, in this country.

The Greens are proposing two amendments to the Customs Amendment (Anti-dumping Measures) Bill 2013 to address gaps in the legislation in relation to determining 'normal value' where a market situation is found in antidumping investigations and making import data more accessible, particularly to companies filing complaints. In the first amendment, we seek to include a new subsection in section 269TAC to provide that, where the minister is satisfied that costs of goods are affected by a particular market situation—that is, that sales in the market are not suitable for use in determining a price under normal circumstances—the minister can determine the normal value of the goods, having regard to all relevant information. Like anything relating to market efficiency and business decisions, information is the key. The need to have access to all relevant information is the main point that we want to stress here. There cannot be anything wrong with providing more information and more transparency to help fix potential problems. 'All relevant information' can include records kept by the exporter reflecting the costs associated with the production and sale of like goods.

The amendment is based on counsel advice provided to the International Trade Remedies Forum. Australia has granted China market economy status for antidumping purposes. The amendment seeks to reduce the advantage of competitor countries that do not consider China a market economy and enhance our ability to remedy dumping from industries in non-market economies.

Another issue that has been raised and which would be familiar to those who have
been following this issue for some time, and no doubt everyone in this chamber has been, is the difficulty sometimes faced by people who want to either bring complaints or potentially elevate that to proceedings when they feel they have been a victim of dumping. The amendment moved by the Greens would allow persons to have access to import data. This is essentially the same kind of import data that is already required to be provided. It would assist in the enforcement of the measures contained in this bill. I commend these amendments to the Senate.

Senator XENOPHON (South Australia) (19:52): At the outset, I want to make it clear that I support the measures in the Customs Amendment (Anti-dumping Measures) Bill 2013, but I do not believe they go far enough. An analogy, though perhaps a crude one, is to say: it is a bit like a patient who is seriously ill and needs 200 milligrams of an antibiotic to make sure they get better but is only given 50 milligrams. It might help a little but it will not solve the long-term problems. But I do acknowledge the work of Minister Clare, of his office, his staff—Mr Quadrio in particular—and his departmental officers for the time they spent discussing these issues with me. It was a genuinely good consultation.

I have spoken in this place before about the importance of supporting Australian businesses against dumping. I acknowledge that the government has made real improvements to Australia's antidumping and countervailing system, but there is still much more to be done. I note that this bill is time limited, so I will keep my remarks brief. But I want to put this in perspective.

Dumping is effectively where goods are being sent to this country at a cost below their market cost in their home country. In other words, they are literally being dumped—and that costs jobs, costs opportunities and destroys Australian manufacturing. It is completely unfair. And the WTO rules say that dumping is not allowed.

My concern is that we take such a literal interpretation of the WTO rules that no other country does as we do. I was struck by a conversation I had with Michael O'Connor, a national secretary of the CFMEU who, I think, does have a genuine concern about jobs and manufacturing in this country. What Michael O'Connor said to me a year or two ago, which has stuck in my mind, was that he was at a conference in Sweden talking about the timber industry, trade issues and jobs and that when he said he was from Australia, some of the other delegates from Scandinavia laughed at him and said, 'Australia! We regard you as the free trade Taliban, because you take such a literal, literalist, fundamentalist approach to the WTO rules that no other country does.'

I will give you an example. Solar panels were being dumped in the United States and in Europe. The United States and Europe are acting against China in relation to those dumped solar panels. What do we do? We have just about one remaining solar manufacturer in this country, Tindo Solar in Adelaide—I note the Prime Minister was there a few months ago to open up their facility—and they are operating at something like 10 per cent of their capacity because they have to compete with dumped products from overseas. My fear is that, because Europe and the United States are putting up countervailing duties or, rather, duties in relation to dealing with the dumping from China, those dumped panels will end up here in Australia because we seem to have had an approach to date that has been completely unsatisfactory.
Although I do want to acknowledge the work that Minister Clare and the minister before him, Minister O’Connor, have done on this, I think we need to be more flexible and creative in the way we approach these cases—so that we comply with WTO rulings but still put our own industries first. We should have fair trade. We should have free trade. But it should not be free-for-all trade. That free-for-all approach is putting our manufacturers and industries under ever-increasing pressure.

That has been coupled with an artificially strong Australian dollar—and it is still too strong, compared to what it ought to be, according to many commentators. So our manufacturers are struggling. Look at the level of quantitative easing in the United States; although Mr Bernanke is now backing away from that, it affected the value of their dollar previously. So in the United States there has been a massive stimulus and a quantitative easing package. The yen is lower than it ought to be; it has been artificially manipulated, some would say. And China's currency, the renminbi, is even worse—it is fixed by the government. There is not a level playing field when it comes to issues of currency.

The Prime Minister’s Taskforce on Manufacturing released a report in August last year that estimated that 950,000 people were employed in manufacturing and stated that it contributes eight per cent of GDP directly. That does not include the significant amount it contributes indirectly through flow-on effects to businesses. But, as I have also stated, over the last four years 100,000 jobs have disappeared from the sector—and that is a conservative estimate. The report also estimates that another 85,600 jobs, at a minimum, may be lost in the next five years. That is close to 200,000 Australian families that will have lost their jobs in manufacturing. That includes food processing—I saw that Senator Colbeck made reference to that earlier. We are facing a situation where the last remaining frozen food facility in Australia might be closing down in the next three to five years. So, if you are going to buy any frozen vegetables in this country, they will be coming from overseas. How can we allow that to happen in a country that is so abundant in its food production capacity and has one of the world's best reputations for clean, green produce? Yet we are looking at losing that facility.

Between 2008 and 2010, capital expenditure by the manufacturing industry decreased by 20 per cent, or $4.1 billion. There has been a 55 per cent drop in furniture manufacturing, for example, plus a 43 per cent drop in printing and a 10 per cent drop in machinery and equipment manufacturing. Our mining boom has meant that we have taken our eye off the ball when it has come to manufacturing. We have also forgotten that, without a manufacturing industry, we lose something that is incredibly valuable. We lose something as a nation that cannot be replaced. We lose those skills. We lose the ability to make things ourselves. We lose the ability to export to other countries. We lose innovation. That is a key issue and one of the reasons our car manufacturing industry is so important in this country. To the Holden workers who are listening, who worked at Elizabeth in South Australia: I understand, and many others here understand, the importance of your industry.

For each of the major manufacturers that are at risk, there are smaller component manufacturers that depend on them for a living. The multiplier effect, the economic impact and the string of job losses linked to these major manufacturers are huge. It is estimated that if Holden were lost from South Australia that would mean something like 16,000 jobs would be lost. I dread to
think what that would do to the northern suburbs of Adelaide. I do not want the northern suburbs of Adelaide to be turned into some sort of industrial wasteland. We must fight against that. We must do everything possible from a sensible policy point of view to make sure that does not happen. But, even further than that, if we lose our manufacturing capability, we lose our independence. That is something I know Senator Madigan has been very passionate about and I have been very privileged to be part of the Australian Manufacturing and Farming Program, which he instigated and leads. We can already see some sectors where skill shortages have led employers to bring in overseas workers on 457 visas, but we do not seem to be doing anything to address why those skills, education and basic training shortages happen in the first place. Protecting Australian industry is about more than protecting the big car manufacturers, which is very important; it is about protecting our skills and our future.

I will be moving a number of amendments to this bill, but this debate is time limited. For those out there listening, I say it is not a good way for the Senate to operate as a genuine house of review to have bill after bill being time limited with the guillotine provision. I agree with what Senator Madigan said previously in this place: if I am ever in a position where my vote as to whether there is a guillotine may count, I can tell people on both sides of the chamber that you can forget about it. If you want to sit here on Saturdays and Sundays, week after week, until we sort out the legislation, so be it. I think Senator Madigan is of the same view—and he is indicating that now.

I will be moving some amendments to this bill and speaking to them. I do need to acknowledge that there is an improvement in the system. We have a situation where, for instance, a company like Tindo Solar, with 18 employees, were quoted $1 million to run an antidumping case. At least now, through the government's initiative, there is a mechanism—a support system or advocate—that they can go to who is very well regarded in the industry. I genuinely commend the government on that because it is an improvement. Those small manufacturers like Tindo Solar would not have had a chance in hell to even look at such a case otherwise, so that is a clear improvement. Minister Clare and his office, and Minister O'Connor before him, deserve to receive credit for.

But this bill does not address some fundamental issues, which is why I will introduce amendments. If I may obtain your guidance, Mr Acting Deputy President, I have amendments to move, but because of the time limits involved Senator Madigan has indicated that he wishes to co-sponsor these amendments with me and I am very pleased for him to be able to do that. But I am not sure whether I should seek leave from the chamber to add Senator Madigan's name to the amendments.

The ACTING DEPUTY PRESIDENT (Senator Ludlam): Senator Xenophon, an indication, as you have made, is enough.

Senator XENOPHON: That is fine, and I am grateful for that and grateful for Senator Madigan's support in co-sponsoring these amendments.

The first lot of amendments are to the second reading motion. For those out there listening intently, the issue is this: an amendment to the second reading motion does not bind the government of the day. It is not part of the legislation itself, but it does send a clear statement from the Senate asking for something to be done. These amendments to the second reading motion, jointly moved with Senator Madigan, call on the government to commission an
independent review into several issues regarding the antidumping system.

Firstly, the review should consider the current provisions relating to 'particular market situations'—I put that in quotation marks because that is a specific term of art in the legislation—and whether they are sufficient in outlining the circumstances where our market is not suitable in determining a normal value of a product. A normal value, as defined, is the expected retail value of a product in its domestic market. It forms an integral part of an antidumping case. However, some markets do not operate on the same commercial terms as Australia and that is something we need to consider.

Just last night, there was the *Four Corners* story about the clothing industry in Bangladesh and the recent disaster and tragedy there, where over 1,120 people were killed and a further 2,500 people were injured when a factory collapsed. We have heard countless terrible stories of child labour, of people paid tiny sums of money to work excessive hours and of workers locked in buildings and subject to unimaginable conditions. We have also heard stories of rainforests being cleared and cheap timber dumped on the Australian market, with huge environmental impacts. I wonder to what extent dumped products were responsible for the over 200 jobs lost at the Kimberly-Clark factory in the south-east of South Australia—they clearly were—and whether any of those paper products were from rainforest timber. The controls and quality safeguards that apply to Australian manufactured products just do not exist in some other countries. Whether it is child labour, rainforest timber or virtual slave labour, these circumstances need to be considered when determining the so-called normal value of a product.

Secondly, the review will consider the application process, including the impacts on small businesses and the burden of proof that applicants carry. I plead with the opposition, given the statements of Sophie Mirabella, the shadow minister with responsibility in this area, to seriously consider that. It is not forcing a change of the law; it is requesting, rather, a review of something as fundamental as this. In jurisdictions such as the European Union, the process is more supportive for applicants, particularly small businesses, with officials providing a higher level of guidance in terms of information required.

Thirdly, the review will consider possible amendments to the way the export price is determined, similar to the previous amendment I moved with Senator Madigan.

The terms of reference for this review will be determined by the International Trade Remedies Forum and the review itself will be undertaken by an independent party. This amendment also states that the review should be undertaken within 12 months of the commencement of this bill and the report tabled in both houses of parliament. The issues outlined in this review need urgent consideration.

Changes in this area will make significant changes for Australian businesses and will further improve our antidumping and countervailing systems. This amendment to the second reading motion is about at least getting this process to improve on the existing amendments that are in place—the fifth or sixth tranche of amendments we have seen. This will go that step further to deal with issues that directly impact on small businesses in this nation.

I also have a number of amendments for the committee stage of the bill that I will be moving jointly with my colleague Senator Madigan. Item 1 inserts a new item into section 269TAB(1) which relates to the
determination of export prices of goods exported into Australia. Determining the export price plays an important role in determining whether goods have been dumped in Australia. This particular amendment broadens the criteria to include the circumstances when an importer sells goods in Australia on less than profitable terms. This relates to when an importer is selling items at a price, if they were manufactured on a similar basis as like Australian products, that could not be retailing at a profit—for example, if an Australian manufacturer knows that the product usually costs $2 to make in Australia and an average of $1.80 globally but an importer is selling the item in Australia for $1. By reverse-engineering these figures, it is clear that the importer is selling goods below cost or dumping them into Australia. This amendment will give Australian manufacturers more flexibility when they are mounting dumping cases and recognises an issue that is currently not addressed in the act.

The aim of the second amendment is to make more import information available to Australian companies for the purpose of antidumping cases. I note the Australian Greens have a similar amendment, which I support, and I commend them for moving it. But this amendment is much broader and allows for the type of published information to be determined in the regulations. I note the government’s concern about the amount of detail specified in the Greens amendment, so I intend this amendment to be a compromise between the two. I am very happy to support the Greens amendments and I understand that Senator Madigan is as well.

The purpose of the third amendment is to undertake a review of the antidumping provisions in the act. The aim of this is to ensure the government’s reforms are operating effectively and to highlight any areas in need of further reform. It also states that the minister must table a copy of the report when completed.

The aim of the fourth amendment is to reverse the onus of proof in the act. Currently, Australian manufacturers must bear the onus of proof in dumping cases—that is, they must prove that dumping exists. This amendment places the onus of proof on exporters, so that when a complaint is made against them they must prove the complaint to be false. I believe it emphasises the need for Australia to be more flexible and creative about our approach to the WTO and trade in general—so we are not the free market Taliban, laughed about in other parts of the world.

I note that the opposition previously stated that they would support a reverse onus of proof. I refer to an opinion piece that shadow minister Sophie Mirabella wrote on 14 November 2011 in The Australian. She said the coalition policy would:

… also provide Australian authorities with a greater opportunity make use of preliminary affirmative determinations. For two months into an investigation, these PADs create a shift on the balance of an investigation, requiring the foreign producer (rather than the Australian company that believes it has been damaged by the dumping) to prove its conduct hasn’t hurt the Australian industry.

I am asking the coalition to support my fifth amendment, which is directly modelled on what the coalition has said. My plea to this chamber is that we need to do more for Australian manufacturing. This is not about protectionism; it is about fairness. It is about Australia not being treated as mugs by the rest of the world when we are dealing with dumping cases. That is why these reforms are essential.

The ACTING DEPUTY PRESIDENT: I am afraid that the time allotted for the consideration of these bills has expired.
Senator Xenophon, before I put the question, can I confirm that you were seeking to add Senator Madigan's name to the second reading and committee stage amendments?

Senator XENOPHON: That is correct.

The ACTING DEPUTY PRESIDENT: The question is that the second reading amendments on sheet 7425 revised, circulated in the names of Senators Xenophon and Madigan, be agreed to:

At the end of the motion, add "and the Senate:

(a) calls on the Government to commission an independent review of:

(i) the definition of a 'particular market situation' under section 269TAC(2)(ii) of the Customs Act 1901 in order to better define the circumstances under which the situation in the market of the country of export is such that the market is not suitable for use in determining a 'normal value' under subsection 269TAC(1), and the related operation of sub-regulation 1802(b)(ii) of the Customs Regulations 1926;

(ii) the application process and the current approved form for Application for Dumping and/or countervailing Duties (Form B108) under the Customs Act 1901, with specific reference to:

(A) the current approach by the European Union,

(B) the impact on small manufacturers, and

(C) the burden of proof and establishing 'material harm', and

(iii) a possible amendment to subsection 269TAB(1)(b) of the Customs Act 1901 to allow a further circumstance in which an export price may be determined by deductive means, where sales by an importer into the Australian market are on unprofitable terms;

(b) calls on the Government to refer these matters to the International Trade Remedies Forum to determine terms of reference for an independent review within 12 months of the commencement of the provisions in the Customs Amendment (Anti-dumping Measures) Bill 2013; and

(c) is of the view that:

(i) such a review must have regard to matters including:

(A) breaches of International Labour Organisation rules and/or conditions (such as those relating to under age labour); and

(B) environmental issues (such as deforestation); and

(ii) the report should be delivered to the Minister within 6 months of the commencement of the review, to be tabled in both houses by the Minister within 5 sitting days of receipt”.

The Senate divided. [20:14]

(The Acting Deputy President—Senator Ludlam)

Ayes ...................... 11
Noes ...................... 35
Majority ............... 24

AYES
Di Natale, R
Ludlam, S
Milne, C
Siewert, R
Whish-Wilson, PS
Xenophon, N (teller)

NOES
Back, CJ (teller)
Birmingham, SJ
Bushby, DC
Colbeck, R
Crossin, P
Fawcett, DJ
Fierravanti-Wells, C
Furner, ML
Kroger, H
Ludwig, JW
McEwen, A
McLucas, J
Parry, S
Ruston, A
Sinodinos, A
Stephens, U
Thorp, LE
Williams, JR

Question negatived.
The ACTING DEPUTY PRESIDENT (Senator Ludlam) (20:16): The question is that these bills be now read a second time.

Question agreed to.

Bills read a second time.

The ACTING DEPUTY PRESIDENT:
In respect of the Customs Amendment (Anti-Dumping Measures) Bill 2013, the question is that amendments (1) and (2) on sheet 7411 revised, circulated by the Australian Greens, be agreed to:
(1) Schedule 1, page 4 (after line 14), after item 6, insert:

6A Subsection 269TAC(2A)

After subsection (2), add:
(2A) Where the Minister is satisfied that because the situation in the market of the country of export is such that sales in that market are not suitable for use in determining a price under subsection (1), regardless of subsection (5D), the normal value of goods is the amount determined by the Minister having regard to all relevant information, including by reference to costs of production calculated on the basis of records kept by the exporter or producer, provided that:
(a) such records are in accordance with generally accepted accounting principles of the exporting country;
(b) such records reasonably reflect the costs associated with the production and sale of the like goods under consideration; and
(c) the costs incurred are not affected by the particular market situation.

(2) Schedule 1, page 4 (after line 14), after item 6, insert:

6B At the end of Division 1 of Part XV B

Add:

269TBAA Access to import data

(1) For the purposes of subsection 16(2) of the Customs Administration Act 1985, a person is authorised to make a record of, and to disclose to any person, protected information (within the meaning of that section) that is import data.

(2) Despite section 12 of the Census and Statistics Act 1905 and any determination made under section 13 of that Act, the Statistician (within the meaning of that Act) must publish all import data.

(3) For the purposes of this section, import data means the following information about individual shipments of goods exported to Australia:
(a) country of origin;
(b) the type of goods;
(c) the volume of the shipment;
(d) the value of the shipment;
(e) any other details about the shipment of the goods specified by the Minister by legislative instrument.

The Senate divided. [20:18]

(The Acting Deputy President—Senator Ludlam)

Ayes ...................... 11
Noes ...................... 36
Majority ............... 25

AYES

Di Natale, R
Ludlam, S
Milne, C
Stewart, R (teller)
Whish-Wilson, PS
Xenophon, N

Hanson-Young, SC
Madigan, JJ
Rhiannon, L
Waters, LJ
Wright, PL

NOES

Back, CJ (teller)
Birmingham, SJ
Bushby, DC
Colbeck, R
Cormann, M
Faulkner, J
Feeney, D
Fifield, MP
Gallacher, AM
Lines, S
Lundy, KA
McKenzie, B
Moore, CM
Polley, H
Singh, LM
Smith, D

Bilyk, CL
Brown, CL
Cameron, DN
Collins, JMA
Crossin, P
Fawcett, DJ
Fierravanti-Wells, C
Furner, ML
Kroger, H
Ludwig, JW
McEwen, A
McLucas, J
Parry, S
Ruston, A
Sinodinos, A
Stephens, U
Question negatived.

The ACTING DEPUTY PRESIDENT (Senator Ludlam) (20:22): The question is that amendment (1) on sheet 7418, circulated in the names of Senator Xenophon and Senator Madigan, be agreed to:

(1) Schedule 1, page 4 (after line 14), after item 6, insert:

6A At the end of Division 1 of Part XVB

Add:

269TBAB Reporting information about imports into Australia

(1) The Commissioner must:

(a) establish a publicly available free website; and

(b) publish on the website, and keep updated, such information as prescribed by the regulation made for the purpose of this subsection.

(2) The regulation made for the purpose of paragraph (1)(a) must:

(a) include details of the kind of information that the Commissioner must publish, and keep updated, on the website; and

(b) include a requirement that the following information about individual shipments of goods exported to Australia be published on the website:

(i) the country of origin of the shipment;
(ii) the type of goods in the shipment;
(iii) the volume of the shipment;
(iv) the value of the shipment.

(3) Before recommending that the Governor-General make a regulation for the purpose of this section, the Minister must consult with the Commissioner about the kind of information that should be published on the website.

The Senate divided. [20:22]

(The Acting Deputy President—Senator Ludlam)
At the end of Division 1 of Part XVB

Add:

269TBAB Reporting information about imports into Australia

(1) The Commissioner must:
(a) establish a publicly available free website; and
(b) publish on the website, and keep updated, such information as prescribed by the regulation made for the purpose of this subsection.

(2) The regulation made for the purpose of paragraph (1)(a) must:
(a) include details of the kind of information that the Commissioner must publish, and keep updated, on the website; and
(b) include a requirement that the following information about individual shipments of goods exported to Australia be published on the website:
(i) the country of origin of the shipment;
(ii) the type of goods in the shipment;
(iii) the volume of the shipment;
(iv) the value of the shipment.

(3) Before recommending that the Governor-General make a regulation for the purpose of this section, the Minister must consult with the Commissioner about the kind of information that should be published on the website.

Schedule 1, page 13 (after line 19), at the end of the bill, add:

3 At the end of Part XVC

Add:

269ZZYH Review of operation of Part XVB

(1) The Minister:
(a) must cause the Forum to undertake a review (the first review) of the first 2 years of the operation of Part XVB as amended by the Customs Amendment (Anti-dumping Improvements) Act (No. 2) 2011; and
(b) may cause the Forum to undertake a review (a subsequent review) of the operation of Part XVB during other specified periods.

(2) The Forum must give the Minister a written report of a review under this section:
(a) in the case of the first review—within 6 months after the end of the 2 year period; and
(b) in the case of a subsequent review—within 6 months after the end of the specified period to which the review relates.

(3) A review under this section must include an opportunity for interested parties and members of the public to make written submissions on the operation of Part XVB.

(4) Officers of Customs must, if requested to do so by the Forum, assist the Forum in:
(a) conducting a review; and
(b) preparing the written report of a review.

(5) The Minister must cause a copy of a report of a review under this section to be tabled in each House of the Parliament within 15 sitting days of that House after he or she receives the report.

Schedule 1, page 13 (after line 19), at the end of the bill, add:

4 After section 269TDAA

Insert:

269TDAAB Onus of proof if application not rejected

(1) If the CEO decides not to reject an application under subsection 269TB(1), the importer of the imported goods the subject of the application bears the onus of proving that the imported goods have not been:
(a) dumped into Australia; or
(b) subsidised for export into Australia.

(2) Any material lack of cooperation for the purposes of subsection (1) by the importer of the imported goods the subject of the application must give rise to the rebuttable presumption of dumping and/or subsidised export into Australia by the importer.

(3) Schedule 1, page 13 (after line 19), at the end of the bill, add:

5 After section 269TDAA

Insert:

269TDAAB Onus of proof if preliminary affirmative determination made

(1) If the CEO makes a preliminary affirmative determination in respect of an application under subsection 269TD(1), the importer of the
imported goods that is the subject of the application bears the onus of proving that the imported goods have not been:

(a) dumped into Australia; or
(b) subsidised for export into Australia.

(2) Any material lack of cooperation for the purposes of subsection (1) by the importer of the imported goods the subject of the application must give rise to the rebuttable presumption of dumping and/or subsidised export into Australia by the importer.

(6) Schedule 1, page 13 (after line 19), at the end of the bill, add:

6 Subsection 269T(1)
Insert:

**International Trade Remedies Forum** means the Forum established under Part XVC.

7 After subsection 269TC(4)
Insert:

(4A) If the CEO decides not to reject an application under subsection 269TB(1) or (2) in respect of goods, the CEO:

(a) must have regard to any new or updated information that is provided to him or her by an interested party that reasonably could not have been provided earlier; and

(b) must consult the International Trade Remedies Forum and other persons with expertise in the relevant Australian industry and related Australian industries and must have regard to any information and analysis provided by that Forum or those persons as a consequence of those consultations;

for the purposes of considering the application and making a recommendation to the Minister.

8 Subsection 269TD(1)
Omit "60 days after".

9 At the end of paragraph 269TD(2)(a)
Add:

(iv) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries as a consequence of consultations under paragraph 269TC(4A)(b); and

10 At the end of paragraph 269TDA(A)(2)(a)
Add:

(iv) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries as a consequence of consultations under paragraph 269TC(4A)(b); and

11 After subsection 269TE(2)
Insert:

(2A) Subsection (2) does not preclude consideration by the CEO of:

(a) any new or updated information that is provided to him or her by an interested party that reasonably could not have been provided earlier; and

(b) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries as a consequence of consultations under paragraph 269TC(4A)(b).

12 At the end of paragraph 269TEA(3)(a)
Add:

(v) any new or updated information that is provided to him or her by an interested party that reasonably could not have been provided earlier; and

(vi) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries as a consequence of consultations under paragraph 269TC(4A)(b); and

13 After subsection 269TEB(4)
Insert:

(4A) If the CEO is considering the terms of an undertaking under subsection (2) or the revised terms of an undertaking under subsection (4), the CEO must have regard to:

(a) any new or updated information that is provided to him or her by an interested party that reasonably could not have been provided earlier; and

(b) any information and analysis provided by the International Trade Remedies Forum or
persons with expertise in the relevant Australian industry and related Australian industries as a consequence of consultations under paragraph 269TC(4A)(b);

for the purpose of that consideration.

14 Before subsection 269ZC(1)

Insert:

(1A) If an application for review of anti-dumping measures is lodged with Customs in accordance with section 269ZB, the CEO must, within 20 days after Customs receives the application, consult the International Trade Remedies Forum and persons with expertise in the relevant Australian industry and related Australian industries.

15 Paragraph 269ZC(1)(b)

Repeal the paragraph, substitute:

(b) if the CEO is not satisfied in relation to the application, having regard to:

(i) the application; and

(ii) any new or updated information that subsequently is provided to him or her by an interested party that reasonably could not have been provided earlier; and

(iii) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries during consultations under subsection (1A); and

(iv) any other information that the CEO considers relevant;

of one or more of the matters referred to in subsection (2);

16 At the end of paragraph 269ZD(2)(a)

Add:

(iv) any new or updated information that is provided to the CEO by an interested party that reasonably could not have been provided earlier; and

(v) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian as a consequence of consultations under subsection 269ZC(1A);

17 Paragraph 269ZHD(1)(b)

Repeal the paragraph, substitute:

(b) if the CEO is not satisfied in relation to any of the applications, having regard to:

(i) the application; and

(ii) any new or updated information that subsequently is provided to him or her by an interested party that reasonably could not have been provided earlier; and

(iii) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries during consultations under subsection (1A); and

(iv) any other information that the CEO considers relevant;

of one or more of the matters referred to in subsection (2);

18 Before subsection 269ZHD(2)

Insert:

(1A) If an application for continuation of anti-dumping measures is lodged with Customs in accordance with section 269ZHC, the CEO must, within the 60 days referred to in paragraph 269ZHB(1)(b), consult the International Trade Remedies Forum and persons with expertise in the relevant Australian industry and related Australian industries.

19 At the end of paragraph 269ZHE(2)(a)

Add:

(iii) any new or updated information that is provided to the CEO by an interested party that reasonably could not have been provided earlier; and

(iv) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries as a consequence of consultations under subsection 269ZHD(1A); and

20 At the end of paragraph 269ZHF(3)(a)

Add:

(v) any new or updated information that is provided to him or her by an interested party that
reasonably could not have been provided earlier; and

(vi) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries as a consequence of consultations under subsection 269ZHD(1A); and

21 After subsection 269ZZ(1)

Insert:

(1A) Subsection (1) does not preclude consideration by the Review Panel of:

(a) any new or updated information that is provided to him or her by an interested party that reasonably could not have been provided earlier; and

(b) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries as a consequence of consultations under subsection 269ZZEA or 269ZZQB.

22 After subsection 269ZZE(2)

Insert:

(2A) An applicant may, in an application for a review, provide new or updated information to the Review Panel that reasonably could not have been provided earlier.

23 After section 269ZZE

Insert:

269ZZEA Consultation with International Trade Remedies Forum etc.

In conducting a review under this Subdivision, the Review Panel must consult the International Trade Remedies Forum and persons with expertise in the relevant Australian industry and related Australian industries and must have regard to any information and analysis provided by that Forum or those persons as a consequence of those consultations.

24 Subsection 269ZZG(2)

Omit "information", substitute ", including new or updated information that reasonably could not have been provided earlier, ".

25 Subsection 269ZZK(6) (at the end of the definition of relevant information)

Add:

; and (iii) that is new or updated information provided by an interested party that reasonably could not have been provided earlier; and

(c) any new or updated information for the purposes of the information to which paragraphs (a) to (d) relates that reasonably could not have been provided earlier; and

(f) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries as a consequence of consultations under section 269ZZEA.

26 After paragraph 269ZZL(1)(a)

Insert:

(ab) in reinvestigating a finding or findings, have regard to any new or updated information that subsequently is provided to the CEO by an interested party that reasonably could not have been provided earlier; and

27 After subsection 269ZZQ(1A)

Insert:

(1B) An applicant may, in an application for a review, provide new or updated information to the Review Panel that reasonably could not have been provided earlier.

28 After section 269ZZQA

Insert:

269ZZQB Consultation with International Trade Remedies Forum etc.

In conducting a review under this Subdivision, the Review Panel must consult the International Trade Remedies Forum and persons with expertise in the relevant Australian industry and related Australian industries and must have regard to any information and analysis provided by that Forum or those persons as a consequence of those consultations.

29 Subsection 269ZZS(3)

Repeal the subsection, substitute:

(3) In making a decision under this section, the Review Panel may have regard to:
(a) information that was before the CEO when the CEO made the reviewable decision; and

(b) any new or updated information that subsequently is provided to the Review Panel by an interested party that reasonably could not have been provided earlier; and

(c) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries as a consequence of consultations under section 269ZZQB.

30 Subsection 269ZZT(4)
Repeal the subsection, substitute:
(4) In making a decision under this section, the Review Panel may have regard to:

(a) information that was before the CEO when the CEO made the reviewable decision; and

(b) any new or updated information that subsequently is provided to the Review Panel by an interested party that reasonably could not have been provided earlier; and

(c) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries as a consequence of consultations under section 269ZZQB.

31 Subsection 269ZZU(3)
Repeal the subsection, substitute:
(3) In making a decision under this section, the Review Panel may have regard to:

(a) information of the kinds referred to in subsection 269X(5) that was before the CEO when the CEO made the reviewable decision; and

(b) any new or updated information that subsequently is provided to the Review Panel by an interested party that reasonably could not have been provided earlier; and

(c) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries as a consequence of consultations under section 269ZZQB.

32 Subsection 269ZZUA(5)
Repeal the subsection, substitute:
(5) In making a decision under this section, the Review Panel may have regard to:

(a) information that was before the CEO when the CEO made the rejection decision; and

(b) any new or updated information that subsequently is provided to the Review Panel by an interested party that reasonably could not have been provided earlier; and

(c) any information and analysis provided by the International Trade Remedies Forum or persons with expertise in the relevant Australian industry and related Australian industries as a consequence of consultations under section 269ZZQB.

33 At the end of section 269ZZYC:
Add:
; (c) to advise and provide information to the CEO in respect of applications under Part XVB or the terms of any undertakings to be made under that Part;

(d) to advise and provide information to the Review Panel in respect of reviews undertaken by the Review Panel under Part XVB;

(e) to undertake reviews under section 269ZZYH.

(7) Schedule 1, page 13 (after line 19), at the end of the bill, add:

Schedule 2—Further amendments
Customs Act 1901
The Senate divided. [20:26]
(The Acting Deputy President—Senator Ludlam)

Ayes ......................11
Noes ......................36
Majority .................25

AYES

Di Natale, R Hanson-Young, SC
Ludlam, S Madigan, JJ
Milne, C Rhiannon, L
Siewert, R Waters, LJ
Whish-Wilson, PS Wright, PL
Xenophon, N (teller)
The question now is that the remaining stages of these bills be agreed to and these bills be now passed.

Question agreed to.

Bills read a third time.

Tax Laws Amendment (Countering Tax Avoidance and Multinational Profit Shifting) Bill 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator CORMANN (Western Australia) (20:28): Here we are. We have 20 minutes to deal with a piece of tax legislation that has massive implications for our economy, that has massive implications for our attractiveness as a destination for investment, that has not properly been thought through, that has massive potential for unintended consequences and that has not gone through proper processes. And here we are: we have a long list of coalition senators who are here ready to make a meaningful contribution, led by the coalition chair of the Senate references committee, Senator David Bushby, who was part of an inquiry into this particular bill, the Tax Laws Amendment (Countering Tax Avoidance and Multinational Profit Shifting) Bill 2013. But we will not have the opportunity to do proper justice to actually airing all the arguments against this bill so that, in particular, Greens senators might be persuaded of the merits of the very sound arguments that will be put forward by the coalition in this very short debate.

Let me just say up-front that the coalition will be opposing this bill, and we will be opposing it strongly, because we think it is not in our national interest. It is a bill that is undermining our national interest. The coalition will always support well-considered, carefully drafted and appropriately targeted amendments to strengthen anti-tax-avoidance measures and counter multinational profit shifting. But we do not support Labor Party knee-jerk overreactions in the face of yet another desperate attempt to raid more cash to feed its spending addiction, which has been well demonstrated in recent years. In fact, the coalition in government has a long and proud record of improving and upholding the integrity of our business tax system and international taxation arrangements. However, we are very concerned that the amendments in this bill are in fact an overreaction. They go too far and should be subjected to more consultation and proper road-testing to avoid unintended consequences.

Alongside an increasing number of people across Australia, alongside a growing number of businesses across Australia, we do not trust this government. We do not trust this government with implementing change
of this nature. This bill seeks to amend the income tax general anti-avoidance rule as well as make changes to Australia's transfer pricing rules. Back in March the House Standing Committee on Economics was not given the opportunity to have a public hearing into this legislation. We had to jump up and down and really use every last trick in the book to have any inquiry into this legislation at all, given that this government, which is always desperate to avoid proper scrutiny of its bad decisions, was so desperate to rush this complex legislation through the parliament, which is what it is doing now. The coalition will not support legislation that has not been properly tested or been subjected to due process. This government clearly has still not learned the lessons of its dysfunction and incompetence over the last five or six years.

Schedule 1 of the bill seeks to amend the general anti-tax-avoidance provisions in the Income Tax Assessment Act 1936, provisions that are commonly referred to as part IVA. The coalition is firmly opposed to tax avoidance, of course. Indeed, we have a proud history of preventing legislatively the avoidance of tax. For example, John Howard, as Treasurer, inserted part IVA to the tax act in 1981, and Peter Costello, as Treasurer, included a general anti-avoidance rule with the GST in 2000—so-called division 165. Confidence in our taxation system is vital, and a robust general anti-avoidance rule is important in maintaining that confidence. However, we must not countenance a change to the anti-avoidance provisions in the income tax law that goes too far and puts at unnecessary risk legitimate business transactions. And that is what this legislation does. Without further consultation, without further road-testing of this legislation—scrutiny that of course this government has actively sought to prevent from occurring—there is in fact a grave risk that the bill in its current form will do just that.

There can be a large disconnect between the way business is properly conducted and the way the government, in particular the Australian Taxation Office, would require business to be conducted—because, quite frankly, the Treasury and the tax office invariably do not understand how business actually legitimately operates. To taxpayers, profit after tax is a crucial metric. Suggesting otherwise introduces a sense of artificiality, even unreality. This bill risks overlaying complexity and compliance costs onto normal commercial transactions, be they business acquisitions, new investments or corporate restructures.

This is all part of a broader narrative under this government whereby the cost of doing business has continued to go up and up and up as a result of higher taxes, as a result of more red tape and as a result of slower productivity growth. And we have become less and less competitive internationally, which is why, under this government, our economy is heading in the wrong direction. Our economy is still in good shape, but our economy should be in much better shape. Our economy will be in much better shape if there is a change of government at the next election. If there is no change of government at the next election and we continue to go down the path that this current government has been taking Australia down, it will ultimately end in economic tears.

Are these amendments required at all? Submissions to the Economics Committee from pre-eminent professional and industry groups whose members have deep expertise in taxation law argue that these amendments are not necessary, certainly not in their current form. And let me just pause here to note that overwhelmingly the submissions made to the Senate Economics Legislation
Committee inquiry were critical and were opposed to the legislation here before the Senate in its current form. Critics of this legislation include highly reputable organisations like the Corporate Tax Association, the Tax Institute, the Law Council of Australia and CPA Australia. They are not coming at this from a directly vested commercial interest point of view; they are coming at this as a result of having deeply considered all the implications and the policy merits of one approach versus another.

But we have a government here that has completely lost the plot. The bureaucrats are running amok because this government is so self-obsessed, so focused on itself—people with their hands on each other's throats, knives at each other's backs, jumping ship, packing bags. This government is not focused on running the government; it is the bureaucrats, quite frankly, who are going for a power grab here without this government putting proper checks and balances in place.

It may be more the poor choice of cases, or the poor ability of those cases, that has caused the sorts of problems the ATO has experienced in court. Let me just make this observation: when the ATO loses a case in court, it does not mean the law is wrong; it means the ATO is wrong. If the ATO loses a case in court it means the court has settled the proper interpretation of the law. This is really an example of the inherent conflict that is currently present in the Australian Taxation Office. It is there to administer the law, it is there policing it and it is there prosecuting it, and if it does not get its way it gets the government to change the rules of the game. That is not the way the Australian tax system should be operating. People across Australia deserve much better than this. But this government is too weak, too dysfunctional and too incompetent to run proper policy development processes on these sorts of issues, or on any other issue for that matter.

I turn now to building up jurisprudence around part IVA. Amendments to fundamental parts of a taxation system, such as its general anti-avoidance rules, require many years to build up the jurisprudence around them. It is vital that such amendments are properly designed and scrutinised before coming into law. If the amendments to be made by schedule 1 are passed, then there will be a period, probably extending over a number of years, before there is a settled judicial view as to their correct application. Poor design and uncertainty can be the enemy of investor confidence. Even for the experts, these amendments are not easy to interpret, and their application will not be predictable.

Last year the Inspector-General of Taxation reviewed the ATO's management of litigation and found that the ATO's success rate before the courts was 56 per cent in 2009-10, 47 per cent in 2010-11 and 45 per cent in 2011-12 to May. The inspector-general went on to note that some industry stakeholders held the view that the ATO's losses on general anti-avoidance rule cases was the ATO's poor case selection of matters they considered appropriate to litigate. Stakeholders also informed the inspector-general that they had concerns about whether officers internal to the organisation could objectively review the facts and evidence in a case and determine independently of the compliance section whether the matter should be settled, defended or appealed.

A lack of objectivity in decision making inside the ATO is starting to have a growing impact on tax policy. The poor decisions about which cases to litigate, which have led to losses in court, are now inappropriately driving the government's legislative agenda.
Unfortunately, there will be a cost imposed on a large number of taxpayers who must comply with the new general anti-avoidance rule. It is very difficult to justify the statement in the explanatory memorandum that the compliance cost impact of the amendment will be low. The Law Council certainly do not agree. They see this schedule as thrusting additional costs onto taxpayers by creating significant difficulties for ordinary taxpayers—small, large, Australian and foreign—in understanding their tax obligations. Justice Pagone of the Supreme Court of Victoria, an author of a leading work about part IVA, has explained how onerous a new approach to the general anti-avoidance rule would be for taxpayers since the onus of proof rests on them. With all these concerns, the government should do more work and conduct further consultations before proceeding with this schedule of amendments through the parliament.

Schedule 2 of this bill supposedly seeks to modernise Australia's transfer pricing rules. Australia's transfer pricing legislation has rarely been amended. Yet this government made retrospective changes last year, quite controversially. The coalition opposed those retrospective tax changes as a matter of principle, and this was the ground on which we opposed that bill. Retrospective legislation can change the substance of commercial arrangements after they have been entered into and can expose taxpayers to penalties in circumstances where taxpayers could not possibly have foreseen the implications of these arrangements. Retrospective tax legislation can alter the financial viability of investments, the value of assets and so on. Retrospective tax legislation increases Australia's sovereign risk profile. At the time, the government refused to answer questions around the quantity of revenue at stake. This government refuses to follow proper process, and every time it gets itself into more trouble.

This bill is again a significant change to important tax legislation. Once again, it has not been allowed sufficient consultation or scrutiny. Unlike the government's bill last year, transfer pricing changes in this bill do not have retrospective application. However, the bill replaces the existing transfer pricing rules in division 13 of the Income Tax Assessment Act 1936 by inserting three new subdivisions into the 1997 income tax act, covering companies, branches of companies and trusts and partnerships. These amendments apply to both tax treaty and non-tax-treaty cases.

In the interests of time, I am going to go through this really quickly so that my colleagues can have a little bit of time to make a contribution to this debate. Let me again point out that a number of submissions from highly reputable organisations were highly critical of the way this part of the legislation has been drafted, in particular in relation to the part on self-assessment and the de minimis threshold. The coalition also finds it difficult to fathom how the financial impact of this schedule is estimated at zero extra tax dollars per year, when the financial impact of schedule 1, which relates to general anti-avoidance provisions, is expected to prevent the loss of over $1 billion per year.

There are other concerns with this schedule worthy of further consideration and consultation. Fundamentally, the question has to be asked: is the power of the ATO to reconstruct transactions under these proposed transfer pricing rules consistent with what the OECD guidelines contemplate? We would question that. Also, do these rules, in the view of the impacted taxpayer, sufficiently align with the OECD
guidelines so as not to leave unnecessary uncertainty? Again, we would question that.

The coalition is opposed to unnecessary red tape and regulation. There are plenty of examples across government where that has happened in recent years. We are opposed to this sort of legislation being pushed through the parliament without appropriate scrutiny. For these and all of the other reasons that I have outlined in my remarks, the coalition will be opposing this bill.

Senator BUSHBY (Tasmania—Deputy Opposition Whip in the Senate) (20:42): I rise also to speak briefly on the Tax Laws Amendment (Countering Tax Avoidance and Multinational Profit Shifting) Bill 2013. As Senator Cormann has so correctly pointed out, it is an absolute abrogation of democracy, and abrogation of due process, that we have been given around 20 minutes to discuss this bill in this place. These bills, as Senator Cormann rightly pointed out, are tax laws which have a far-reaching impact. They are bills which have been put forward and elicited a response from experts in the tax field—as outlined by Senator Cormann—who work with tax every day, whose agenda is nothing other than ensuring that we have a tax system that works well, is fair and equitable, and is reasonable in terms of protecting the revenue but also reasonable in protecting the rights of taxpayers. These people and organisations have all consistently raised objections about these bills. They have noted that these tax laws are far-reaching, that they are an overreaction to tax office losses in court, that they impose a huge increase in uncertainty and in compliance costs and that they also, to some degree, have retrospective tax implications. All of this together suggests that there should be far more than 20 minutes discussion in this place on these bills.

But that is what we are facing in this place this week. We are facing a total abrogation of normal democratic principles. We are seeing over 50 bills rammed through this place in one week with the use of the guillotine on every single one of them and with inadequate debate on most of them. This bill is one that deserves a proper debate. It is not the first time that we have seen this gagging by this government. By the end of this week it will have managed to force through well over 200 bills without proper debate and by using the guillotine at the end.

There are a lot of things I would like to say, and I have pages and pages of detailed analysis of this bill. I was the deputy chair at the inquiry and a lot of issues were raised. I will try and run through a couple of things, but there is no point trying to go through it in detail because the time I have been allotted is totally inadequate and I could not even touch the surface. I also want to give Senator Sinodinos a few minutes to speak. I would, however, like to note that the coalition is always supportive of actions that strengthen anti-avoidance measures and is against multinational profit shifting.

As Senator Cormann has already pointed out, the coalition have a strong and proud record of improving and upholding the integrity of our business tax system and international taxation arrangements. However, we remain concerned that this bill represents an overreaction, will not necessarily increase compliance and other costs, and should not be supported in this place tonight. Once again the Senate has before it a poorly drafted piece of legislation that has been constructed with minimal stakeholder consultation. To the extent that stakeholder consultation occurred, it does not appear to have been listened to. It is a bill that will impose further red tape on businesses that are already drowning in a plethora of restrictive and costly regulation
that has been imposed upon them by the Rudd and Gillard government.

The government did not allow the bill proper scrutiny in the other chamber. They blocked the opportunity for the House committee to have a public hearing into this legislation and they required that committee to complete its report only on the papers. We were fortunate in this place to achieve a Senate inquiry. We did hold a hearing, and at that hearing we heard from the stakeholders, which Senator Cormann mentioned, and others regarding the serious concerns and issues that the bill contains, which remain unaddressed to this day.

I am conscious of the fact that Senator Sinodinos also wants to say a few words on this, so I would encourage those listening to this debate to have a look at the dissenting report to the inquiry that was prepared by the coalition senators. We go through some of the issues that were raised, including the need for further consideration and consultation before this bill is passed.

Senator SINODINOS (New South Wales) (20:47): I rise to support my colleagues in their remarks on the Tax Laws Amendment (Countering Tax Avoidance and Multinational Profit Shifting) Bill 2013. I do so wearing my hat as chairman of the coalition's deregulation task force. Yet again, after all the attention that regulation and deregulation have received over the last few years, we have a classic case of a bill which really could do with more genuine consultation with the private sector. If anything, I think it brings to mind that the interface between what the tax office thinks business should be doing and what business thinks business should be doing seems to be missing. There is no interface and there seems to be quite a big gulf of understanding.

I notice that the philosophy being spoken about in this place is that, in effect, tax should be out of the equation and we should be able to judge an activity by whether it would occur in the absence of taxation considerations. That is all very well from first principles, but in the real world people have to react to the tax system that they face. My concern is that many of the cases—and they have been talked about by my colleagues—that the tax office may have selected to use as a basis for taking people to court may not have been the right cases. The question then becomes whether there is a process within the tax office to look at itself, if you like, and consider whether it would have a better process for judging cases which would be successful.

Last year the Inspector-General of Taxation reviewed the ATO's management of litigation and found the success rate before the courts to be 56 per cent in 2009-10, 47 per cent in 2010-11 and 45 per cent in 2011-12. He went on to note that some industry stakeholders held the view that the ATO's poor case selection of matters they considered appropriate to litigate. I notice that the new tax commissioner is seeking to take some action in terms of the split between, if you like, the prosecutorial part of the tax office and those who appeal cases and the like. I encourage the tax commissioner to do what he can to shake up and change the culture within the tax office. We cannot keep acting in this place to increase the volume of legislation to deal with this. We need less regulation, not more regulation. For that, among other reasons, we will be opposing this bill.

The ACTING DEPUTY PRESIDENT (Senator Boyce): Order! The time allotted for the remaining stages of the bill has expired.
The PRESIDENT: The question is that this bill be now read a second time.

[The Senate divided. [20:54]

(The President—Senator Hogg)

Ayes......................36
Noes......................30
Majority................6

AYES

Bilyk, CL
Brown, CL (teller)
Collins, JMA
Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Lines, S
Ludwig, JW
McEwen, A
Milne, C
Polley, H
Rhiannon, L
Singh, LM
Sterle, G
Urquhart, AE
Whish-Wilson, PS
Wright, PL

Bishop, TM
Cameron, DN
Crossin, P
Farrell, D
Gallacher, AM
Hogg, JJ
Ludlam, S
Lundy, KA
McLucas, J
Moore, CM
Pratt, LC
Siewert, R
Stephens, U
Thorp, LE
Waters, LJ
Xenophon, N

NOES

Back, CJ
Birmingham, SJ
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Fierravanti-Wells, C
Humphries, G
Kroger, H
Madigan, JJ
Nash, F
Payne, MA
Ruston, A
Scullion, NG
Smith, D

Bernardi, C
Boyce, SK
Bushby, DC (teller)
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Johnston, D
Macdonald, ID
Mason, B
Parry, S
Ronaldson, M
Ryan, SM
Sinodinos, A
Williams, JR

Third Reading

The PRESIDENT (20:57): The question now is that the remaining stages of this bill be agreed to and this bill be now passed.

(The President—Senator Hogg)

Ayes .................36
Noes .................30
Majority.............6

AYES

Bilyk, CL
Brown, CL (teller)
Collins, JMA
Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Lines, S
Ludwig, JW
McEwen, A
Milne, C
Polley, H
Rhiannon, L
Singh, LM
Sterle, G
Urquhart, AE
Whish-Wilson, PS
Wright, PL

Bishop, TM
Cameron, DN
Crossin, P
Farrell, D
Gallacher, AM
Hogg, JJ
Ludlam, S
Lundy, KA
McLucas, J
Moore, CM
Pratt, LC
Siewert, R
Stephens, U
Thorp, LE
Waters, LJ
Xenophon, N

NOES

Back, CJ
Birmingham, SJ
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Fierravanti-Wells, C
Humphries, G
Kroger, H
Madigan, JJ
Nash, F
Payne, MA
Ruston, A
Scullion, NG
Smith, D

Bernardi, C
Boyce, SK
Bushby, DC (teller)
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Johnston, D
Macdonald, ID
Mason, B
Parry, S
Ronaldson, M
Ryan, SM
Sinodinos, A
Williams, JR

Bill read a second time.

Question agreed to.

Bill read a third time.

Question agreed to.
Tuesday, 25 June 2013

SENATE

3987

CHAMBER

Tax and Superannuation Laws Amendment (2013 Measures No. 1)
Bill 2013

Tax and Superannuation Laws Amendment (2013 Measures No. 2)
Bill 2013

Second Reading

Debate resumed on the motion:

That these bills be now read a second time.

Senator CORMANN (Western Australia) (21:00): Here we go again—another whole series of complex changes in tax and superannuation laws. The one loud and clear message from people right across Australia is that—

Government senators interjecting—

The ACTING DEPUTY PRESIDENT (Senator Boyce): Would people not taking part in the debate please leave the chamber or be quiet. Senator Cormann should be heard in silence.

Senator CORMANN: Thank you, Madam Acting Deputy President. They really are a rabble over there. They are in complete chaos, they are dysfunctional and they are divided. The only thing that holds them together over there is when there is a vested interest being pushed on them by the union movement. That is the only time there is unity of purpose over there—when they get to pursue the vested interests of the union movement instead of pursuing the public interest. Other than that, they are just a divided rabble completely incapable of governing Australia, completely incapable of providing good governance.

So here we go again—another two pieces of legislation proposing 14-odd changes to our tax laws and superannuation laws. Sorry, there are just 13 changes now because in relation to schedule 4 of the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013—in which the government tried to impose additional restrictions and more red tape on self-managed super funds in terms of related party transactions, making it harder for people who are doing the right thing by saving to achieve a self-funded retirement—the Labor Party was forced to back down because, again, they got it so wrong.

Whenever they see self-managed super, this Labor government, in their ideological pursuit of people who are inspired to look after their own needs in retirement, always looks at ways to make things harder for people. On this occasion, in the face of opposition from crossbench members of parliament in the House of Representatives, the government was forced into an embarrassing backdown, which of course was good news for people across Australia who are saving to achieve a self-funded retirement. The Labor Party, left to their own devices, would have made it much harder for people to manage their own affairs with a view to looking after their own needs in retirement so they do not need to be a burden on the public purse. This government has a track record of dysfunction, of division, of incompetence, of adding massive additional red tape, of adding massive additional new and increased taxes and of casting around perpetually for more cash to plug yet another budget black hole—of which, under Treasurer Wayne Swan, there are many. These bills are no different from what the Labor Party usually does.

Let me give people a flavour of the many measures that the government wants to ram through the parliament without proper scrutiny here tonight, without proper debate, without proper opportunity for the Senate to carefully and responsibly consider all of the implications. Some of the measures are more straightforward than others, but a number of the measures are quite bad and irresponsible. Here is the long list. This bill seeks to
enshrine documentaries and list game shows as ineligible for film tax offsets. It seeks to exempt from tax certain payments relating to certain recent natural disasters. It seeks to allow GST remitters in net refund positions an election for simpler compliance. It seeks to add a further six entities to the list of deductible gift recipients. It seeks to require superannuation trustees to merge the multiple accounts of their members. It seeks to further reduce the Howard government’s super co-contribution scheme—which is of course an example yet again of the utter hypocrisy of this Labor government. They know that you, Madam Acting Deputy President, along with all of the senators on the coalition side of the Senate, are very interested in good policy that encourages people to save more money through superannuation, to make additional contributions to their super so that they have a chance to get themselves into a position where they can look after their own needs in retirement.

In order for people to have confidence that they can plan their future retirement safely, they need certainty and stability in superannuation policy settings. In the lead-up to the 2007 election this government, in trying to pitch to that particular aspiration across Australia, made a very solemn promise. In fact it was the then Labor leader Mr Kevin Rudd who made the promise that, in government, should they be successful at the 2007 election, there would be no change to superannuation laws—not one jot, not one tiddle. But of course since that time there has been a whole series of changes to superannuation, not just in terms of additional red tape and additional compliance costs but also in terms of additional taxes targeting low- and middle-income earners. The Labor Party has imposed almost $9 billion in additional taxes on low- and middle-income earners' superannuation—money that comes straight out of people's savings accounts, money that leaves their retirement savings lower than they otherwise would have been, with all of the implications in terms of compound interest.

One of the many examples of bad decisions the government has made is how, progressively from budget to budget, the government has slashed the super co-contribution benefit for low-income earners from $1,500 for every $1,000 saved under the Howard government to $1,000 for every $1,000 saved. In this bill, they are now proposing to go all the way down to $500 for every $1,000 saved. This is a measure that particularly targets low-income earners—because the superannuation co-contribution benefit is an incentive for low-income earners to put more money into their superannuation, with the government matching the savings made, up to a certain amount, on a year-to-year basis. But this government promised not to make any changes. There would be no change at all, they said. But here we are, five or six years later, and they have imposed an additional $3.3 billion worth of costs. Just in relation to this one measure they have cut the super co-contribution benefits for low-income earners by more than $3.3 billion so far.

When this Labor Party goes out into the community in the lead-up to the next election and makes any promise whatsoever in relation to superannuation, people across Australia will know that they cannot trust them. People across Australia know very well that they cannot trust Labor's latest solemn promise that they will not scrap the low-income super tax offset, which was linked to Labor's mining tax. Of course Labor would scrap the low-income super tax offset if they were re-elected on 14 September, because they cannot afford it.
Look no further than Labor's track record of broken promises in superannuation. Look no further than the almost $9 billion in additional taxes Labor has imposed on people's super savings after promising not to make any change. Look no further. Even before the last election the Labor Party made promises that they have since broken. Before the last election—I am sure you would well remember this, Acting Deputy President Boyce—the government promised that they would increase super concessional contributions, which they had previously slashed from $100,000 a year for people over 50 down to just $25,000 for all people, including people over 50. They promised they would increase that for people over 50 with super balances of less than half a million dollars, should they be successful at the election. It has not happened; it now will not happen. The increase the government is going to make is just $35,000 a year, which means that people putting money into super will have to pay higher tax if they make contributions beyond that.

The point here is that Labor has a track record of broken promises in superannuation. People across Australia who are saving to achieve a self-funded retirement cannot trust the Labor Party with their money. In contrast, the coalition has made a very clear commitment that, should we be successful at the next election, there will be no unexpected detrimental changes to superannuation.

We are being open, transparent and up-front in the lead-up to this election about what we will and will not do. Yes, we will delay the full phase-in of compulsory superannuation from 95 per cent by two years. Instead of getting there by 2019, we would get there by 2021. That will help us fund the income tax cuts and pension increases without a carbon tax. And, yes, we are quite up-front that the coalition will not proceed with the low-income super tax offset, because it is not funded and because the government does not have the money for it—because recklessly and irresponsibly they have attached it to Wayne Swan's failed mining tax, which has not raised any meaningful revenue.

I will go back to the specifics of the bills before us. Let me point out, right up-front, that the coalition will be moving amendments to excise schedules 5 and 6—the so-called loss carry-back measures—from Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013, because it is irresponsible for the government and for the parliament to proceed with them—because they are not funded. These are yet more measures which are directly linked to the MRRT, which has failed to raise any meaningful revenue. The coalition will not be complicit in exposing the Commonwealth budget to this sort of unfunded liability, moving forward.

We will not oppose the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill. However, we just point out that the government is again cutting super co-contribution benefits for low-income earners. When they try to make people believe that their targets are high-income earners, invariably they target low- and middle-income earners with their increased taxes. Labor is no friend of low-income earners saving for their retirement through superannuation. Labor invariably runs class warfare rhetoric in the lead-up to an election or in the lead-up to yet another leadership challenge, but they invariably target low- and middle-income earners after an election or after the latest leadership challenge has been dealt with. But, with Labor, after the war is always before the war. Whenever you think: 'This is it; they've finally sorted themselves out. They finally know who is in charge. It is now going to be
smooth sailing’—no, it goes on and on and on.

As well as the constant feedback that people are sick and tired of Labor chopping and changing the superannuation rules and chopping the tax rules, the other feedback I am sure people right across the chamber are getting is that people are sick and tired of Labor’s shenanigans when it comes to their leadership. People cannot wait for the next election. People want to have the next election sooner rather than later so that they can put an end to this complete chaos, this complete dysfunction, this complete incompetence. People know that while this government is obsessed with itself—and while members of this government are in there fighting one battle after the other with each other—it is not focused on the national interest or on what needs to be done to ensure we have a strong, more prosperous economy and to make sure our borders are safe and secure.

In relation to the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013, people will be aware that, in the Parliamentary Joint Committee on Corporations and Financial Services inquiry, we made a recommendation—you were part of that inquiry, Madam Acting Deputy President—to excise the MRRT-linked schedules from this bill. And we made it very clear that, if unsuccessful with that excision, we would oppose this bill.

The coalition were also going to move, as I flagged, an amendment to remove schedule 4, concerning off-market transfers of assets in self-managed superannuation funds. However, the government, knowing they were facing certain defeat in the House of Representatives, pre-empted our amendment to that effect in order to avoid some political embarrassment.

Schedule 1 of this bill ensures income tax is generally not payable on the interest paid by the Commonwealth on unclaimed money from 1 July 2013. You would be aware, Acting Deputy President Boyce, that late in 2012 the Gillard government, desperate to keep the illusion of a surplus in 2012-13 alive for a little longer—not for much longer, mind you—pursued a significant grab for cash at the expense of people's supposedly lost bank accounts, supposedly lost super and supposedly lost life insurance. Earlier today, after I spoke on another Labor fix through the unclaimed money bill, I had an approach from somebody whose son has been working overseas for the last four or five years. He had a bank account with the ANZ. His mother, who still lives here in Australia, had a sick husband and was not keeping too close an eye on the son's correspondence coming in from the bank. Guess what—this Gillard Labor government snaffled her son's money.

The lady is deeply distressed as a direct result of the actions of this incompetent, disgraceful government that we have here in Canberra, who put their hand into people's pockets because they cannot manage their own money, because they cannot manage the affairs of government, because they have not been able to live within their means and because they have spent $220 billion more than they had raised in revenue—at a time when we had the best terms of trade in 140 years. There are pensioners in Western Australia who are deeply distressed because, as a result of this government's legislation, money is going out of their accounts without their knowledge.

Senator Carol Brown interjecting—

Senator CORMANN: That is because of the legislation that you, the Labor Party, passed. You are putting your hand into people's bank accounts to plug your budget black hole. It is an absolute disgrace.
The ACTING DEPUTY PRESIDENT: Senator Cormann, please address the chair. Senator Brown, no interjections, thank you.

Senator CORMANN: Of the so-called surplus that the Labor Party promised in the Mid-Year Economic and Fiscal Outlook in October 2012, three-quarters was supposed to come from the rapid raid by the Gillard Labor government on people's bank accounts and superannuation accounts. It is an absolute disgrace. People should not be exposed to that sort of stress. Now, of course, this lady has to chase ASIC and try and get her money back. ASIC do not even know whether the money has arrived with them yet. It is going to be a convoluted process for them to get their money back. People across Australia should not be forced to deal with ASIC just because this government were so desperate to get their hands on it, to create the illusion of an early surplus that was never going to be. It is disgraceful and makes me angry.

Over the first six months of this year, the government were aiming to raise $760 million in additional revenue, including $555 million from so-called 'lost' super, from bank accounts of either individuals or companies. By the way, there was no upper limit to how much money people could lose out of their bank account—no upper limit at all. The government's shamelessly dishonest spin was that this was all about reuniting people with their own money more quickly. Well, that ain't happening in practice. People across Australia are losing money out of their accounts as a result of legislation passed by this government and, quite frankly, they are finding it very hard to get reunited with their own money. The government should be ashamed of themselves.

Under pressure during the consideration of the unclaimed money bill, the government advised the Senate Standing Committee on Economics of its intention that interest on this unclaimed money would be exempt from tax. But, again, because they are so incompetent, because they are so chaotic, so dysfunctional and so divided, they could not get it together in time to put that in the legislation, given the rushed way they put it through. So the government has to make yet another fix to yet another bad piece of legislation which was rushed through the Senate in a fashion not dissimilar to the approach to the current legislation.

There is a whole range of other schedules. I do not think we are going to have time to get through all of them, which is quite inappropriate, but that is just the way things are under this government at present, as it pursues its last hurrah before the election. Schedule 2 is meant to improve consistency across the fringe benefits tax law and reduce the complexity of the law, but that is invariably not what happens with this government. Schedule 3 is intended to allow participants in the Sustainable Rural Water Use and Infrastructure Program to choose to make payments received under the program free of income tax, including capital gains tax. The coalition has previously been supportive of this change, which was originally announced in February 2011. Why it has taken until now to pass it we do not understand, but we continue to support it.

Schedule 4 was scrapped. Schedules 5 and 6 we will seek to excise for the reasons I have explained. Now I have run out of time. (Time expired)

Senator BUSHBY (Tasmania—Deputy Opposition Whip in the Senate) (21:20): These composite bills, the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013 and the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013, are, again,
subject to the guillotine that has been imposed by the government on all bills passing through this place this week. In the case of these two bills, we have less than two hours to debate them. Senator Cormann just touched on a couple of the schedules and noted that he did not have the opportunity to go through them properly. I do not know that I will have the opportunity to go through each of them in detail, but I think it is worth, for the record, looking at the scope of these bills.

I will start with the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013 and the details set out in the Bills Digest. I am going to go through the scope of what these bills actually cover, because there are a lot of things—they are complex and they are matters that deserve proper scrutiny and debate in this place.

The Bills Digest says:
Specifically, the Bill:
- amends the Income Tax Assessment Act 1997 (ITAA 1997) … the Superannuation (Departing Australia Superannuation Payments Tax) Act 2007 … and the Superannuation (Unclaimed Money and Lost Members) Act 1999 … to ensure that income tax is generally not payable on interest paid by the Commonwealth on unclaimed money from 1 July 2013
- amends the Fringe Benefits Tax Assessment Act 1986 … to align the rule for calculating airline transport fringe benefits with existing in-house property fringe benefits … and in-house residual fringe benefits … Correspondingly, there is an update to the method for determining the taxable value of airline transport fringe benefits
- amends the ITAA 1997 to allow participants in the Sustainable Rural Water Use and Infrastructure Program … to choose to make payments received under the program non-assessable non-exempt … income … in which case expenditure related to infrastructure improvements required by the program are then non-deductible as they do not form part of the cost of any asset
- amends the Superannuation Industry (Supervision) Act 1993 … to prescribe requirements for acquisitions and disposals of certain assets between self managed superannuation funds … and related parties in order to increase transparency and compliance
- amends the ITAA 1997 to introduce the loss carry-back tax offset, which allows a corporate tax entity to carry back all or part of a tax loss (of up to $1 million) from the current year against income tax payable for either of the two preceding income years
- amends the ITAA 1997 to make consequential amendments made necessary by the introduction of the loss carry-back tax offset and
- makes miscellaneous amendments to address minor technical deficiencies and legislative uncertainties within taxation laws, particularly the Minerals Resource Rent Tax Act 2012 … and the Petroleum Resource Rent Tax Assessment Act 1987 …

The scope of the other bill, the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013, is similarly large. On that bill, the Bills Digest says:
- Schedule 1 amends the Income Tax Assessment Act 1997 … to insert a definition of documentary—that is probably not so large in scope—
- Schedule 3 amends the A New Tax System (Goods and Services Tax) Act 1999 … to allow certain entities to continue to pay their GST by instalments
- Schedule 4 amends the ITAA 1997 to update the list of deductible gift recipients
• Schedule 5 amends the Superannuation Industry (Supervision) Act 1993 … to expand the duties of trustees of particular superannuation funds to establish and implement procedures to consolidate accounts
• Schedule 6 amends the Superannuation (Government Co-contribution for Low Income Earners) Act 2003 … to make changes to the superannuation co-contribution
• Schedule 7 amends the ITAA 1997 and the Income Tax Assessment Act 1936 … to consolidate the dependency tax offsets and
• Schedule 8 amends the ITAA 1997 and the Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009 … to clarify the operation of certain aspects of the Taxation of Financial Arrangements … regime.

So clearly, as you can tell from the list of what these two bills are trying to achieve, their scope is quite broad.

There are a lot of potential issues in these bills and they are both deserving of a proper and full debate in this place. The fact that they are not getting a proper and full debate—the fact that the debate on this has been confined to an hour and 50 minutes—is not good for the country. It is not good for taxpayers. It is not good for the government. These things deserve a proper examination and a proper debate on the floor of parliament.

These composite bills, as I have just outlined, deal with a range of changes to the taxation and superannuation system that, on the whole, the coalition will not be opposing. However, we will be moving amendments.

Schedule 1 of the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013 deals with interest on unclaimed money. It ensures income tax is generally not payable on the interest paid by the Commonwealth on unclaimed money from 1 July 2013. However, the coalition notes that the Gillard Labor government was, when it was still maintaining the pretence that a budget surplus would be delivered this financial year, using this measure as part of that desperate attempt to keep the illusion of their ability to deliver a budget surplus alive for just a little bit longer. In its MYEFO released in October, which was much earlier than usual, the government promised their paltry surplus of just over $1 billion. As mentioned by Senator Cormann earlier, three-quarters of that promised surplus was expected to come from the unclaimed money bill and I think Senator Cormann highlighted very well that the unclaimed money is actually money that belongs to other people. There may well have been some interjections in this place saying that that was not true, but the reality is: if the government are counting it as revenue towards their surplus, they are expecting to keep it, at least for the purposes of putting forward their achievement of a surplus, which of course they have not managed to do.

Over the first six months of this year, the government anticipated that this measure—taking money off pensioners and others who have money in accounts they have not touched for some time—would raise over $760 million in additional revenue. This figure included $555 million from lost super, with the rest from lost bank accounts of individuals or companies. That is right: it was not a budget surplus which was promised on the basis of sound economic policy or good fiscal outcomes; it was a budget surplus constructed on the basis of taking money by raiding the forgotten bank accounts of everyday Australians and the accounts of those who were quite happy to have some of their hard-earned assets parked as cash in a bank account for an extended period. We heard from Senator Cormann that that may have been because people were overseas for a number of years. I know that my own mother, who is a pensioner, received a letter regarding her bank account advising
her that she had money in an account that would have been taken if she did not do something about it. Fortunately for her, she was on top of that and managed to deal with it. I think she manufactured a transaction to make sure it did not happen.

Senator McLucas interjecting—

Senator BUSHBY: But how ridiculous is it that she had to manufacture a transaction in order to keep her own money in her own account! Senator McLucas is sitting over there nodding, and saying: 'There you go, you see? She knew about it and she sorted it.' But the fact is that she had to go in and manufacture a transaction on an account that she did not want to transact on just so the government would not take her money out of her account and put it in their account to make it look like they had achieved a surplus.

Under pressure during consideration of the unclaimed money bill, the government did advise the Senate Standing Committee on Economics of its intention that this interest would be exempt from tax. The rushed implementation of these changes was a consequence of the government's desperation, as I said, to fill yet another budget black hole. The government's claim that the financial impact of this measure is nil as they have not budgeted on tax from interest payments suggests to the coalition that this was yet another oversight in a rush to implement yet another policy thought bubble. That is something this government has become famous for and they have a pile of failed policies to prove it.

Schedule 2 of this bill deals with airline transport fringe benefits. It is supposed to improve consistency across the fringe benefits tax law and reduce the complexity of the law. Currently, the taxable value of an airline transport fringe benefit is its value less the employee contribution. Under this change, the taxable value of an airline transport fringe benefit will be aligned with the in-house benefit valuation method. This will be calculated as 75 per cent of the standby airline travel value of the benefit less the employee contribution. This is a technical change to the law that should simplify this particular area. The coalition supports this schedule.

Schedule 3 of this bill allows participants in the Sustainable Rural Water Use and Infrastructure program to choose to make payments received under the program free of income tax, including capital gains tax. If this choice is made by participants under this scheme, expenditure related to infrastructure improvements under the program is non-deductible. Alternatively, participants can decide to stay under the current rules. The program provides funding to irrigators to improve water efficiency. If chosen by the taxpayer, the new arrangements remove a cash flow gap that currently exists between the timing of tax liabilities and tax deductions. The financial impact of this measure is around $45 million over the forward estimates. The coalition have previously been supportive of this change, which was originally announced over two years ago in February 2011, and we continue to endorse this measure even though we have had to wait almost 2½ years for it to be introduced.

I note that schedule 4 of this bill, to amend the Superannuation Industry (Supervision) Act to prescribe requirements for the acquisition and disposal of certain assets between self-managed superannuation funds and related parties, was removed by the government prior to debate in the other place.
That brings me to schedules 5 and 6 of this bill. Schedule 5 implements the loss carry-back for small and medium-sized businesses linked to the mining tax and schedule 6 includes the necessary consequential amendments. The new rules give a corporate tax entity the choice of carrying back all or part of a tax loss from the current income year or from the preceding income year against an unutilised income tax liability for either of the years before the current year. This measure applies to assessments for the 2012-13 and later income years. A transitional, one-year carry-back period applies for the 2012-13 income year. If the loss carry-back conditions are satisfied, a corporate tax entity can get a refundable tax offset for the losses it chooses to carry back. The financial impact of this measure is around $700 million over the forward estimates.

These two schedules implement the government's announced loss carry-back measure, a measure linked to and supposedly funded by the government's minerals resource rent tax. But, as we all know in this chamber—including, I am sure, and much to the frustration of, the Greens, who have joined with the government to try to slay the goose that has laid the golden eggs in this country over the past decade or so; and despite the promises of the government and the view of the Greens that the mining industry can be taxed exponentially without any impact on activity or consequential falls in tax revenue—the minerals resource rent tax is a fundamentally flawed tax that essentially raises no revenue. In fact, according to the government's monthly financial statement for April 2013, which was released after this year's budget, the MRRT has raised just $310 million in gross terms, with no more payments due this year. That is about 10 times less than the net estimate from the 2012-13 budget and about five per cent of what the tax was originally predicted to raise.

The government negotiated the design of the MRRT exclusively and in secret with the managing directors of Australia's three biggest mining companies. Apparently even Labor's own Treasury officials were locked out of proceedings, instead instructed to be on the end of a phone line should their input actually be required into one of the country's biggest new taxes. True to form, this government also excluded any other mining industry stakeholders and state governments from the negotiating process.

The coalition condemned the MRRT as a great big new tax on the mining industry right from the start. We predicted the fiscal disaster that has come to fruition since its implementation and we continue to oppose it. The Treasurer has overestimated the gross revenue from the MRRT and has underestimated the cost of the various concessions he and Julia Gillard made in their MRRT heads of agreement, yet the Gillard Labor government have spent all the money they expected to raise from the MRRT and more—primarily as a result of them linking various expenditure measures, including loss carry-back, to the MRRT, as dealt with in these bills.

Additionally, the government cannot afford to continue adding to the $172 billion in accumulated deficits it has achieved over its first four completed years and the anticipated two large budget deficits now forecast for this year and the next. Furthermore, the government's decision to allow loss carry-back ignores that two-thirds of small and medium-sized enterprises are not incorporated and so cannot benefit from the measure. This is because only businesses with franking accounts can avail themselves of this measure. Unincorporated businesses that must compete with those using carry-
back will be handed a competitive disadvantage by this measure, which is completely unacceptable. The coalition cannot support these schedules, which are wholly linked to the government's failed MRRT, which we are vehemently against and which we will abolish if we are successful at the 14 September election.

I now move to the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013. Again, this bill deals with a range of changes to the taxation and superannuation system, including six tax schedules and two superannuation schedules, as I went through earlier. Schedule 1 amends the Income Tax Assessment Act 1997 to define 'documentary' in accordance with the Australian Communications and Media Authority guidelines and to restore its intended meaning. It also clarifies that the exclusion of light entertainment programs from film tax offset eligibility does extend to game shows as the offset is designed to encourage Australian investment in film production. The coalition considers these amendments to be sensible. They are good integrity measures that better target eligibility for and access to the key film industry tax concession.

The coalition also supports measures in schedule 2, which exempts from income tax any ex gratia disaster income recovery subsidy. Schedule 3, relating to the GST instalment system, and schedule 4, adding six entities as deductible gift recipients, in addition to schedule 7 and schedule 8, are also supported by the coalition.

However, the coalition is concerned with the changes made in schedule 6 of this bill. Once again, with schedule 6 the Gillard government seeks to quietly reduce the Howard government's superannuation co-contribution scheme for low-income earners. It halves the government's maximum co-contribution under the scheme from the current $1,000 down to $500. Under the Howard government, the government's super co-contribution for low-income earners was up at $1,500. It also again reduces the government's co-contribution matching rate, this time cutting it in half, from the current dollar for dollar down to 50c for every dollar put in by low-income earners. This schedule also halves the income band across which the co-contribution phases out. Instead of the higher income threshold being set $30,000 above the lower income threshold, as it is currently, it will be reduced to $15,000. Finally, indexation of the lower income threshold, which has been frozen for two years already, will be frozen for another income year.

These amendments will commence from the date of royal assent and apply from the 2012-13 income year. The financial impact of these amendments is around $330 million per year—another cut to the super co-contribution benefits of low-income earners and another demonstration by an out-of-touch government that they are not the friend of low-income earners saving for retirement through superannuation that they try and present themselves as.

The reality of what they are doing in this bill is in stark contrast to the class war they were pedalling on superannuation earlier this year. While they were running with their class war rhetoric, they failed to inform the public that this cut to the co-contribution regime will be the sixth change they have made to it, which now represents a cut to those benefits of more than $3.3 billion. That is $3.3 billion that is not going into the superannuation fund accounts of Australians, particularly low-income Australians, by definition.

Superannuation is integral to our retirement framework in Australia.
Understandably, as a result, Australians seek certainty and stability when investing in their super because it is a nest egg and it will determine the quality of lifestyle that Australians will achieve in their retirement years. This Labor government has not afforded Australians that certainty, with both their policies and their cabinet constantly changing. Not only that but, by constantly attacking our superannuation system, the Labor government is creating generations of retirees who will have an increased reliance on the public purse in years to come because incentives to invest in superannuation are being removed.

The coalition knows there is a better way and we have given our word to the Australian public that an Abbott-led Liberal government will restore certainty and stability to our superannuation system. However, given the precarious state of the budget handed down earlier this year, the coalition has no choice but to not oppose the passage of these bills through the Senate tonight. The appalling mismanagement of the budget, the waste and the poorly targeted spending have all helped create a clear budget emergency. The government is consequently scrambling round implementing new and increased taxes—incidentally, there have been 30 new or increased taxes under this government—with Australians paying for Labor's mistakes. The cost for superannuation account holders is now around $9 billion, money that Australians will not be able to use to support themselves in retirement, money taken off Australians to subsidise the wanton spending of the government.

I wish to place on the public record yet again the coalition's disgust with the way the Gillard Labor government has sought to guillotine debate in this place this week, ramming bills through this chamber without due consideration or regard for parliamentary process. As has already been noted this week, under the Howard government, in the three years of the Liberal-Nationals control of the Senate between 2004 and 2007, only 32 bills were guillotined. In those cases we never saw the use of such Draconian so-called time management. We at least allowed debate to occur and only brought that debate to an end after reasonable debate had actually taken place. However, in the three years since the Greens-Labor alliance achieved their cosy majority in the Senate, over 215 bills will have been guillotined through this place. There is no transparency in this process, just extreme arrogance from a desperate government in its dying days. It is disgraceful and it is no way to run the making of laws in our great nation. The sunlight that was pledged to the Australian people three years ago with such public fanfare has failed to make it into this chamber.

Senator BIRMINGHAM (South Australia) (21:40): I too rise to speak on the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013 and on the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013. It is a pleasure to follow the contributions of Senator Bushby and Senator Cormann, who have made an outstanding case for the coalition's concerns about aspects of these bills, for our understanding of other parts of them and for our overall concern about the government's approach to its management of the nation's finances, especially its management of our taxation and superannuation regimes.

As I contemplate the tax and super laws proposed by this government I cannot help but think of that wonderful quote of PJ O'Rourke's—that giving money and power to government is like giving whiskey and car keys to teenage boys. There is perhaps no finer example of PJ O'Rourke's quote than...
the Rudd and Gillard governments, who have been drunk on money and power and who have wasted it to an extent never before seen in Australia and hopefully never seen again. They have abused their power to burden the Australian economy with enormous new areas of regulation, with enormous new areas of taxation. They have burdened our superannuation industry with an ever-changing regulatory landscape that only further enhances the concern and the lack of trust and confidence that so many Australians, especially Australians who are around my age, have about their superannuation. A vicious cycle then sees people potentially opt out of engaging more in the management of their own superannuation because of the changing rules, because of the lack of trust and confidence and because they are really not convinced that they can trust what the government will do with their savings.

It is that lack of trust that underlies so much of what the government has done in the taxation and superannuation landscape. When they go to an election promising not to implement a tax, the carbon tax being the most famous of such promises, they then turn around straight after the election and do the exact opposite, undermining the trust that people need to have in government if they are to invest wisely and with confidence—whether it be business investments, personal investments or investments for the future like superannuation.

The propensity of the government to say one thing and then do another really seems to know no boundaries. Senator Bushby made the point very clearly: this government runs a class war on matters around superannuation yet has an appalling track record of its own in cutting assistance to low-income earners for superannuation. It is a government that is laden with hollow rhetoric, and clearly it will stoop to whatever level it thinks it needs to to try and con and fool the voters. I trust that the Australian people will not be fooled again. But I continue to be amazed at the blatancy of Labor's campaign tactics, whether it is its class warfare in the superannuation space or whether it is—and we saw this again in the chamber during question time today and in fliers distributed across countless electorates around the country—its claim that a coalition government will charge people $5,000 to connect to the NBN while it is free to do so under Labor. Both of those statements are completely and utterly false.

The truth is that if you want to take up an internet connection under Labor's policy or under the coalition's policy you are going to have to go to a retail service provider and buy it. It is not going to cost you $5,000, but you will have to buy a service. Senator Conroy and the Labor Party are trying to play cutesy around the physical connection of infrastructure. The truth is that under the coalition every household can be guaranteed to have by the end of a first term a minimum service of download speeds of 25 megabits per second available to them—in terms of the physical infrastructure that they need—at no cost to them unless and until they decide to take it up, at which point, just like under the Labor Party, they will have to get on the phone or on email or get in touch some other way with Telstra, Optus, Vodaphone, Hutchinson or any of the other retail service providers out there and buy a service. What the government is doing in that space is just plain wrong.

Equally, in our home state, Mr Acting Deputy President Fawcett, and in Tasmania as well we see similar blatant lies from the government when it comes to the coalition's approach to GST funding. Campaign material is being distributed that is simply and utterly wrong. The coalition has put very clearly on the record—Mr Abbott has, Mr
Hockey has and many other members of the coalition have—that there will be no changes to the GST arrangements unless all of the states agree. That means the Tasmanian Premier needs to agree, just as much as the South Australian Premier needs to agree, just as much as the Western Australian Premier needs to agree. It is very clear.

Senator Polley interjecting—

Senator BIRMINGHAM: You can choose not to believe that, just like I would not believe a word Julia Gillard says after, 'There will no carbon tax under a government I lead.' Nobody will believe a word she says.

The ACTING DEPUTY PRESIDENT (Senator Fawcett): Order! Senator Birmingham, I remind you to refer to the Prime Minister by her correct title. Senator Polley, I remind you that interjecting is disorderly under standing order 197.

Senator BIRMINGHAM: As I was indicating to Senator Polley, nobody will believe the Prime Minister, Ms Gillard, about pretty much anything that she has to say from here on in because she has a track record of lying to the electorate. That is the brutal truth. That is what she did in the last election, and why would anybody believe what she says in this election?

Senator Polley: Mr Acting Deputy President, I rise on a point of order. It is not parliamentary to use the language that Senator Birmingham has when speaking about the Prime Minister. He can assert things, but he cannot accuse the Prime Minister of lying. It is unparslimentary.

The ACTING DEPUTY PRESIDENT: Senator Birmingham, under standing order 193, it is improper to impute wrong motives. I require you to withdraw that.

Senator BIRMINGHAM: I withdraw and simply state the fact that the Prime Minister, in the days leading up to the election, stated, 'There shall be no carbon tax under a government I lead,' and, as the record demonstrates, then promptly introduced a carbon tax. I will let those matters speak for themselves when it comes to the electorate and others judging whether that was a truthful statement by the Prime Minister or an untruthful one. What is clear is that on a whole range of fronts—as they did in the last election—the Labor Party are simply trying to con and dupe and lie their way into office.

Turning to the bills before us tonight, there are a range of matters in these bills. I will deal with some of them—not all of them, because a number are minor and technical and would enjoy broad support. But I want to touch on a few particular areas, things that the coalition supports and things that we have some concerns about. The coalition, as Senator Cormann and Senator Bushby have outlined, have some concerns with the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013, and particularly with schedules 5 and 6, which relate to the loss carry-back measures linked to the mining tax. There are foreshadowed amendments in relation to those.

Firstly, I will touch on schedule 1, which relates to interest and unclaimed money. It ensures that income tax is generally not paid on the interest paid by the Commonwealth on unclaimed money from 1 July 2013. Late in 2012, the Gillard government announced this measure as part of its MYEFO. Back then, we were living in the illusory land of budget surplus and Mr Swan, the Treasurer, and indeed all members of the government were still proclaiming that the government would be delivering a surplus this year. That MYEFO, released in October, outlined a surplus—a wafer-thin surplus, mind you—of just over $1 billion. And indeed three-
quarters of that promised surplus was expected to come from schedule 1 of this bill. Over the first six months of this year, the government expected to raise from this measure over $760 million in additional revenue, including $555 million from lost super, with the rest from lost bank accounts of either individuals or companies to the tune of around $100 million from each.

Under pressure during the consideration of the unclaimed money bill, the government advised the Senate Standing Committee on Economics of its intention that this interest would in fact be exempt from the tax. With the government finally realising that their surplus was a mirage, to say the least, they have changed their minds on the approach here. The rushed implementation of these changes and the way in which sums were counted and not counted were driven by nothing more than the government’s desperate need to plug their then budget black hole, before they realised that the black hole was of such a scale and size that it was completely unplugable. The financial impact of this measure is nil, as the government claim that they never budgeted on tax from interest payments, despite earlier statements to the contrary, which of course demonstrates the rushed, thought-bubble approach. Nonetheless, the coalition, noting the history of that measure and where it now stands, supports schedule 1.

Schedule 3 is a particularly important one dealing with the Sustainable Rural Water Use and Infrastructure Program, an area related to my portfolio responsibility of the Murray-Darling Basin. It is notable that the changes contained in schedule 3 of the bill were announced in February 2011. Here we are in June 2013, in the final sitting week of this parliament before the election, with the Senate operating under guillotine to ram through some 53 bills that the government wants to get in place, and we are asked to deal with something the government promised to do in February 2011. There surely can be no greater demonstration or example of the complete incompetence of this government when it comes to managing its own policy reforms and legislative agenda. Why on earth this was not done promptly, why on earth it was not done soon after its announcement, why on earth it was not done some time in 2011, or sometime in 2012 or even earlier in 2013 is a mystery—one that I suspect that the government will refrain from ever explaining properly, because it comes down to its own incompetence.

But this is an important reform. In fact it is a change that the parliamentary committee processes had identified and advocated be made to how our water infrastructure programs work. Water infrastructure programs are very important to how we can sustainably recover water from the Murray-Darling Basin to provide for the necessary environmental flows to give us a healthier river system into the future and yet do so in a way that maintains the productive capacity of river communities, retains the capacity to produce the food, fibre and produce we rely upon for so much of our economic output and in doing so continues to underpin not just the economic fabric but also the social fabric of those communities.

One of the concerns that some of those who have received and been awarded grants under the Sustainable Rural Water Use and Infrastructure Program had identified was the tax treatment of those grants and the issues that that tax treatment had for their own cash flow operations. Those concerns were outlined through the parliamentary committee processes of the House and the Senate, which identified the problems and recommended that government take action. It was pleasing in February 2011 when Minister Burke announced that he would
enact changes in that regard. It is just so disappointing that it has taken so long for the legislation to come before the parliament.

This schedule will allow participants in the Sustainable Rural Water Use and Infrastructure Program to choose to make payments received under the program free of income tax, including capital gains tax. If the choice is made, then expenditure related to infrastructure improvements under the program is non-deductible. Alternatively, participants can decide to stay under the current rules. So it provides a level of flexibility, allowing them to choose the circumstances that will work best for their financial arrangements and cash flow management. This program provides funding to irrigators to improve water efficiency, with the resulting water savings to some extent being transferred to the government for use for environmental watering, as part of and consistent with the Murray-Darling Basin Plan.

If chosen by the taxpayer, by the grant recipient, the new arrangements remove a cash flow gap currently between the timing of tax liabilities and tax deductions. The financial impact of this measure is around $45 million over the forward estimates, noting that the infrastructure package itself is a multibillion-dollar package of grants and assistance to recover this water as part of the Murray-Darling Basin Plan.

It is not just in relation to tax laws that the government is synonymous with dragging its heels and poor approach to implementation. There have been so many other areas of the Murray-Darling Basin Plan, as well, that have been of grave concern in terms of the government dragging its heels in implementation. If we date right back to the first election of this government, in 2007, it took an inordinate period of time just for the membership of the new Murray-Darling Basin Authority to be appointed and for it to be properly established. Then we had multiple delays that saw the commencement date for the Murray-Darling Basin Plan drag out from 2014 to 2019 and now an ultimate finalisation time frame of 2024. Little wonder then that a couple of years slippage in terms of legislation coming to the chamber is seen as being of little consequence, when you see such significant delays of a decade in relation to a significant policy reform like that.

When Minister Burke released the final Murray-Darling Basin Plan in November last year, the government promised it would sign an intergovernmental agreement with all of the basin states in the following month, last December. We still see that only two of those states have been signed on: Victoria and the Australian Capital Territory. Only two jurisdictions have signed on. Even our home state of South Australia, despite all the bleating and posturing of Premier Weatherill and his government, has not managed to come to terms with the intergovernmental agreement to actually help facilitate the implementation of the Murray-Darling Basin Plan. It is just another example, like this measure within this bill, of the constant failure of this government to do anything in a timely and proper process.

Schedules 5 and 6, which my colleagues have addressed at some length, in relation to measures that are linked to the mining tax, are areas that do cause the coalition particular concern. Schedule 5 implements the loss carry-back for small and medium sized businesses, linked to the mining tax, and schedule 6 includes the necessary consequential amendments. The new rules give a corporate tax entity the choice of carrying back all or part of a tax loss from the current income year or from the preceding income year against an unutilised income tax liability for either of the years
before the current year. The measure applies to assessments for 2012-13 and later income years. A transitional one-year carry-back period applies for the 2012-13 income year. If the loss carry-back conditions are satisfied, a corporate tax entity can get a refundable tax offset for the losses it chooses to carry back. The financial impact of this measure is around $700 million over the forward estimates.

The coalition's grave concern is that this measure is allegedly funded by the mining tax, and the coalition has opposed all elements of government activities that are allegedly linked to the mining tax, with the exception of the increase in compulsory superannuation. We have opposed them because, quite simply, this government cannot afford to implement measures paid for from a mining tax that is failing terribly to generate the revenue promised. It has failed on all fronts, as have so many areas of this government's policymaking.

In the time available, I will not dwell on the other aspects of our concerns or support but return to my opening remarks and simply reflect that this government's capacity to mismanage money, to mismanage our tax laws and to mismanage our superannuation laws is doing a grave disservice to the economy overall, to the confidence of personal investors, to the confidence of business investors and to the confidence of those seeking to invest for the long term in their retirement savings. The sooner we can return a level of confidence to the Australian people the better. (Time expired)

Senator SMITH (Western Australia) (22:01): It is my pleasure this evening to make a contribution and to follow my colleagues Senator Cormann, Senator Bushby and Senator Birmingham to speak on the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013 and the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013. In particular, I want to speak tonight as a Western Australian senator with regard to those bills that are linked so closely to the rolling disaster that we know in Western Australia as the minerals resource rent tax.

It has been a week of milestones in this building. In addition to celebrating 25 years in this place, yesterday we observed the third anniversary of the Gillard government—three years since the Prime Minister brutally knifed her predecessor and promptly told the nation not to worry, that she would fix all the problems that had bedevilled poor Mr Rudd. Remember, it was Julia Gillard who was going to stop the boats; she was going to develop a community consensus on climate change; and she was going to fix the mining tax. Well, let's just reflect on where we are three years later. And, as we look on, so too does the member for Griffith as he stalks the halls of this building this evening, still seething, still plotting his revenge against this Labor leader. And, when we reflect, what do we see? We see that the boats have not stopped. In fact, there are more of them than there ever were under the member for Griffith. In all fairness, though, I suppose the Prime Minister has in a sense achieved that broad community consensus that she sought on the issue of climate change. That consensus, some of us on this side might think, was built around her duplicitous dealings with the Australian people before the last election, when she said there would be no—

The ACTING DEPUTY PRESIDENT (Senator Fawcett): Order! Senator Smith, I draw your attention to standing order 193—that it is disorderly and inappropriate to cast aspersions upon the motives of a member—and I require you to withdraw.
Senator SMITH: I withdraw that. Perhaps I can use the term 'untruthful dealings' with the Australian people before the last election, when she said there would be no carbon tax under the government she led and then, just six months after the election, set about introducing that same carbon tax. That consensus that was the carbon tax—that rolled-gold dud that has increased the cost of living for Australian families—has done nothing for the environment. I do not know if that is the community consensus the Prime Minister had in mind, but it is certainly the one she has achieved and certainly the one that has been levelled against Australian families across our country.

On the mining tax, which is a critical and crucial element of one of the bills we are considering here this evening, the coalition is seeking to exercise some amendments. What we do know about the minerals resource rent tax—the solution, if we could charitably call it that, to the superprofits tax problem that the former Prime Minister, the member for Griffith, had created in his dying weeks in office—is that, having dispensed with the services of the member for Griffith as Prime Minister, the new Prime Minister and her faithful sidekick, the Treasurer, sat down with Australia's three biggest mining companies to fix the problem. And fix it they did; they fixed it in a real good old way. This shows what happens when you have a poor, rushed, secretive process, and that is how we can best describe the development of the minerals resource rent tax. You would have thought that the MRRT, the mining tax, would have provided Labor with a cautionary tale. Yet apparently this government has learned nothing, as here we are with yet another rushed legislative process. The guillotine will fall on this bill very shortly in the same manner as it has fallen on many others in this place. Indeed, 54 other bills will face the guillotine in this Senate in this week alone.

So what has happened? The government had secret meetings with managing directors of Australia's three biggest mining companies. Those discussions deliberately excluded other mining companies. They deliberately excluded state governments with a very, very strong interest in resource development. Even more extraordinarily, they excluded other Commonwealth officials from those discussions. That is to say, they cut out of the process Treasury experts who might have been able to say to them: 'Wrong way—go back. You have made a wrong and foolish decision.' I am sure there were any number of people who, had they been asked for their considered, professional opinion, would have been able to tell this government that it was setting itself up for a fiscal disaster.

But, as we have seen from this government time and time again, it is not interested in hearing the views of others. It detests having to deal with anyone who holds a different view from its own. We saw this most evidently in Senator Conroy's ham-fisted attempts earlier to regulate our newspapers. We know now, very well, that this government will go to exceptional lengths to silence voices that disagree with it. So it was with the mining tax as it has been with so many other initiatives. It was designed in secret, with the government talking only to three mining companies who told the government just what it wanted to hear—and in the process cut themselves a pretty decent deal.

What was the final outcome? Has the MRRT achieved what the government said it would? Of course, it has not, because, once again, poor process led to a poor outcome for this government, for this budget and for the Australian economy. It is now apparent to
even the most casual observer that Treasurer Swan and the Prime Minister got their calculations horribly, disastrously wrong. The MRRT has raised just $310 million in gross terms, with no further payments expected in this financial year. That is 10 times less than the net estimate in the 2012-13 budget. The Treasurer and the Prime Minister grossly overestimated the revenue their MRRT would generate, and they vastly underestimated the cost of the concessions they made to the three big mining companies in order to prove that they had solved the problem of Kevin Rudd’s mining tax.

The ACTING DEPUTY PRESIDENT: Order! Senator Smith, I remind you of the requirement to address members by their correct title.

Senator SMITH: Certainly, Mr Acting Deputy President. So we are left with an MRRT that has essentially raised no revenue, a budget that remains deeply in deficit—despite Julia Gillard’s promise to have a surplus in 2013—and a government that has absolutely no idea how to restore Australia to fiscal health. Much more could be said about these two particular bills and the devastating effects they have had not just on the budget but certainly on the economy in Western Australia and, more importantly, on the business confidence of those who want to invest in resource development in our country.

In my final comments, I want to reflect, yet again, on the rushed process that has beset the Senate over the first two days of the last sitting week of the 43rd Parliament. It is worth reflecting briefly on some key facts. It is worth pointing out that, in the last week, the coalition facilitated the passage of 23 pieces of legislation through the Senate. It is worth reflecting that, when the coalition controlled the Senate, just 32 bills were guillotined in those three years. When we compare that with the last three years of this government, we see that 215 bills will have been guillotined by the end of the 43rd Parliament. Of these, 54 bills will have been guillotined in this week, with 48 of those debated for just one hour, and 30 of those 48 bills debated for just 30 minutes. I will restrict my comments to that, to allow my colleague Senator Ryan, from Victoria, to make his contribution before the guillotine falls on this set of bills.

Senator RYAN (Victoria) (22:10): I rise to speak on the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013 and the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013, conscious that the time I have to deal with them will be truncated by the issues raised by Senator Smith. What we have experienced this week is something that I did not think I would experience in my time here, especially when I heard the preaching and the bleating from those opposite and those in the corner two parliaments ago when there was a short period of a coalition majority in the Senate. I have sat in this chamber and been responsible for bills on behalf of the opposition for which not a word has been spoken either on the bill or the second reading response by the opposition or any of the amendments moved, so I suppose that I am actually expressing my gratitude today that I am being given a chance to address these bills.

These bills are emblematic. They are symbolic of the tax chaos that has been created by this government. There has never been a period, in my knowledge of Australian political history, where there has been such chaos in the design and administration of our taxation system. I want to commence by referring to the provisions in the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill. Schedules 5 and 6 of the bill are indirectly
funded, through consolidated revenue, by the mining tax. The whole experience of the mining tax, which is just over three years old, represents worst-case practice for the design and implementation of any taxation system. We had, first of all, the RSPT, which, as well as being responsible for bringing down a Prime Minister, was one of the most poorly designed and poorly conceived models of a tax that this country has ever seen. It was based on flawed information and an overly theoretical view of the world.

There is a reason that a so-called 'Brown tax' has never been implemented anywhere in the world: what works in a Microsoft Excel spreadsheet, what works in theory, does not work in practice. The designers and conceivers of it sought to put this into place without any genuine consultation with the sector or with experts in the field, whether they be people that work in tax in this sector or people that—as Senator Smith outlined—took risks with their own capital to undertake investment in our critical resources sector. These people suffered from that fatal conceit that they could actually design the perfect world, and that the tools of tax and economics could be used to assume away all the problems of human nature and all the imperfect knowledge that exists—especially in resource exploration and development—and come up with a taxation system that ensured, in effect, that the Commonwealth government became a shareholder in Australia's resources sector.

Let us put aside for one minute the implications of that for our federal constitutional arrangements, which I know do not matter to anyone on the other side of this chamber, be it in the corner where the Greens party sits or opposite with the Labor Party. Let us put aside the fact that the Commonwealth government and parliament have no legal interest in the resources that are properly held by the Crown for the people of the states. They are not the property of states such as Western Australia. They are held in trust by the Crown for the people of those states. That is a critical part of our Constitution. Let us put aside the fact that this particular attempt to seize the royalty regimes of the states was in fact a massive Commonwealth revenue grab. As I have outlined before, I come from a state without a large mining sector, at least in this century. A century and a half ago my state was the home of Australia's mining industry.

What the government and the advocates of the mining tax do not tell you is that, through our fiscal equalisation arrangements, the dollars raised by the royalties in Western Australia for iron ore and the dollars raised by coal in Queensland and New South Wales are, within three years, distributed to every citizen of this nation. The citizens of Victoria through our fiscal equalisation arrangements and especially the citizens of Tasmania—which I note for Senator Milne, the Leader of the Greens, who is in the chamber—all benefit from royalties collected by the states. This has, in fact, been a source of some contention for many decades in this country, because my home state of Victoria has always been a net contributor. We are, of course, seeing stresses placed on this at the moment because of the unique mining boom over the last few decades. It is putting stresses on our fiscal arrangements, with Western Australia's share of the GST falling to levels that have not been seen before. What that guarantees is that the benefits are being spread. What that guarantees is that Tasmanians, Victorians, South Australians and even people in the ACT, jurisdictions with no mining sector, and their nurse, police and teacher wages and their public sectors are stronger because of the royalties being collected by primarily the mining states.
Before the mining companies had the better of our elected officials, the arrangement sought to take the whole pool of resource revenue out of the state funding pool into which the GST and other state taxes go, which is then distributed amongst the states based on the cost of providing services. That was an attempt by the Commonwealth to grab that revenue which would have left every citizen in every state worse off. That is what people around this country need to know. What the Commonwealth government was trying to do was to make every state worse off.

The RSPT, that flawed tax, that constitutionally invalid tax, that misdesigned tax, brought down a Prime Minister. Then we were left with the MRRT, which allegedly funds many other measures. We have heard about measure after measure that is allegedly funded by the MRRT. The problem is that the MRRT collects no revenue. How can you have a tax that funds measures but does not collect any revenue? It is collecting 90 per cent less than was forecast. I do not know of a single private sector area where someone would keep their job if they forecast that wrongly and that soon on a tax designed by the same person making the forecast.

This government has no understanding of the pressures on the private sector, so it will make assumptions, it will print budget estimates and it will print budget forecasts to justify the measures it wishes to implement. It sees the world the way it wishes it was rather than the way it is. We have constant revisions downward. The problem is that when those forecasts are originally made there are plenty of people who say that those forecasts are rubbery. That has happened budget after budget, but this government does not listen.

The opposition will not support measures that are not sourced from MRRT revenue; they are sourced from borrowings and they are sourced from placing a further burden on future Australian taxpayers. We do not shy away from the need to put our fiscal house in order as a priority of the government of this country. The sad thing is that there was once a Labor Party that believed in this as well. Unlike those on the other side, the people on this side have always given credit to previous Labor governments when they have taken the right decisions. John Howard was always supportive of measures that were introduced under the prime ministership of Bob Hawke or even Paul Keating when they sought to liberalise our economy or when they sought to strengthen our economy. None of that has happened under this government.

We have seen tax after tax, rubbery forecast after rubbery forecast, downward revision after downward revision, and only a handful of years later we see the work of decades undone. The regulations, red tape and debt are at levels that, if they were predicted in 2007, those opposite would have laughed at. Those numbers are going to hang around the neck of the Labor Party for generations, as they should. This country has been through a unique period of a resource boom. We have had a unique period of revenue upswings, but none of that was put to use by this government. None of that was invested. None of that was put aside to pay for liabilities like superannuation run over decades like the previous government did. So—in my last few words before another guillotine comes down on the coalition’s neck—we will stand by a balanced budget.

**The ACTING DEPUTY PRESIDENT (Senator Fawcett):** Order! The time allotted for the consideration of these bills has expired. The question is that these bills be now read a second time.
Senator Cormann: Mr Acting Deputy President, the coalition will be voting differently on each bill and would like the bills to be considered separately.

The ACTING DEPUTY PRESIDENT: Okay, that is fine. We will deal with bill No. 1 first.

The PRESIDENT: The question is that the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013 be now read a second time.

The Senate divided. [22:25]

(The President—Senator Hogg)

Ayes.................35
Noes..................28
Majority..............7

AYES

Bishop, TM
Carr, KJ
Collins, JMA
Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Lines, S
Marshall, GM
McLucas, J
Moore, CM
Pratt, LC
Siewert, R
Stephens, U
Thistlethwaite, M
Urquhart, AE
Whish-Wilson, PS
Wright, PL

NOES

Back, CJ
Birmingham, SJ
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Johnston, D
Macdonald, ID
Nash, F
Payne, MA

Bills read a second time.

The PRESIDENT: In respect of the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013, the question is that schedules 5 and 6 stand as printed.

Opposition’s circulated amendments—

(2) Schedules 5 and 6, page 24 (line 1) to page 58 (line 11), TO BE OPPOSED.

The Senate divided. [22:29]

(The President—Senator Hogg)

Ayes....................35
Noes.....................29
Majority................6

AYES

Bishop, TM
Carr, KJ
Collins, JMA
Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Lines, S
Marshall, GM
McLucas, J
Moore, CM
Pratt, LC
Siewert, R
Stephens, U

NOES

Back, CJ
Birmingham, SJ
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Johnston, D
Macdonald, ID
Nash, F
Payne, MA

Bills read a second time.

The PRESIDENT (22:27): The question is that the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013 be now read a second time.

Question agreed to.

The question is that the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013 be now read a second time.

Question agreed to.

Bills read a second time.

The PRESIDENT (22:27): The question is that schedules 5 and 6 stand as printed.

Opposition’s circulated amendments—

(2) Schedules 5 and 6, page 24 (line 1) to page 58 (line 11), TO BE OPPOSED.

The Senate divided. [22:29]

(The President—Senator Hogg)

Ayes....................35
Noes.....................29
Majority................6

AYES

Bishop, TM
Carr, KJ
Collins, JMA
Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Lines, S
Marshall, GM
McLucas, J
Moore, CM
Pratt, LC
Siewert, R
Stephens, U

NOES

Back, CJ
Birmingham, SJ
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Johnston, D
Macdonald, ID
Nash, F
Payne, MA

Bills read a second time.

The PRESIDENT (22:27): The question is that the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013 be now read a second time.

Question agreed to.

Bills read a second time.
AYES
Thistlethwaite, M  Thorp, LE
Urquhart, AE  Waters, LJ
Whish-Wilson, PS  Wong, P
Wright, PL

The PRESIDENT: The question now is that the remaining stages of the Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013 be agreed to and the bill be now passed.

The Senate divided. [22:33]
(The President—Senator Hogg)
Ayes ...................... 35
Noes ...................... 29
Majority ............... 6

AYES
Bishop, TM  Cameron, DN
Carr, DN  Carr, RJ
Collins, JMA  Crossin, P
Di Natale, R  Farrell, D
Faulkner, J  Feeney, D
Furner, ML  Gallacher, AM
Hanson-Young, SC  Hogg, JJ
Lines, S  Ludlam, S
Marshall, GM  McEwen, A
McLachlan, J  Milne, C
Moore, CM  Polley, H (teller)
Pratt, LC  Rhiannon, L
Siewert, R  Singh, LM
Stephens, U  Stirling, G
Thistlethwaite, M  Thorp, LE
Urquhart, AE  Waters, LJ
Whish-Wilson, PS  Wong, P
Wright, PL

NOES
Back, CJ  Bernardi, C
Birmingham, SJ  Boyce, SK
Bushby, DC  Cash, MC
Colbeck, R  Cormann, M
Edwards, S  Eggleston, A
Fawcett, DJ  Fierravanti-Wells, C
Fifield, MP  Humphries, G
Johnston, D  Kroger, H (teller)
Macdonald, ID  Mason, B
McKenzie, B  Nash, F
Parry, S  Payne, MA
Ronaldson, M  Ruston, A
Ryan, SM  Scullion, NG
Sinodinos, A  Smith, D
Williams, JR

The PRESIDENT (22:31): The question now is that amendment (1) on revised sheet 9184 circulated by the opposition be agreed to:

1 Clause 2, pages 2 to 3 (table items 8 to 14), omit the table items.

Question negatived.

The PRESIDENT (22:31): The question now is that the remaining stages of these bills be agreed to and these bills be now passed.

Senator Cormann: Mr President, again the coalition intends to vote differently on each bill. If you could please take them separately, it would be much appreciated.
The question now is that the remaining stages of the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013 be agreed to and the bill be now passed.

Question agreed to.

Bills read a third time.

**ADJOURNMENT**

The PRESIDENT (22:35): Question agreed to.

The PRESIDENT (22:36): Order! I propose the question:

That the Senate do now adjourn.

**Schultz, Mr Alby, MP**

**Lawrence, Sister Madeleine**

**Aston, Professor Michael Antony**

Senator STEPHENS (New South Wales) (22:36): As this parliamentary sitting comes to a close, tonight is a night of farewells. I would like to place on the public record my appreciation and regard for the contribution to the parliament that the member for Hume, Alby Schultz, has made. He has been my local member for more than 15 years and I had the honour of being in the House of Representatives today when he made his valedictory speech. Alby and I have shared the stage on many occasions and I wish him and Gloria well, particularly as he faces the big challenges that are ahead of him in the next few months.

More importantly, if I can be so bold, I want to place on the record the extraordinary contribution of a woman who died last week at the age of 110. I am referring, of course, to Senator Back's good friend and mine, Sister Madeleine Lawrence, who died on 16 June. She was the oldest member of the Institute of Sisters of Mercy. It was suggested that the supercentenarian could have been the oldest person in Australia. She was, most certainly, one of the oldest people in the world.

She was born at Black Flat, Notting Hill in Victoria on 8 December 1902, and she certainly saw the world change—from telegrams to mobile phones, ships to space travel and everything in between. It was reported in *The Young Witness* that she had lived through five major wars, 18 US presidents, five British monarchs and all 27 Australian prime ministers. But she said that none of that was central to her life. In her life of service as a Sister of Mercy she did something quite extraordinary.

Every year for 13 years a group of men would visit Young to pay tribute to the woman who helped raise them in St John's Orphanage in Goulburn. More than 2,000 boys passed through St John's from 1912 until it closed in 1978. Sister Madeleine taught mostly 5th and 6th class students over the 11 years she was at St John's, taking on the role of parent and educator, nurse and administrator in her endeavour to provide a certain quality of life for those at the orphanage. She then went on to the St Joseph's Girls School, where she was the Mother Superior for almost 14 years.

The boys used to visit her every year and many talked about the care and support that she provided for them. 'She loved the boys, and we have always stuck by her,' said one of the old boys, Ken Doyle. 'I have been coming to visit her in Young for years.'

Father Richard Thompson at St Mary's Parish Young said, on behalf of the parish at this sad time, that he offered his deepest condolences to the Sisters of Mercy and Sister Madeleine's family. *The Young Witness* reported him as saying:
As a community of faith we firmly believe Sister Madeleine is finally in the arms of her saviour, whom she gave her service to for 94 years as a religious sister.

That is amazing. Countless generations have been touched by her special magic, and now countless friends all over the world will mourn her loss.

We have lost someone else—today, in fact. I would like to make reference to him. For those of us who are Time Team fanatics, and watch it with great gusto, I want to acknowledge the fact that Professor Mick Aston, the archaeologist who played such an important role in Time Team, died yesterday. He was an extraordinary person. He was born and raised in Oldbury in the West Midlands and known for the colourful, crazy jumpers he managed to wear for every series of Time Team and for his unruly white hair. He was a unique man and he made an extraordinary contribution. He brought archaeology alive. For all of us who have learnt so much from Time Team, let us acknowledge Professor Aston as a passionate believer in communicating archaeology to the public and bringing it to the masses. Let us hope that he rests in peace. As Laura Tingle tweeted to me today, let us hope that before he is interred they ‘do the geophys’.

The DEPUTY PRESIDENT: I too was taught by the Sisters of Mercy. Senator Williams, I hope you were taught by the Sisters of Mercy. You have the call.

Australian Securities and Investments Commission

Senator WILLIAMS: and the Christian Brothers, Senator Back. I see you leaving the chamber.

Last Thursday in this chamber a motion was passed which referred an inquiry into the operations of ASIC to the Senate Economics References Committee. I proposed that inquiry, which was supported by all sides, because of my disenchantment with ASIC over a number of years.

The Parliamentary Joint Committee on Corporations and Financial Services has tabled its second oversight of ASIC. It was released in May. I have the document here. In that report, Mr Alex Malley, Chief Executive of CPA Australia, referring to ASIC’s audit procedures, says:

ASIC has persistently demonstrated a propensity to make statements in a range of public forums that are sensationalised and driven by a media grab mentality rather than seeking constructive outcomes and working collaboratively with the profession.

I could not agree more.

Let us go to point 5.6 on page 46. The committee asked ASIC to provide, on notice, a breakdown of the 11 persons who were jailed, banned, or disqualified or who had removed themselves from the financial industry. As of 16 May, two months after the hearing in Sydney, ASIC has not responded. That does not surprise me.

Let us go to point 5.10 on page 47. The committee reiterated its view that there needs to be greater cooperation between the corporate regulators, ASIC and APRA, and between the corporate regulators and the law enforcement agencies. I have been calling for this for years. I remember asking ASIC when it was going to act on the infamous liquidator Stuart Ariff. I actually phoned a DPP and asked whether they would be charging Mr Ariff. They said, 'No, we haven't had a brief from ASIC.' I asked ASIC, 'When are you
going to provide a brief?" They said, really, that was none of my business, but they did provide the brief and now Mr Ariff has been jailed for six years.

At Senate estimates I recently asked Commissioner Kell why it took 16 months to act on whistle-blowers' information on wrong-doings in the financial planning sector of the Commonwealth Bank. In that 16 months, how many other wrongdoings were carried out?

On page 54 of this report the PJC says:

The committee is satisfied with ASIC's focus on the surveillance of financial advisers and its risk based approach to this monitoring. The regulator's attention must continue to be on those outliers that exhibit key risk factors.

The PJC might be satisfied, but I am not—not nor are many others in Australia.

We have seen the case of one Ricky Gillespie. It took until November 2012 before action was taken. I wonder what happened in the following 3½ years.

In closing, I want to congratulate Fairfax journalist Adele Ferguson for her rugged determination in getting to the truth. Adele is not frightened to take on the financial institutions and the regulators and is proving to be a real voice for those who have been wronged. For the listening public, submissions to the Senate inquiry close on 21 October. I look forward to the Senate inquiry. Hopefully, the committee will come up with recommendations that are for the good of the people of Australia and that will mean that we will have a better corporate watchdog, with more honest and sensible advice, so that people who work hard are rewarded in their retirement and so that, when they invest their money, they get a return on that money and do not simply lose it.

Climate Change

Senator FAULKNER (New South Wales) (22:46): In last night's adjournment debate, I was speaking about the Climate Commission's recent report on extreme weather in Australia. Tonight I thought I might look at some of the international experience in relation to the issue of climate change. Late last year, the World Bank released a report entitled Turn down the heat: why a 4º warmer world must be avoided. The World Bank is not an organisation renowned for melodrama; instead, it has a reputation for conservative, sober analysis. It is remarkable, then, that World Bank President Dr Jim Yong Kim opens the report with these words:
It is my hope that this report shocks us into action. Even for those of us already committed to fighting climate change, I hope it causes us to work with much more urgency.

Many of the findings of this report are shocking and reflect the national findings of the Climate Commission on a global scale. For instance, the five hottest summers in Europe since 1500 all occurred after 2002. In 2010, Russia experienced its own week-long heatwave. In July 2010, Moscow temperatures reached 38.2 degrees centigrade at its principal weather station. The daily maximum in that month is usually 24.1 degrees. According to the World Bank, the Russian heatwave of 2010 cost 55,000 lives and resulted in estimated economic losses of some US$15 billion. The 2012 drought in the United States of America reportedly affected 80 per cent of that country's agricultural land. As this report by the World Bank states, it is 'unequivocal that humans are the cause of global warming'. A recent study concluded that more than 97 per cent of all peer reviewed scientific literature endorsed this position.

Senator Bob Carr: What percentage?

Senator Faulkner: That was 97 per cent, Senator Carr, and I know you have a genuine—

Senator Bob Carr interjecting—

Senator Faulkner: Yes, and I know you have a real interest in this. You may not be aware that I have said before in this chamber that the earth's climate has changed in the past but that the current rate of warming is unprecedented in human history. The principal reason for the warming climate is greenhouse gas emissions. The most significant of these is carbon dioxide. There is now more carbon dioxide in the air than there has been at any other point in the last 800,000 years. What were previously considered extreme weather events are now occurring with such regularity that it points towards a long-term trend in global climate. These events can no longer be written off as outliers, anomalies or accidents born of extraordinary circumstances. We should instead consider them signs of something more serious.

We must continue to make the argument that our planet is warming and we must act. We must continue to support the work of our leading climatologists, scientific academics and academies because we know that complex problems require expert advice. We must do so, aware that denialists rely on a kind of feckless relativism that equates all opinion in this area—sees it as all equally valid. That is the sort of postmodernist drivel that equates Madonna with Mozart or Danielle Steel with Shakespeare. It is a cynical politics that relies on a sneering anti-intellectualism that is ultimately anti-science and anti-enlightenment. I say that we must combat this with calm reasoned argument that restores people's belief that action is not only possible but effective and, indeed, essential—essential to creating the next economy and essential to ensuring our nation's future prosperity.

Leichhardt, Dr Ludwig

Senator Boyce (Queensland) (22:53): I would like to talk to the Senate this evening about Ludwig Leichhardt. This year is the bicentenary of his birth on 23 October 2013. Ludwig Leichhardt was of course a legendary explorer and naturalist. Very much due to the efforts of our ambassador to Germany, Mr Peter Tesch, who is a proud Queenslander of German heritage, this event will be celebrated in Australia, especially throughout Queensland, and in Germany. My office has been taking part in these historical celebrations. But firstly, before we talk about the celebrations themselves, I would like to provide some background about the
enigmatic, eccentric but very gifted Leichhardt.

Friedrich Wilhelm Ludwig Leichhardt was born in Prussia, one of eight children. He studied philosophy, languages and natural sciences in Prussia and in Berlin but never received a university degree. He moved to England in 1837, continued his studies in the natural sciences and undertook fieldwork in several European countries, including France, Italy and Switzerland. Saying that he continued his studies is something of an understatement. I suspect that, were Ludwig Leichhardt around today, he would have a diagnosis of attention deficit disorder. He was quite manic in his efforts to pursue education and learning.

At the age of 29, Leichhardt arrived in Sydney, determined to explore the inland reaches of Australia. Here he led three major expeditions. But it was his epic journey of 4,800 kilometres in 1844 and 1845, during which he travelled from the Darling Downs to Port Essington, north-west of Darwin, that cemented him in the annals of history in Australia and in the annals of exploration worldwide.

It needs to be remembered that Ludwig Leichhardt had poor eyesight and no bush skills at all, but he was perhaps the best trained person in the natural sciences to ever explore in Australia. Leichhardt was the first European to see large tracts of inland Queensland and the first European to cross through this territory. For the colonists, Australia was virtually completely unexplored, apart from the settlements clustered around the eastern coastline at that time. The interior, to these settlers, was a vast and mysterious blank.

Ludwig’s contribution to Queensland’s geological understanding and his discovery of new species of flora and fauna is immeasurable. His detailed journals and scientific legacy are still being researched and appreciated. His discoveries included coal seams and serious geological formations in Queensland. During this first expedition he came across a large river, which he named the Burdekin River after a woman who had donated to his expedition.

During the 1844-45 expedition, Leichhardt passed through the current Queensland federal electorates of Groom, Flynn, Dawson, Kennedy, Maranoa, Capricornia and Leichhardt. This is what I have based my involvement in the bicentenary celebrations on. To mark Ludwig Leichhardt’s bicentenary, I have organised an essay and drawing competition for high school students in mainstream and special schools in those electorates, and drawing competitions for primary school students in mainstream and special schools in those electorates. Our office has written to 710 schools in those electorates and we have had a fantastic response from both the students and their teachers. There have been more than 400 entries received. Next week I will be going to Rockhampton—all with Bill Gannon, an artist with a keen interest in Leichhardt who has written numerous papers on him, and Rod Schlenker, a surveyor from Rockhampton who also has a deep fascination with all things Leichhardt—to judge those entries and to find our winners.

I am so pleased that the response has been what it is because it demonstrates that there is still a fascination amongst Queensland students with natural history and the fate of Ludwig Leichhardt. Just some of the schools that have sent in entries are Stanthorpe, Tara, Mount Isa, Mackay, Kennedy, Banana, Dimbulah, Mareeba, Hughenden, South Townsville, South Johnstone, Mount Lofty, Flying Fish Point, Emerald, Gladstone, Wyreema, Yeppoon, Clifton, Glenmorgan, Dysart, Barcaldine and Horn Island. Those are just some of the schools that have
entered. I am sorry that we cannot give everyone a prize, but I am really hoping that the competition will whet the appetite of these students for Australia’s natural resources and towards becoming naturalists. Prizes for the competition will include iPads for first place getters and money vouchers and books for second and third place.

I have been stunned by the support I have received in this area. One of my staff phoned the Perth Mint and spoke to the sales and marketing manager, Mr Ron Currie, about the beautifully crafted Ludwig Leichhardt commemorative coin that the Perth Mint has produced. These are valued at $199 each and, because the bicentenary has occurred in 2013, only 2,013 of these coins have been produced. Mr Currie was told about our competition, we inquired about the coin and then, lo and behold, about three days later 12 of the coins arrived at my office at no charge from the Perth Mint to be used as prizes for the students. I thank the Perth Mint for that.

I also received copies of what is likely to become a priceless book from Mr Bernd Boschan, who is the director of the Amt Lieberose/Oberspreewald. He heard via Ambassador Tesch of the competition and has donated four copies of The Vast Silence, a book by a German artist and author which has been specially commissioned to mark the bicentenary. The woman who undertook the work is Sigrid Noack. This stunning book, as I said, was especially commissioned for this bicentenary year. It is based on the diary entries of Leichhardt with accompanying illustrations by Sigrid Noack. The diary entries are in both German and English. It is absolutely stunning and the colours of the landscapes just jump off the page. Again, it is a limited edition book.

From the German Australian Community Centre in Queensland, Mr Detlef Sulzer has donated as prizes a number of copies of the book Queensland’s German Connections: Past, Present and Future: 170 Years Strong (1842-2012). Again, this is a fascinating book, rich in historical and cultural information that demonstrates the significant role that German people played in shaping Queensland.

Again as part of the celebrations, in July I am planning to retrace Leichhardt’s steps—or some of them, I should say—through the Queensland electorates that he visited. We will be starting at Jimbour Station, where Leichhardt departed on that first epic trip. Jimbour Station is not far from Toowoomba, but when he left there it was the far outreaches. One of the things that makes Ludwig Leichhardt so interesting is the fact that no-one has yet discovered what happened to him. He was last seen in April 1848 at McPherson's Station, Coogoon, on the Darling Downs. His disappearance and death remain one of the enduring mysteries. There have been at least five expeditions mounted to try to discover what has happened to him, but it still remains an enduring mystery. It is wonderful that such a marvellous man is being acknowledged so thoroughly in Australia, particularly Queensland, and in Germany. (Time expired)

Tasmania: Show Some Respect Campaign

Senator PARRY (Tasmania—Deputy President of the Senate and Chairman of Committees) (23:03): I rise this evening to speak about a campaign launched in north-west Tasmania by the local newspaper The Advocate called ‘Show Some Respect’. I have discussed this with the whips of all the parties in the chamber and they have agreed that I can table in the Senate this evening not a petition but an indication of support by members of the north-west Tasmanian community. They wished to show some respect to police, teachers, ambulance
officers, medical professionals and people who come into contact with the public on a daily basis and who, over a period of time during the life of the 43rd Parliament, The Advocate determined were not being shown the respect they deserve. So I seek leave at the outset to table this document, which has the signatures, names and addresses of quite a number of people—some 300-plus who have actually signed and in excess of 100 who completed it online.

Leave granted.

Senator PARRY: The significance is not just the people who have signed the document; it is the whole attitude of the community to the The Advocate's campaign. Many, many people have spoken about the need to show more respect, which is the title of the campaign. Show Some Respect has developed because of incidents within the community—and not just in north-west Tasmania, although that is where the issues developed. The embryonic stage of this campaign started from what readers were writing into their local newspaper about. The local editor, Julian O'Brien, decided that he would advertise this campaign and see who came on board—and many did.

I should declare up-front that I have not seen eye to eye with my local newspaper on a number of occasions. I do not think they have been very fair to me from time to time. However, on this particular occasion they were spot on the money. They were absolutely right to launch this campaign in the local community. One of the highlights occurred when a police officer was charged by the public, if you like, because of a YouTube video about using capsicum spray on a young offender. The police officer was subjected to the normal internal investigation that any police department would conduct when a complaint has been raised. It appeared at first blush that the police officer had been excessive in his use of this capsicum spray.

However, when the full video finally became public, he was defending another police officer who had been assaulted. I think this is so important. The respect angle in our community has deteriorated. I can speak from personal experience, having been a serving police officer in the seventies and eighties. Equally, my wife was a nurse in the seventies and eighties and still is today. We have noticed and have discussed at home the lack of respect, or the lessened respect, for people who work on the front line—hospital workers, teachers, police officers, ambulance officers.

A local newspaper picked up this theme and said: let us just stop and pause and examine why there is a lack of respect. Let us develop that concept in our community through our local newspaper and ask people why they are not showing respect to these particular people in our community. I do not know where it starts. Maybe why respect has diminished in our society is a subject for another debate in this place at another time. I am very pleased to present and table this document today and to highlight the reasons why a local newspaper picked up this theme and got the reaction it did.

New South Wales and Victoria have adopted similar campaigns because of the local campaign started in Burnie, Tasmania. I do commend the newspaper for doing that. The mere fact that hundreds of people have signed and come on board is one part of helping to get one aspect of respect back into our community. The fact that those people have done that is great. I commend them for placing their name and address on the petition and for being prepared to have them made public. However, the greater debate that was had in the newspaper, the forums that were developed and the community
discussions were far wider than just a simple petition. I will call it a petition even though it
is a non-conforming petition.

That petition was just the tip of the iceberg. I think it has started a great debate. Schools have even started debating in our community why we should show more respect to people in positions of authority, in positions of care, in positions on front-line emergency. If our society deteriorates to the extent that we cannot show respect for those people then I think we do have a problem. This is starting in our community and I think it is great that a newspaper like Burnie's *The Advocate*, a very regional newspaper which never makes our newspaper clips here in Canberra, has commenced a program to develop this campaign called Show Some Respect. That is great for a small community and I am hoping that our wider community will eventually develop a greater sense of respect because of a small campaign started like that. As I have indicated, some communities in New South Wales and Victoria have picked up on this campaign. Hopefully, it can spread.

By bringing this to the public, I am hoping that in some small way we understand that respect has diminished and that we need to re-establish it. We are elected representatives of our state in this chamber; in the other chamber we are representatives of particular electorates. If we do not start at our level, if we do not start in local newspapers and if we do not start in schools, we will never arrest the situation of diminishing respect in society.

Madam Acting Deputy President, I thank you for assisting me in being able to make this speech by moving into the chair at an earlier time. Equally, I trust that this contribution has sparked a small desire in each of us to increase the respect we have and show to front-line emergency workers, police and caring people in society, because if we do not have respect there then there is very little hope of having respect anywhere else.

**Mees, Dr Paul**

*Senator WRIGHT (South Australia) (23:11):* I rise tonight to remember and to pay tribute to Dr Paul Mees, who died last week on 19 June 2013 at the age of 52. Paul was a remarkable Australian and he was also a friend of mine. As a tireless champion of sustainable transport planning, he will be greatly missed by many. There are people all over Australia and internationally who are mourning his untimely death.

Paul made a lifelong contribution to the field of public transport and urban planning, building on a passion that he developed from a young age to become a renowned academic, thinker and—crucially—an activist. I first met Paul in 1979 when we were both first-year students at Melbourne University. He went on to graduate with an honours degree in law and arts and practised as an industrial lawyer for some years. But it did not take long for his passion for public transport planning, originally from a strong social justice perspective and increasingly from an environmental perspective, to call to him and he completed a doctorate in urban transport planning back at Melbourne University in 1997.

Paul's doctoral research compared the relative success of Toronto's public transport system with that of Melbourne and found Melbourne greatly wanting, despite the physical and demographic similarities of the two cities. His dissertation was published in 2000 as the book *A Very Public Solution: Transport in the Dispersed City* and is a seminal work in the area.

Paul went on to teach urban planning at Melbourne University, attracting affection and respect as a stimulating and inspiring
lecturer and mentor for many of his students. Paul's standing as an academic grew, with his analyses of transport problems in Sydney, Melbourne, Canberra and Adelaide; his articles; and his subsequent book, *Transport for Suburbia: Beyond the Automobile Age*, published in 2009.

Paul also developed an international reputation. His work provided the basis for the European Union's 2005 HiTrans project on improving public transport in medium-sized cities and towns. And he was also a member of the international advisory council for Paris's new mobility agenda project.

Despite his notable academic work, Paul was a campaigner at heart. He was the president of the Victorian Public Transport Users Association from 1992 until 2001. During that time he became Victoria's most recognised go-to person on all matters public transport. It was his fearless advocacy for good transport planning, often in the face of concerted opposition from powerful vested interests, that endeared him to many and also made him unpopular in other circles. It has been said of Paul in an *Age* newspaper article that for more than two decades he repeatedly embarrassed Victorian transport operators and authorities with his research and commentary on the state's road, rail and urban planning systems.

In the late 1990s, Paul questioned the legality of aspects of the largest urban infrastructure project in Australia's history, the CityLink tollway system in Melbourne, in a legal case that ended up going all the way to the High Court and predicted the subsequent ongoing million dollar compensation claim from Transurban against the Victorian government. He pointed out that if you privatise the road system, the private operators will, in general, demand to be protected against revenue risks such as improvements to the public transport system, effectively tying the hands of future governments on transport policy for decades and decades to come.

In 2008, Paul was at the centre of a very public dispute over academic independence, when Melbourne university, his employer of 10 years, took action against him on the basis of public remarks he had made about the Victorian government transport officials, casting doubt on their honesty and competence. The Victorian government lodged a complaint against him and it came to light that the university had been concerned about their relations with the government. An investigation dismissed the university's complaints against him, but he resigned and joined RMIT university later that year. He was appointed associate professor in 2012.

Despite battling cancer for over a year, Paul was still active in pursuing his vision for excellent public transport planning up until his death. As recently as six weeks ago, he spoke to the 7:30 Report about the Napthine government's proposed east-west tunnel, arguing there was little substantial research behind the six to eight billion dollar project and citing evidence from around the world that, as a city gets bigger and bigger, you have to prioritise rail and public transport. As noted by Matthew Burke, senior research fellow at Griffith University, Paul was a brave researcher, frank and fearless. He was not afraid to shine spotlights in dark corners or even to question what our community perceived as good policy and practise. All of this information about Dr Paul Mees is on the public record.

I will now take a minute to share a little of the other side of Paul Mees, the quirky, funny, extremely moral man that his friends knew and loved. From our first meeting over 30 years ago, I was struck by Paul's wit,
humour and idiosyncratic manner. He was, and remained, unconventional, resolutely unswayed by fashion. This was reflected in his dress sense. He was famous for always wearing skivvies, even as a university student in the 1970s and 1980s. This was reflected in his tastes, even at 18 preferring Scott Joplin and Bach to AC/DC and Talking Heads. It was reflected in his ideas. He was always searching for the truth as he saw it no matter how unpopular.

Paul was a remarkably talented debater and together with the other members of our Melbourne uni debating team, Rod Saunders and Robert Chappell, we shared some of the funniest, most intellectually stimulating conversations I have ever had the pleasure to experience. One of my colleagues observed that his debating style was not ‘anarchic; far from it. He did actually follow the team line extremely well, but he always threw in these pearls of thought that were uniquely his, and his thoughts genuinely surprised people. As a third speaker he was a genius. He had a tone that sort of said: "Yes, you've listened to my other team members, and they've had a few good things to say. But the guts of this topic is what I'm telling you and, while I know as a third speaker I shouldn't introduce new material, forget that, I'm going to do it anyway. The subject's too important to get hung up on petty rules." Because of his talent and humour, he got away with it. Paul went on to serve on the executive of the Debaters Association of Victoria and lent his considerable skills to coaching, adjudicating and mentoring young debaters in a pursuit he loved and excelled at.

I would like to end on a story that highlights some of Paul's most admirable qualities, together with his very individual view of the world and, yes, his passion for public transport. In about 1983, a group of us had decided to take a canoeing and camping trip along the Murray River. To prove his theory that you could do anything on public transport that you could with a car, Paul took on the logistics of hiring canoes from Studley Park Boathouse in Melbourne and getting them and us up to the Murray and back again on public transport. His plan was to use a combination of buses, trains, postal services and taxi trucks. I have to report he came very close to doing it—that was until he was finally stymied by the intractable attitude of VicRail, Victoria's then country rail service. Having no classification for canoes, they insisted on categorising them as the equivalent of an ocean-going liner and wanted to charge us thousands to use a small corner of a no-doubt otherwise empty goods wagon. Paul worked out that it would have been cheaper to travel in taxis the whole way, buy new canoes in Swan Hill, paddle them down the river and then set them free to float down to South Australia and into the sea. In the end, very unusually in my experience, Paul was forced to admit defeat and graciously borrowed his father's car and a trailer to get us there and back. I think it was the only time I ever saw him drive, but we did have a wonderful trip.

Paul's funeral is tomorrow morning in Melbourne, and my thoughts will be with his beloved wife and life companion, Erica Cervini, his family—mother, Roma, father, Tom, and brothers Peter, Bernard and Stephen—and his many friends and admirers all over Australia and internationally. Vale Paul.

Goods and Services Tax

Senator BILYK (Tasmania) (23:21): I would like to add a note of support to Senator Parry's adjournment speech tonight in regard to the Advocate and their Show Some Respect campaign. It is an important issue and I think Senator Parry and I could spend many hours discussing this issue together. Tonight I would like to speak about
an issue that is really important to my home state of Tasmania and that is the concern that stems from comments made the Leader of the Opposition, Mr Abbott, on 1 May last year. While visiting Western Australia, Mr Abbott was quoted in the Australian as saying:

I think that what ought to be very seriously considered by the government right now is the proposal that all the Liberal states have put up, that the GST revenue should be distributed on what is closer to a per capita arrangement.

This is the unified position of the Coalition premiers. I think it makes a lot of sense.

According to the most up to date figures from the Commonwealth Grants Commission, a per capita distribution of GST would mean a loss to Tasmania's revenue of $704 million in 2013-14 alone. To put this into context, this is equivalent to the loss of 800 doctors, 3,000 nurses, 500 allied health workers and over 100 child protection staff.

I would have expected that my Tasmanian Liberal colleagues in this place would have joined government members and senators in standing up for Tasmania, and standing up against plans to rip the heart out of public services in Tasmania. Instead, they are trying to insist it is not going to happen, but they cannot run away from their own public statements. I have a few tonight to mention.

When confronted with this issue on Southern Cross radio on 11 March this year, Senator Abetz said:

What Tony Abbott has said is that he is willing to consider a closer arrangement to a per capita—so not a per capita basis—but closer to.

Senator Abetz's statement confirms that the coalition is actively considering changes to the way GST is distributed—changes that would severely disadvantage Tasmania. The Deputy Leader of the Opposition, Ms Bishop, shadow treasurer, Mr Hockey, and his assistant, Senator Cormann, have all made public statements confirming they want to change the current arrangements. This has also been confirmed by Western Australian premier Colin Barnett, who revealed that he and Mr Abbott had discussions about trying to 'fix the system'.

The proposition that we move closer to a per capita arrangement for GST distribution indicates that the coalition is not planning to rip exactly $700 million per year out of public services in Tasmania—just somewhere up to $700 million per year. I am not sure that gives too many Tasmanians a great sense of relief. I wonder how much they are going to rip out. Is it $400 million? Is it $500 million? Is it $600 million? I guess we will not know until Mr Abbott decides to reveal the details of the secret agreement he has stitched up with Premier Barnett. What we do know is that if an Abbott led coalition government is elected, public services in Tasmania will be gutted. Now that we know discussions are taking place behind closed doors about GST distribution, the coalition are trying hard to pretend they would not have the power to change the GST arrangements in government without the agreement of the states.

In the Senate on 20 March this year I was delivering a speech about the disastrous impact the Abbott led coalition government would have on the cost of living and I happened to mention the coalition's plans to change the distribution of GST. There was an interjection from the other side, from Senator Bushby from Tasmania, and according to the Hansard this is what Senator Bushby said:

Tasmania has an absolute right of veto. It can't happen. You know that. Tell Tasmanians the truth.

I know that Senator Bushby has tried to peddle the same furphy in letters to the editor in the Mercury and the Examiner, but his attempt to pull the wool over Tasmanians'
eyes has been exposed. Only three weeks ago, in budget estimates, my Tasmanian Labor Senate colleague, Senator Urquhart, put the claim of the state veto power to the Secretary of the Commonwealth Grants Commission, Mr John Spasojevic. This is the question Senator Urquhart asked:

What is the process for determining the GST and who makes this final determination?

The response was:
The process is that a reference is sent to the Grants Commission asking them to update a distribution for the forthcoming financial year. The commission prepares its advice, submits that to the Treasurer and then the final decision is made by the Treasurer.

Then Senator Urquhart asked:
The final decision is made by the Treasurer?

Mr Spasojevic answered:
Correct.

Senator Urquhart then went on:
Before that decision is made, do the states have to agree on the distribution before it is signed off by the Treasurer or does the Treasurer have the final decision?

The response was:
My understanding of the act—and I am sorry, we do not have anything to do with the act—is that the act gives the authority to the Treasurer.

So there you have it. In contrast to the claims of coalition senators, my home state of Tasmania would have no power to stop Mr Abbott from changing the GST distribution arrangements in accordance with his secret deal with the Premier of Western Australia. In support of the case for per capita distribution of GST, Premier Barnett has claimed that Tasmania is a mendicant state, that we are unwilling to develop economically and that we would rather live off the public purse. Premier Barnett claimed that Tasmania was turning itself into a national park and rejecting any form of development.

It appears that the Western Australia Premier's comments have been supported from none other than the recently endorsed federal Liberal candidate for Denison in Tasmania, Tanya Denison. In February the Deputy Leader of the Opposition, Julie Bishop, posted a comment on Facebook which criticised Tasmania's economic performance and said the coalition would look at changing the way GST was distributed if it won government. Ms Denison—who, I must point out, only recently moved to Tasmania—shared Ms Bishop's post and then commented that Tasmania does not pull its weight and is a burden on other states. It is an absolute mystery to me as to why Ms Denison would seek to represent people in a state she has so little confidence in, especially after living there for only a few months.

Premier Barnett's narrative, which is supported by Ms Denison, could not be further from the truth. It is wrong for two reasons. One, there is a great deal of economic activity going on in Tasmania and, two, it fails to recognise the real reasons for Tasmania receiving a disproportionate share of GST revenue. It is about the challenges we face, which go to demographics and geography. We are an island state, which presents challenges in transport, access to export markets and service delivery. We have the most geographically dispersed population of any state or territory. We are the only state or territory in which more than half the population lives outside the capital, and this presents particular infrastructure and service challenges. We have on average an older population than the rest of Australia and a higher proportion of people from low socio-economic backgrounds. So we have a clear and simple reason for receiving a higher per capita share of GST revenue than any other state or territory—except for the Northern Territory, which has its own unique
set of challenges. That reason is that it simply costs more to deliver services in Tasmania. This is the reason that a system of GST distribution known as horizontal fiscal equalisation, or HFE, exists. It is not about delivering equivalent funding for each citizen of Australia; it is about delivering a quantum of funding to ensure that each citizen of Australia, regardless of which state or territory they live in, can receive equivalent services. It is a principle of basic fairness.

When we raise this issue the response of those opposite is to accuse the government of threatening GST payments because we initiated a review of GST distribution. Not only is this blatant hypocrisy, but the opposition conveniently failed to mention an important point about the GST review: the terms of reference for the review clearly state that equalisation has served Australia well and should continue. Yes, the review was asked to consider the appropriate form of equalisation but no-one in the government has ever suggested that the basic principles of HFE should not be maintained.

As far as I am aware, the only members of this parliament who have ever suggested moving away from the HFE model are members of the coalition. Make no mistake about it, Mr Abbott's plans, if he wins government, will gut the Tasmanian public service. They will also gut public services in South Australia and the Northern Territory, which by the way stand to lose up to $800 million and $2.2 billion respectively. Unlike the Tasmanian Liberal senators in this place, I and my Tasmanian Labor Senate colleagues will stand up for our state. We will stand up for making sure that the public services in Tasmania are properly funded, and that our state receives a fair share of federal funding.

International Conference on Population Development

Senator MOORE (Queensland) (23:30): As I have spoken about many times before in this place, this year is the 20th anniversary of the 1994 ICPD, the International Conference on Population and Development. We know that there is a process in place across the world to review how we are going on the amazingly strong recommendations and statements made by parliamentarians from over 70 countries that met in Cairo in 1994.

In our region, the Asia-Pacific region, in Bangkok in September, the Sixth Asian and Pacific Population Conference will gather to look at the work that has been done, to look at the impact of the ICPD agenda, to see what we want in the international program, and to ensure that our region, as you know, Madam Acting Deputy President, which has particular issues around population development, will have say in what the post-ICPD agenda will be.

Two weeks ago in Bangkok, a group of parliamentarians, who were all involved in the parliamentary groups that look at these issues, gathered to see what input parliamentarians could have in their government's position through that conference. I was lucky enough to be there as part of the Asia-Pacific parliamentary group. Together with parliamentarians from seven other countries, we met to look at the original document that was signed in 1994 and, every time I look at that document, I am confronted by exactly how strong, dedicated and committed were the parliamentarians, who gathered together to make that original statement. We were well represented as a country at that original conference, with a number of parliamentarians, including Margaret Reynolds, whom we both know, Madam Acting Deputy President, who came back to this place and spoke about forming our own parliamentary group.
The parliamentarians who gathered in Bangkok two weeks ago had a series of statements that they wanted to take forward to their governments, and I am particularly pleased that our foreign minister in the chamber this evening because he has received a copy of that statement, and I am sure he will take it very seriously in our government's considerations around the project. We wanted to talk about the role of parliamentarians, and we stressed at that time that we recognised the important function that parliamentarians form in passing appropriate legislation, revealing existing legislation and mobilising strong support for laws consistent with the ICPD agenda, which result in sustainable cost effective outcomes for health, society and the economy. We also state very clearly that we recognise and accept the crucial roles that parliamentarians play in advocating for the ICPD program of action and the key actions for further implementation of the program of action. We focused, very clearly, an emphasis on the unfinished agenda, because the agenda is strong and far reaching.

We know that 20 years after the original document was signed, we have still not achieved all the goals that we set ourselves. So we need to look at that, review what has happened and look into the future. The agenda of the original ICPD document was very wide, and we looked at that in the meeting and we focused naturally—and I really stress 'naturally'—on the issue of sexual and reproductive health and rights. It is clear that there must be an emphasis on the needs for a right, spaced approach in making sexual and reproductive health a priority in the health sector, stressing the need for adequate finance and budgets and there must be comprehensive information and access for the community. We called for the protection of the rights of individuals regardless of sexual orientation, gender identity and the need that all people should be able to exercise their fundamental rights.

We also looked at the important issue of the rights of women to lead lives free of the threat of, and actual, violence in all settings, including from intimate partners. We recommended that improving the quality of and access to education for women and girls must be, and will continue to be, a priority action, along with genuine investments in gender equality reforms to improve women's economic independence through access to decent work with family friendly policies, to improve access to economic resources and to ensure that we tailor reforms for women who are facing intersecting forms of discrimination.

Clearly one of the key issues must be education and engagement to ensure that women participate in decision making and the political process. We know that in our region, the Asia-Pacific region—and, in particular, our close regional neighbours in the Pacific—there is the lowest number of women who are participating in the political processes in their country anywhere in the world. I know that we can all celebrate the fact that our Prime Minister has engaged with AusAID and a number of countries across our region to put in place a program to encourage and support women to be active in political processes. This is not only to ensure that women are elected into parliament but also to ensure that women are engaged at their local level in knowing the systems in which they operate to ensure that their voices are heard. That has been a core aspect of the MDGs and continues to be the basis for the ICPD agenda.

We looked at the issues of violence. We have strong evidence also in this Pacific region that there is a culture of violence against women which must be identified and addressed, and work must be put in place to
ensure that women and children are safe in their communities. We also reiterated the commitment to eliminate all forms of violence against women and girls, including revising any laws that exonerate the perpetrators of violence, putting in place policies to address practices like early and forced marriage, and addressing the issues of trafficking, the idea of dowries and bride prices, the term that is known as son preference—which is talking about the focus that male children are given greater respect and value in their communities than women—and the ongoing issues of female genital mutilation.

In tackling all of these issues, we recognise the importance of investing in men and boys to transform the norms of behaviour that perpetuate gender inequalities and discriminatory practices. The core part of the ICPD agenda is respect for individuals and ensuring that there are strong and effective communities. With that basis, we can ensure that the rights that were so clearly identified at the 1994 agenda will be able to move forward into the future.

We also looked at a number of issues concerning particular age groups, and the issues of young people were raised in discussions, both in 1994 and now, because our region has communities that have a great number of young people. In communities such as Timor-Leste, Samoa and Vietnam, a high percentage of the population are under 21. These young people need to ensure that their rights are protected. Naturally, because we are looking at a conference around population development, there was a lot of discussion and commitment about ensuring that appropriate sexual health and reproductive rights education is provided to these young people, again stressing their need to have information upon which they can make effective decisions about their own lives and feel secure that those decisions will be understood and respected in their community.

We also looked at the issue of population growth generally across the area—at ensuring that there is an opportunity for all human beings to have effective development, and at committing to policies that make this development sustainable. The issues around the environment were already on the agenda in 1994, and countries across the world were acknowledging that sustainable development was an important part of making decisions for the future.

The ongoing concerns about growing urbanisation and the growth of cities were also part of this agenda, looking at how those two ideas about support for individuals and community could be maintained in any planning for future development in any area. Looking at the other aspect of population, we had the concern about young people but also, in the same region, there are considerable issues around ageing. Once again, we need to respect and value people, ensuring that they are part of their strong community.

We all have the opportunity to be part of the decisions that are going to take place in the post-ICPD agenda. I encourage parliamentarians in this place to learn about this agenda and to become part of plans for the future. We are still worried that parliamentarians across our region do not understand what the ICPD agenda is, do not engage with their government and do not want to take part in the priority decisions that have to be made. The parliamentarians that met in Bangkok understood the challenge and want to be part of the future.

Animal Welfare

Senator BACK (Western Australia—Deputy Opposition Whip in the Senate) (23:40): About six weeks ago in Young in New South Wales, to the west of us, the owners of an intensive piggery became
aware in the middle of the night that their property had been invaded. They became aware of this because some days earlier members of their staff had seen that in the ceiling of the farrowing area, the area in which the heavily pregnant sows give birth to their piglets, had been secreted video equipment and listening equipment. Initially the staff thought that management had put the devices up there to check on them. When they questioned the management of this piggery—and I hasten to say that it is a minimal disease piggery, which I will explain in more detail in a moment—all of them came to the realisation that this equipment had been illegally placed into the piggery. Since the piggery was staffed from dawn until well after dusk, obviously at night there had been a break-in.

But, furthermore, when they came to examine it more closely, it appeared that the source of power required a different type of electrical plug to connect than the power cabling inside the piggery. So it would appear that these people, acting illegally, had actually examined the facility initially. They had gone away. They had modified equipment. They had come back a second time to install it. On examination it was noticed that there was no modem, which obviously then meant that any footage, be it video or audio, would not be able to be transmitted electronically and meant that the people would have to come back again. So they staked the place out and, sure enough, about six weeks ago in the middle of the night these people returned presumably to collect the video material. I assume they would try to use it to allege animal cruelty.

I will make a number of points in relation to this. Firstly, these people were acting illegally. They were illegally on a property where they had no permission to be. Secondly, they placed themselves at risk in the sense that they were interfering with the electrical connectivity in the building. Thirdly, they placed the animals at risk from an animal welfare point of view. One can imagine the distress of and the stress on these animals, many of them, no doubt, first farrowing sows, who are the subject of all of those conditions of females who are having their young for the first time. And, of course, there was the risk to the minimal disease status of this piggery which, indeed, goes to the financial viability of these operations. They are very expensive to establish. They are incredibly expensive to maintain to ensure the biosecurity of the animals in that piggery. Again, it goes to the question of animal welfare.

These activists, upon being confronted by lights and people coming towards them, made off. They left behind a vehicle which clearly identified who they were and from where they had come. It is to me a moment of great regret that to date the New South Wales Police Force have not chosen to prosecute them to what should be the fullest extent of the law. This is an operation of the highest level of professionalism, supervised by specialist veterinarians who oversee the management of that particular facility. What is even worse is that there does not seem to have been a howling of protest by those who are responsible for activist operations in this country of the illegal actions of these people. Where have we got to in this country when it seems that people can simply, at will, move into the private property of others and carry on the way that they have. Is this acceptable in our society? I suggest to you it is not.

I have for some time now been working on the draft of legislation that would, if it was able to be legislated—and I am not sure it can be in the federal area because of the constitutional responsibility for animal management resting with states and territories—would make it thus that it would be illegal for somebody who took or received
video or still footage of wanton cruelty to animals. It would also make it a legal requirement that they would immediately, within a limited period of time of 24 or 48 hours, make that footage available to authorities so that it could be the subject of proper investigation and so that action could be taken. Indeed, if wanton cruelty was found to have happened, firstly, it would be nipped in the bud to ensure it did not continue and, secondly, those responsible would be brought before the full extent of the law.

As an example, can any of us in this chamber, or anybody watching this evening, imagine a scenario in which somebody came into the possession of footage of a child being molested or abused who would not immediately want to present that footage or those images to the authorities to make sure that those responsible were examined and prosecuted immediately? I find it totally unacceptable that anybody would take footage, or receive footage, and hold it for any period of time. I cannot understand a possible explanation. In the last couple of years in this place, when I have put that question to people who found themselves in that position, the only answer they could come up with was, 'We needed to get our ducks in a row.' I say that this is a totally unacceptable circumstance.

I will give an example of what we are seeing internationally now. In the United Kingdom, bovine tuberculosis is once again unfortunately seeming to move through the populations of cattle and sheep. Fortunately in this country, as Senator Sinodinos may recall, in the 1970s Australia was able to eradicate bovine tuberculosis and brucellosis. Of course, Madam Acting Deputy President Crossin, being from the Northern Territory, you would no doubt be aware of the BTEC problem, and very proudly does the Australian agriculture and veterinary community point to our capacity to do this. In the UK, they have not been able to, and unfortunately TB is spreading. Regrettably, tuberculosis seems to be being harboured and spread through the badger population. One would think best thing is to control the badger population, control those animals that are carrying or are showing signs of tuberculosis, and you will go a long way to eradicating it in the food producing animals. But no; animal activists have decided, for reasons best known to themselves, that they are going to put themselves in the way of this happening and place at risk human health through tuberculosis in dairy herds finding its way into milk for human consumption.

In the few moments that I have left, I want to speak of another disease exotic to Australia at the moment, and that is foot-and-mouth disease. If it arrived in our country, the most conservative estimates are that, in the first year alone, there would be a $12 billion cost to the Australian economy. That is just the direct cost. Can you imagine, Madam Acting Deputy President Crossin, a circumstance in which, if foot-and-mouth disease were diagnosed, a complete ban was placed on transport across the Northern Territory and the north of Australia? We know what the impact would be. I appeal to reasonable people to work with authorities, to work with industry and to address themselves to this wanton activism.

**Victoria: Community Engagement**

**Senator KROGER** (Victoria—Chief Opposition Whip in the Senate) (23:51): I rise tonight to make a few brief observations and acknowledge the tremendous work of some committed Victorians who seek to make a positive difference to the lives of others, both here within our nation but also on the international stage.

Yesterday, the report from the Joint Standing Committee on Foreign Affairs,
Defence and Trade entitled Trading lives: modern day human trafficking was tabled in the Senate. For many students of history, the subject of human trafficking is a reminder of the insidious influence that slavery has had across many continents, not least of all in the American Civil War. It would be fair to say that many people would be unaware of the scale of modern-day human trafficking, and this report makes recommendations to ensure that Australia strengthens its engagement on the issue and its processes to ensure that human trafficking to and in Australia is eradicated.

The report notes that the International Labour Organization estimates that, between 2002 and 2011, over 20 million people were victims of forced labour worldwide. Anti-Slavery Australia, known as ASA, reported that fewer than 400 people have been identified as trafficked in Australia between 2005 and 2011. The majority of these have been identified as sex workers; however, there have been reported cases of forced marriages, a concern that also arose during an inquiry that I participated in with the Legal and Constitutional Affairs References Committee into marriage visa classes.

Concerns about the lack of accurate or even complete empirical data were raised when I recently met with representatives from the NewHope Baptist Church in Blackburn, Victoria, with the Liberal candidate for Deakin, Michael Sukkar, and Senator Michaelia Cash. The church runs many programs, with one of them coordinated by Jess Sanders, a very impressive woman, along with Di Buchanan, who passionately seeks to make a difference. The program is called Unshackled and is supported by many at the NewHope Baptist Church. It is a program that Michael and I strongly commend, as it seeks to firstly raise awareness of the incidence of the sex tourism trade, ethical shopping and women trafficking, to mention just a few issues. It also seeks to help women with its advocacy for Project Respect and Streets of Freedom, causes that assist women exiting the sex industry.

The work that members of the NewHope Baptist Church undertake is but one example of the tremendous community engagement in the electorate of Deakin. I am excited by the many programs and activities that are run that seek to nurture, encourage and develop opportunities for women, providing a vehicle for them to develop their strengths and, in so doing, building a stronger community.

I am reminded of a meeting that Ms Julie Bishop MP, Michael and I had with the President of the Melbourne East Netball Association, MENA, Kylie Spears, and with John Ampt, the Vice-President of the Victorian Churches Netball Association, known as the Ariels, at the HE Parker Reserve in Heathmont. MENA has over 1,600 netball players and a parent group of over 3,000. The Ariels have more than 250 member families. Kylie, John and their committees are all volunteers who coordinate impressive associations and provide a terrific service for young women in the area to get involved in a sport and be part of a broader community. The time, effort and commitment that goes into organising such groups is impressive, and the convenors deserve public applause.

Another group, which caters for a different demographic, is Chicks with Sticks, coordinated by Angela Leung and based at the Urbanlife church in Ringwood. Given the prominence that knitting has been given today, I thought it appropriate to recognise the volunteering they do for distribution in the Maroondah area. The group meets every Wednesday to share friendship and companionship whilst knitting scarves, beanies, rugs, baby clothes and other items,
which are highly sought after, particularly by local migrant services. At the invitation of the pastor, Anthea Smits, Michael Sukkar has formed a strong bond with this Christian based group, singing their praises at every opportunity. It is such groups that ensure that the spirit and strength of the local community remain strong, bringing people together whilst supporting those who need it. The Urbanlife church operates a sensational program, helping the unemployed to learn skills that aid them in getting into the workforce. While they receive small grants, they are largely self-funded and deserve government support. Their programs are all about breaking the poverty cycle and giving people a hand up so that they can take responsibility for their own lives, a sentiment that I strongly applaud.

The admiration I have for such selfless volunteers has no limit. They provide an enormous service not only to the local community but also to the greater economic good of all. By helping individuals to reach their potential, they provide an enormous good. This is a sentiment shared by Michael Sukkar, the Liberal candidate in Deakin, and is a value that is held deeply within his DNA. It is a quality that is prized and, should he be given the honour to represent the people of Deakin, it will hold him in good stead. Government should be about respecting the obligation to serve all. I have absolutely no doubt that, should he be given the opportunity, he will not disappoint.

Aboriginal Land Rights and Other Legislation Amendment Bill 2013

Yunupingu, Dr M

Senator CROSSIN (Northern Territory) (23:58): Last Thursday in this chamber, during the time in which we deal with non-controversial legislation, the Aboriginal Land Rights and Other Legislation Amendment Bill 2013 was passed. Tonight I want to provide my contribution to the passage of that legislation. I do so by congratulating the Mirarr people of Kakadu and the Australian government in successfully enabling the handing back of the land of Jabiru township to its traditional owners. That bill signified many things—the government's commitment to recognising Aboriginal people's unique connection to the land, the right of their ownership of that land and their right as traditional owners to protect and manage the land. Importantly, for Indigenous and non-Indigenous alike, it is through the management and protection of that treasured heritage landscape known as Kakadu that this agreement will enable economic advancement and continued development for Indigenous and non-Indigenous stakeholders alike.

Unlike most Western relationships with land, Aboriginal and Torres Strait Islander people have an affinity with particular areas. The traditional owners of a certain area gain their identity from their country. Their cultural identity and connection to the land might flourish in that area. So, without reasonable and legal recognition of that cultural connection to land, Indigenous people have essentially had that identity illegitimately withheld from them. For the Mirarr people, this illegitimate disconnection with their land can now be resolved. Their rightful ownership of Jabiru and the surrounding region will signify a resolve we can all be proud of. The Aboriginal Land Rights and Other Legislation Amendment Bill has seen the Mirarr people and all tiers of government work towards finding a solution. The native title claim that the Mirarr people can now settle with the government through this agreement was the longest running native title claim in the history of the Northern Territory. It is pleasing to note that the opposition supported this legislation, because doing so
continues to nurture reconciliation and the important recognition of Indigenous Australians' rights.

I want to take the time also to thank the current Northern Territory government for working towards realising this solution and I want to sincerely thank the former Northern Territory Labor government for its support during the negotiation processes. The bill and Aboriginal land rights recognition enable change to happen with respect. Land rights recognition benefits everyone through the clear appreciation of what is truly Aboriginal land, and this recognition is, in essence, a further step towards reconciliation with Australia's first peoples. This bill and its amendments to the Aboriginal Land Rights Act 1976 complete what the Australian Labor party has been working with traditional owners to do since Whitlam introduced the legislation to parliament in 1975. It absolutely completes what was the first attempt by an Australian Labor government to legally recognise the Aboriginal system of land ownership.

I commend the fact that, through many years of listening and learning, the Mirarr people's application for a determination of native title lodged in the Federal Court in 1997 has now been respectively resolved. The amendment bill that was passed last week will see the land in and around the Jabiru township area itself finally, and rightfully, granted as Aboriginal land and it will revive certainty and security for Jabiru and its constituents.

What will this mean in the end for people at Kakadu? What is it all about? It means that this long-running native title claim by the Mirarr people, of course, has successfully been resolved. With the Australian Labor government's scheduling of Jabiru as Aboriginal land it means a very clear step forward for everyone. This is indeed an economic win for the Mirarr people and for the non-Indigenous stakeholders within and around the township of Jabiru. Through this resolution, business operators will continue to operate with existing leases and subleases preserved and secured, and residents will enjoy continued economic and social development within the town to provide the necessary infrastructure and the services. Traditional owners will find new economic developments in a township that already thrives as a service to the breathtaking Kakadu National Park tourist destination. It is a significant step forward for the community as a whole.

It also means that this land will be rightfully joined in with other wonderful parts of Kakadu National Park and will be managed by the Kakadu Aboriginal Land Trust. The trust will serve to hold the land in trust for its traditional owners. More importantly, the amendments that this bill makes to the Environment Protection and Biodiversity Conservation Act mean the town will also enjoy the park's World Heritage protection. It will allow for sustainable development of the town while protecting and preserving the natural and cultural values associated with Jabiru and surrounding land.

I have always vehemently supported native title and I understand the significant bond this creates in mutual understanding and respect between non-Indigenous people and the first peoples of this land. In the case of the settlement of Jabiru, it allows for the continuation of community and process with the clear respect and recognition of the people who originally owned the land. While the township of Jabiru can confidently continue to exist and develop as usual, now the Mirarr people will legally own the land, lease the land and have the opportunity to retain or re-establish their cultural identity on the land. The Mirarr people will be able to
Contribute to the responsible development of the Northern Territory. They will never have to be threatened by the pressures of mining and pastoral industry groups or conservative politicians who may have their own economic interests at heart. My congratulations to Yvonne Margarula and her family and the traditional Mirarr people, and I acknowledge the wonderful work that has been done by the Gundjeihmi Aboriginal Corporation.

The second part of my speech this evening is, ironically for me, almost closing a circle in the chapter of my political career. In giving one of my final speeches in this chamber, I want to rise this evening to pay tribute to Dr Yunupingu. He will be remembered as a great and important man, a man who Australia has lost too soon, but a man who has left us a legacy of progress, inclusion, change and respect on the road to reconciliation between Indigenous and non-Indigenous people across the world. I want to speak tonight about Dr Yunupingu, a member of the Gumatj people, who passed away on 2 June, surrounded by his family. I must put on the record the great loss of this wonderful member of society not only because he was a leader in the community, not only because he was an educator who transcended the cultural divide and not only because he was an incredible musician in the international arena but also because he was a very dear friend of mine.

When I arrived at Yirrkala in 1981 from the suburbs of Melbourne—and I have talked about that experience many, many times in this chamber—I taught at Yirrkala community school. I had a composite grade 4 and 5 class at the time. That is the point in time in a child’s schooling in that community when they move from their Gumatj language into having 90 per cent of their day in English in bilingual education. It was there that I learned a lot about Yolngu life. It was there, in fact, that I learnt a lot about myself through living with Yolngu people.

It was there at that school, on the day I arrived, that I was lucky enough to get to know Mr Yunupingu. He was one of three assistant teachers in my classroom in the middle primary school years. Mr Yunupingu and I worked together at that school and our friendship grew. Although I know we had a genuine respect for each other's work, we would often tease one another as the years went on. I recall his long hours down in the camp on the guitar, singing, and I used to bowl him up for spending too much time plucking strings instead of getting back up to school and helping out with the kids! He would pull me up many times and say, 'You're always obsessed about union work, young girl—playing too much politics.' I remember one day when we teased each other and I said to him, 'I just can't believe after 10 or 15 years of our friendship you went on to become one of the most fabulous entertainers in this country and then strutted your strings, your songs and your band on the world stage.' He turned around and looked at me and said, 'And I never believed you would become a senator, either.' We both had a really good chuckle.

We did tease each other, but we had a mighty respect for each other. Respect is a big thing in remote community life, and I am blessed to have been invited into that world of respect. I do also want to pay my respects to his wife, who has, since his death, changed her first name, as you do out of respect. Gurruwun was a librarian at the school. She is a magnificent educator as well. I know that, in years gone by, she has also been awarded significant awards and recognition for her contribution to education.

It was Mr Yunupingu who I watched leap from one great success to the next. He was a
role model in the community as an educator and throughout the 1980s he went on from being an assistant teacher under the Remote Area Teacher Education Program to become a teacher, assistant principal and then principal of Yirrkala school. As a matter of fact, he was the first Indigenous Australian to be appointed as a school principal. He was a role model, a born leader, and that was very, very obvious and everyone could see it. He conducted the review of education for Aboriginal and Torres Strait Islander students in 1995-96. After the implementation of the first 21 goals of the National Aboriginal and Torres Strait Islander Education Policy, he headed up the review of the implementation, of how those 21 goals were tracking. He was granted an honorary doctorate in 1998 for the work that he did on this review.

I must say that, unlike many people who find themselves in a position of power, Mr Yunupingu knew his calling, and he strived at that calling relentlessly, carefully and respectfully. In the education arena, Mr Yunupingu must be remembered for his introduction of what was known as the 'both ways' system of learning. This system was desperately needed in remote communities. It recognised traditional Aboriginal teaching alongside Western methods. He was an incredible champion of this successful approach to education in remote communities, and his promotion of bilingual and bicultural education has improved the education sector and clearly improved the lives of students who have been able to be involved in this unique approach.

He will also be remembered for his incredible ability to meaningfully broach the uncomfortable divide between Yolngu and Balanda people and actually build bridges of understanding through his music. Leading his band, Yothu Yindi, through the eighties and nineties was just one of Mr Yunupingu's ways of straddling Yolngu and Balanda differences and finding a harmony between them, quite literally. He reached audiences at home and abroad. The dichotomous nature of Western rock and Indigenous Yolngu music was beautifully fused into his band's songs. Treaty is one example of that, reaching No. 1 on Australian charts for 22 weeks, an outstanding achievement. Not just memorable for its rhythmic delight, this song spoke a clear and serious message. It really demonstrated his capability to encourage all Australians, Indigenous and non-Indigenous, to find the space to recognise and reconcile differences through the bonding of musical styles. I will always remember fondly his natural penchant for music, as will the international audience who love and remember him—a man singing for meaningful change.

Mr Yunupingu's fame on the music scene with Yothu Yindi only bolstered his tenacity to advance important cross-cultural understanding in Australia and overseas. Instead of being swept up by fame he continued to use the curriculum of 'both ways' learning through his music. His prominence as an Indigenous high-profile leader enabled him and other Yolngu to establish the Yothu Yindi foundation and now the infamous Garma Festival, an Indigenous cultural festival on the Gulkula plateau, which I look forward to attending again in August of this year, sadly for the first time without this noble elder. Gulkula is the place where, this coming Sunday, this man will be buried along with his other family members.

The Garma Festival is an important annual event in the Territory, and for many years I have been able to attend the celebrations alongside Yolngu and Balanda alike. The Garma Festival invites mainstream Australians into the world of remote Indigenous living, teaching through the day
and overnight in a live-in almost retreat-like camp where they get to actually experience and thoroughly immerse themselves in Yolngu ways and Yolngu traditions. It is a fabulous initiative that has continued to grow and get stronger each year.

Mr Yunupingu's continued success as a musician, educator and friend was welcome to so many people. His career of varied leadership eventually led him to becoming Australian of the Year in 1992 for his unrelenting drive to build bridges of understanding between people. Last year, he and his band were inducted into the ARIA Hall of Fame, and never once did any limelight distract him from his vision. I make note that, even during his acceptance speech, Mr Yunupingu used that moment of fame to call on Australians to vote yes to a referendum which will recognise Indigenous Australians in our Constitution.

As that referendum approaches, we all in this house are working alongside each other to garner support and understanding about the important need for this change. I would call on people in this parliament—and in the next parliament, when I will not be here—to perhaps use this opportunity of his death as a way of this country finally recognising the importance and significance of this man. To achieve this recognition in the Constitution would be his ultimate dream, and I think, for us as a country, it would be the ultimate respect that we could pay him. That man took the issue in his hands and held it up to Australians. His vision for a truly united Australia never faltered, and he saw constitutional change as a milestone in national reconciliation.

It was evident in his final years that he was tied down by illness. Mr Yunupingu used his connections and prominence to continue promoting the arts, languages and culture, all with a means to reconciling the evident divide between people. Although his health was fading, his tenacity was resolute. He was indeed a man who gave credit to the meaning of his names. His surname, Yunupingu, translates as 'rock that will stand against anything'—and indeed he was a rock to many. His totem, Baru, is the saltwater crocodile. His father was one of the original signatories of the bark petition, which we house so prominently in this building and which this year has achieved its 50th anniversary since it was signed. Mr Yunupingu stood up for what was right. He stood strong in the face of adversity. His middle name meant 'roots of the paperbark tree', which still burn and throw off heat even after the fire has died down. This name that he carries encapsulates the spirit of this wonderful person. I and many other Australians would all agree that, while this man's external fire has died, his spiritual strength still burns through his legacy.

Mr Yunupingu was a man of many talents, a man of respect and compassion, and in a difficult world where Yolngu and Balanda still struggle to find a peaceful path, he always believed there could be a balance between the two worlds—and he used his music to try and achieve that. I think we all hold hope, and I thank him for highlighting it to the Australian people and to the world for so long. He has been a wonderful leader for the Territory and for this nation, as well as for the international community of music lovers, educators and those fighting for cross-cultural understanding. I will sadly miss my friend, and I mourn alongside his wife, Gurruwun, his six daughters and his many grandchildren, as well as the nation which has lost, but remembers, a wise and wonderful individual.
Wednesday, 26 June 2013

Bendigo Electorate: Ms Sarah Sheedy

Senator McKENZIE (Victoria) (00:18): I rise today to speak about the future of the National Party and, in particular, about the Nationals’ candidate for the federal seat of Bendigo, Sarah Sheedy. Sarah was preselected last weekend and will be the first Nationals candidate to stand in the seat of Bendigo for 15 years.

At just 25 years old, Sarah is the future of the party and of Australian politics more generally. She is young, passionate and committed and is ready to be a voice for her electorate and to work tirelessly to achieve positive outcomes for the people of Bendigo. Born and bred in Bendigo, Sarah is an example of grassroots politics. She was involved in the Young Nationals and is heavily involved in the community that she seeks to represent. She was educated in Bendigo and is the product of Bendigo’s La Trobe University, a regional education hub which is thriving.

Sarah believes, as I do, that in order to sustain growth and economic development, we firstly need to attract and retain skilled professionals in regional areas. I think this has to start with providing incentives for young people to study at tertiary level in regional settings. She believes that Bendigo is a regional city with a bright future in the realm of education, and she wants to make sure it is a place that offers many opportunities for further education and training, as well as a place with world-class schools. To make it easier for young people from Bendigo and surrounding areas to study, Sarah is keen to lobby for easier access to youth allowance for those in the regions. While Sarah is passionate about education, particularly education for students in regional areas, she knows federal university funding has suffered a blow under the Gillard government.

The Gillard government has raided universities to raise money for its Gonski education reforms. Bendigo’s La Trobe University campus has been dealt a severe blow. It will be impacted to the tune of an estimated $20 million. The Gonski package removes $900 million from university grants and then converts student scholarships into loans and removes a discount for upfront payment of HECS fees. Sarah believes that it makes no sense to say you are improving one level of education in Australia by ripping the guts out of another. La Trobe Bendigo is doing all it can to meet regional needs, demonstrated by its exciting plans for a full medical school. But how can it thrive when the Gillard government pulls its funding?

It is an alarming fact that students from regional areas are not accessing tertiary education at the same rates as metropolitan students. Just 17 per cent of 25- to 35-year-olds from regional areas have a bachelor’s degree or above, compared with 36 per cent of the same age group who live in cities. In remote areas the figures are worse at 15.4 per cent. The national target following the Bradley review is for 40 per cent of all 25- to 34-year-olds to have a bachelor degree or above by 2025. Clearly there is a lot of hard work to do to narrow the gap between regional and city students.

Labor’s decision in 2010 to implement a parental income test for regional and remote students applying for independent youth allowance has disadvantaged those students and their parents and exacerbated the difficulties faced by regional students when trying to access further education. We have to acknowledge that regional students meet a long series of criteria, such as working and living away from home, to prove they are independent of their parents, and can be
automatically disqualified if gross combined parental income exceeds $150,000, which is a teacher and a police officer’s wage in regional areas.

Sarah believes, as I do, that Bendigo is a good fit for the Nationals as a city and a region. It is a great reflection of the modern National Party. It has vibrant and growing urban hubs, a strong agricultural sector, a thriving cultural community, and equally important health and education sectors. Its strengths include tourism, the arts, sports and manufacturing. It is a nationally important financial centre as well as a regional university city.

Sarah is passionate about her community. She wants to make a difference, and she wants to help improve the lives of others. In her own words: ‘I am here for the long haul. I want to be seen as an individual that is giving our community a real choice at the next election’. She is a great choice for Bendigo and for the Nationals. She carries on the proud legacy of the National Party but also signals a changing of the guard. She is the next generation of leaders. She is the future not only of our party but also for Bendigo.

**Vinnies CEO Sleepout**

**Homelessness**

Senator LUDLAM (Western Australia) (00:22): Last Thursday I spent the night in a sleeping bag on three sheets of cardboard on the streets of Canberra with several hundred others as part of the Vinnies CEO Sleepout. This was to raise funds and awareness of what it must be like for the nearly 7,000 Australians who have to do this every night. In terms of raising funds, it was an extraordinary success and nearly $5 million was raised by those who participated. In terms of raising awareness, I think it did its job very well also, but it is not enough to simply raise awareness if people then just turn the channel and move on to something else.

This contribution tonight is not just going to be about numbers and statistics, apart from the three that I will mention now that I simply cannot reconcile. The first is the figure of 105,000 Australians experiencing homelessness now, and that that number went up between the census of 2006 and 2011. The second is the number of households on the social housing waiting list—240,000, or nearly a quarter of a million, families and individuals waiting and waiting. In my home state of WA, the average wait on the priority list is 63 weeks—well over a year—and it is anywhere from two to seven years on the regular list. The third number that I want us to keep in mind is the gap of affordable and available private rental homes in the private rental market. That number is more than half a million. Anybody can tell you that these figures have gotten worse over the years—I have raised each of these numbers year after year in this place, in estimates committees and elsewhere—unless, of course, you are an investor or you are already well and truly into your own home, and I will come back to that in a moment.

Tonight, though, my point is this: we have been in a housing crisis for a decade. I have urged the government and the opposition to acknowledge the gaps, to take action and to return the sense of urgency that we had in 2008. I have done this many, many times, and I am sick of it. So tonight, instead of statistics, I rise to tell you of stories—stories that I imagine all of us, on some level, have already been touched by, stories about homelessness and a housing crisis that has stretched across the entire spectrum, across many years.

Homelessness effects one in 200 of us, as Australians. It has touched me and members
of my staff personally. Since briefly sleeping rough last Thursday night and then having the opportunity to launch the Greens homelessness initiative—which proposes to double existing services to people who are homeless or at risk of homelessness and, at the same time, to provide a roof over the head of every current rough sleeper—I have been contacted by people who have directly experienced this tragic condition.

I have been contacted by people like Simon, in Adelaide, who has been homeless himself but wanted to share a short story about a young man who was homeless in his village and died from exposure as a result. Simon told us: 'None of us knew him or that he was there. But to this day, 20 years later, his story still draws a sense of guilt and responsibility from the community. We failed to help one among us and we are the lesser for it.'

I have been contacted by people like Luke, who wrote to us from Perth. He was 19 when he became homeless, turned out of his mum's home quite suddenly. For six months he went to places to find help and everywhere was full. This is what he told us: 'You get to that point where you become ashamed to ask for help. You know that you are on your own and that you have to find a way to survive your situation. Then you have the problem of being clean, fresh and reliable to get a job. I never slept at night when I was homeless; I used to ride the train in day, in the warmth, and then at midnight go to sit in Macca's and drink free coffee refills. Then I would find a nice, sunny protected spot to sleep during the day. I did not even have a blanket when I was homeless. For months, I squatted in an empty house, hiding in the walk-in wardrobe, using carpet remnants to keep warm.' Luke saved his money somehow—he was on a Centrelink payment—over those six months, to buy a cheap car, a phone and some clothes from the op shop. He then got a job delivering pizzas. He lived in his car for another six months after that.

These are just a small sample of the stories behind the numbers. They are about those who are at the very pointy end. Those sudden circumstances can happen to any of us and lead to us to suddenly being without a place to stay.

Paul, in Sydney, wrote to us. Paul has been the full-time carer for his disabled father. They were living together in social housing in New South Wales and they got a bit behind with the rent. Suddenly, a letter turned up saying that the lease had been terminated. Even though he then paid half the arrears and was about to pay the rest, he was told: 'You might as well save your money because we are taking your house whether you pay the full amount or not.' The end result, Paul tells us, is: 'I am couch-surfing and my dad is staying in a mate's granny flat without a carer.'

The Greens realise that it is not just about the bricks and mortar, because a little bit less than half of the people in Australia who use homeless services are actually homeless themselves. Fifty-six per cent use these services because of how close they are to it and how at risk they are of becoming homeless. So it is also about the people providing these vital services in the amazing homelessness and welfare sector—in particular, groups like Anglicare; Homelessness Australia; Community Housing Federation; St Vinnies, who hosted us last week; and many hundreds of others across the country.

This story is also about the structural and systemic problem with our housing market. The homelessness problem has gotten worse not just because of a lack of services but because of the same credit bubble and housing price bubble that is so beloved of the
banks and the real estate pages in the newspapers. It is to be expected, as rents soar in reaction to higher house prices, that in turn this squeezes lower income families out onto the street. The same story that you will see being celebrated in the newspapers, as a 'buoyant housing market' is also directly contributing to people being forced out into the streets. State and federal governments are certainly good at generating subsidies for housing demand but have fallen dramatically behind on the supply side. We are not building enough affordable dwellings to cope and we are not funding crisis services to the scale that is demanded. Crisis services are obviously not the answer to the fundamental problems of runaway housing prices, and governments could easily step in here, across a wide range of fronts. There is government owned land throughout our metropolitan areas that could be used, but instead governments prefer to sell off their landholdings to the highest bidder. It is not just bricks and mortar but also services that are so vital in keeping people from becoming homeless.

The figures for being 'at risk' of homelessness are even more startling. One in 97 of us turned to services last year, seeking assistance just to keep us from falling through the gaps, to keep our tenancy, to access help with mental health issues, financial counselling, parenting skills, relationship counselling and drug and alcohol services—the list goes on. It is with great shame that I acknowledge two further things. The first thing is that Aboriginal homelessness rose by three per cent between censuses. Aboriginal people make up 2.5 per cent of the population of Australians, but they represent a quarter of those who are homeless. I commend this government on its 10-year partnership on remote Indigenous housing and also my colleague Senator Rachel Siewert for her hard work in this area. We have a long way to go, but the Greens will work hard with those in government and in opposition when they can find the time to be interested in these matters and to right this wrong.

The second thing—and this absolutely stunned me—is that domestic violence is the greatest single cause of homelessness in Australia. I do not know why that surprised me; it probably says something about me and my background that I find it such an extraordinarily stark statistic. The people who are fleeing situations of domestic violence are mostly young women, with children. They suddenly find themselves the largest cohort of homeless people in this country. These are two of this nation's great shames, and we must do more.

Among the overarching goals identified by Senator Milne when she was first elected unanimously by our party room as leader were a couple of things: one was the need for a new economy to support the new emerging industries and innovation; and the other was that a new guard of voices have been drowned out by the old guard. In terms of the new economy and housing, this means a couple of things. Since the homelessness white paper was released in 2008, Ms Gina Reinhart's wealth has increased from $4.3 billion to $22 billion. Since the homelessness white paper was released, the big banks have made around $20 billion a year, and that is about $400 billion in profits. Each year since the white paper was signed, mining profits have been in the order of $51 billion—vacuumed out of the economy. Australia has experienced an unprecedented boom and is recognised as one of the top performing economies in the world. Yet those disadvantaged before the boom still remain disadvantaged, and it is ironic and no coincidence that in the resource rich states, including WA and Queensland, there has been an increase both in homelessness and in
people being turned away from services. In WA the social housing waiting list in a tortured and stressed housing market has doubled since 2007.

What Senator Milne meant in her first contribution as leader of our party room was, why, for example, are we not talking about creating a housing industry that can build houses to sell for between $70,000 and $250,000; creating a green housing industry at scale that showcases Australian exemplary design and that uses the newest, lightest, locally manufactured materials for new construction; employing an army of retrofitters and supporting associated industries to make our existing housing stock more affordable and cheaper to live in; and reducing building costs by simply changing some of the materials that we use to build our houses? As we announced last Friday, I am talking here, in part, about design production and manufacture based on prefabricated modular, lighter sustainable materials, sustainably harvested timber and assembly lines in our great cities and regions. This also means changing the planning systems to fast-track exemplary sustainable developments. This is the so-called 'green dooring', or 'as of right development', which means guaranteeing minimum approval times as long as extremely high predetermined standards are met. It can also turn on its head the way communities are consulted and engaged on developments by engaging with them up-front, as was done in South Australia through the Integrated Design Commission, rather than bringing communities in at the end, after the key decisions have already been made.

The tensions between the new and old voices come in three groups: the lucky versus the locked-out generation. The lucky are simply those who were born at the right time or into the right family who either own their house outright or who are well on their way to doing so. The locked out include the lifetime renters and a whole generation of young people locked out of homeownership and locked into a dysfunctional rental market that is unaffordable and insecure. It is possible to overemphasise the generation gap. I think we have priced an entire generation out of affordable housing. It is also essential that we acknowledge that there are major cohorts of older people, particularly older women—perhaps with very limited superannuation resources to fall back on—who simply will have nowhere to live. It is also the people who are locked out of a pathway out of the social housing system. The Greens believe in an economy that serves people and the environment, not the other way around.

The second contrast between the new voices and the old is the asset rich versus the asset poor. Australia's asset class enjoy the world's most generous subsidies to assist them to collect houses as investment properties. These are then treated effectively—as Professor Julian Disney has pointed out—as tax shelters rather than real shelters. In Australia, asset inequality is between 50 and 400 times worse than income inequality, depending on how it is calculated. The most wealthy are literally getting richer off the backs of the least wealthy—the renters—and the taxpayers who provide the subsidies. Treasury estimated the capital gains tax discount on investment properties will be worth $5.2 billion in 2013-14. These concessions are being paid for by low- and middle-income taxpayers.

The third set of voices that I want to draw attention to in terms of the contrast are those in the developer community—those developers who think that real estate markets should simply be about sprawl and for whom the definition of 'affordable' is a three-by-two
brick-and-tile cube 60 kilometres from the central business district, where, if you can get into a property like that, 'affordable' by the standard definition, you are then on your own, subject to extraordinary transport costs and basically stranded on the edges of our great cities. Those developers' voices are now quite distinct from those of the innovators in the developer community, those who are interested in and are pioneering work in Australia on transit centred, diverse, affordable housing of all different kinds to suit different family types and people in different circumstances.

I want to take this opportunity to thank the army of new economists—people like Judy Yates, Julie Lawson, Ian Winter, Caryn Kakas—and people everywhere who are working and thinking about how to make the housing economy fairer and to create an asset class for people who want to invest in affordable housing, not through some kind of shelter or some kind of rort but by matching up people who are looking for a stable income with people who are looking for a stable tenancy so that people are not continually being flipped from one insecure rental tenancy to another. I also want to acknowledge the community housing and not-for-profit housing sector, which I think has an enormously important future in this country—people like Carol Croce, Eddy Bourke and Anthony Rizacazza. This is a movement which is growing and should have our strong support.

In this place and in this country, we are all touched by homelessness, directly or indirectly. That is why it was startling to see, earlier in the session, the coalition essentially turning its back on the homeless by refusing to even commit to the ambition, the aim, of halving homelessness by 2020. This is an aim that was adopted by the Australian Labor Party a number of years ago. That commitment was reaffirmed when we took a vote earlier today—or yesterday. My motion earlier in the session called upon the Senate to confirm and commit to two things: firstly, the white paper goal of halving homelessness by 2020 and, secondly, a new agreement by 2020 and beyond to provide the funding and services necessary to help Australians most in need.

When Mr Abbott was asked in 2010 whether he would commit the coalition to that goal, that ambition, acknowledging its extraordinary difficulty and that it would take time and resources and energy to do, he said something remarkable. He said:

"But we just can't stop people from being homeless if that's their choice—'

"If that's their choice!"—or if their situation is such that it is just impossible to look after them under certain circumstances so I would rephrase a commitment like that.

What a spectacular bit of rephrasing that was right there. So we do not have cross-party commitment in this parliament, and it was confirmed today, because that quite clearly seems to be the attitude of the Leader of the Opposition: you just have to cop it, and maybe if you are homeless you have chosen it. What a remarkably backward attitude.

In all of the cases, home or, at the very least, shelter is a basic human need. An affordable home and a roof over your head are human rights, not just another asset class, and the consequences of their absence for people wanting to form community bonds, get a job, get back on their feet and get their lives together are extraordinarily severe. The housing crisis can be tackled and homelessness can be ended—not halved, not reduced to a certain rate but actually eliminated from Australian census counts. It is possible. The initiatives that we launched on Friday last week, which were independently costed by the Parliamentary...
Budget Office, show what it will take. I think it is possible. We are looking for the kind of cross-party support we saw when MPs from all parties and Independents slept rough for just one night with three sheets of cardboard and a sleeping bag in various degrees of weather. It was below zero here in Canberra; I understand it was a bit more balmy in Darwin and other parts of the country. Nonetheless, there needs to be the ambition to say that this can be done, to work out what it will cost and then to commit ourselves to it. No matter how great the privilege of those who get to be here, homelessness can touch all of us; it can strike people at any time. We are all just one bad circumstance, one bad relationship breakup, one loss of a job or an insecure employment situation away from being suddenly not altogether certain where we are going to be staying this time next week. This can touch all of us. We all know people it has touched.

In the boom town of Perth, while we are at the top of the commodity cycle and with money like we have never seen before washing through that city, there are also record numbers of people sleeping in doorways, pushing possessions around in shopping trolleys, laying out a cardboard mat, a blanket or a hat in front of them and simply gazing into the crowd of feet passing them by and hoping that people will occasionally drop a few coins into the hat—and they are wondering how on earth they got there. Something is deeply wrong with the way we have organised our economy if that is occurring right in the middle of the greatest commodity boom that this country has seen.

I want to acknowledge the government for the ambition that was set out by former Prime Minister Rudd in establishing a housing minister for the first time and drawing most of the portfolio into one place for the first time. I also want to thank the bureaucrats with whom we have a contest a couple of times a year at budget estimates. Like the service providers, they really just want to do a job, and they should actually be resourced to do the job that they all want to do. There is a road home and I look forward to cross-party commitment to us all finally taking that road.

**Great Southern Region of Western Australia**

**Senator SMITH** (Western Australia) (00:42): I will start by reflecting on how privileged I have felt over the last fortnight to have listened to Senator Crossin’s contributions. When I first came to the Senate 13 months ago, Senator Crossin made some very generous remarks with regard to my predecessor, Senator Judith Adams, and it has been very refreshing to hear her contributions as she approaches the end of her term as a senator for the Northern Territory.

As this will be my final contribution to a Senate adjournment debate ahead of the election on 14 September, I want to take this opportunity to highlight some of the issues that are currently facing the Great Southern region, centred on Albany, where I maintain my regional office. It should not come as news to any senator in this place that living in regional areas brings with it a particular set of challenges. Yes, of course, there are many benefits, and I have spoken of those in this place and elsewhere previously. Indeed, since coming to the Senate just over a year ago, I have continued to be amazed and inspired by the activities of small communities right across the Great Southern, as well as by some of the things that are happening in its larger centres, including Albany. But these communities are also facing significant challenges, and I would be failing in my responsibilities as a representative for the people across the Great
Southern if I did not draw some of these to the attention of the Senate this evening.

Western Australia being what it is in geographic size, I think it is sometimes difficult for those from other places to develop an understanding of the challenges and costs of living in regional WA for local families and businesses. But the first area I want to focus on particularly tonight is aged care.

When it comes to discussing the failures of the Rudd and Gillard Labor governments, there is no shortage of material, and much of the media's attention has been on the big headlined issues such as the carbon tax and the government's inability to stop the boats. However, when the book finally closes on this government—and, mercifully, that day is drawing closer and closer—I believe Labor's record in aged care will stand out as one of its more serious policy failings. This is a critically important issue. I have mentioned before in this place the words of the American writer Pearl Buck, who once observed:

Our society must make it right and possible for old people not to fear the young or be deserted by them, for the test of a civilization is the way that it cares for its helpless members.

If we apply that test to this government's record, I fear that, unfortunately, the results are not encouraging, particularly for regional communities and most particularly for those across the Great Southern.

In April of last year, which was just prior to my entering the Senate, the Gillard government unveiled its aged-care reforms. I am not going to go to the specifics of the legislation—there will be other forums for that—but I do want to place on record the concerns I have with this Labor government's more general approach to aged care, and in particular the impact that that approach continues to have on Western Australia's Great Southern region.

In April of this year, the Senate Community Affairs Legislation Committee had hearings right across Australia regarding the impact of the government's proposed reforms on the aged-care sector. As part of those hearings, the committee spent a day in Western Australia, and I was pleased that a number of aged-care operators from Albany and across the Great Southern region were able to accept my invitation to appear before the committee and share their experiences and concerns firsthand.

It was evident from those hearings that those aged-care operators in regional Western Australia, who are trying to do their best with limited resources, are having their efforts frustrated by a Labor government that is pursuing an industrial process that is being dressed up as minor administrative change. As a result, the impact on older Australians, particularly in regional Western Australia, is going to be anything but minor.

Labor's failure to consult with the aged-care sector, particularly the aged-care sector in Western Australia, over these reforms has been breathtaking. What is the point in undertaking significant reform, as this government is doing, without bothering to take into account the views of those who will be most directly affected? The whole point of what the government said it wanted to achieve was to have a collaborative agreement with providers, not a confrontation. Yet this government has failed to consult or generate goodwill with providers—another symptom of a chaotic, divided and dysfunctional government which has no plans for Australia's future, just a plan for its own day-to-day political survival.

As I mentioned, several aged-care operators from across the Great Southern region made a contribution to the inquiry,
and I thank them for doing so. However, I want to pay particular attention to the contribution of Julie Christensen, the CEO of Narrogin Cottage Homes in Narrogin, a small community just under 200 kilometres south-east of Perth. Julie is one of the most tireless, committed, feisty advocates that the community aged-care sector in Western Australia has. Like many of those working in aged care around Australia, she has no time for the intricacies of the political game that seems to occupy the attention of this government. She wants instead to deliver results and an appropriate standard of care for those living at her aged-care home.

Julie was very frank in her comments to the inquiry about the challenges she and many of those like her in regional Western Australia are currently facing. Narrogin Cottage Homes is currently running at a loss, although Julie is hopeful that she will be able to balance the books next year. However, her task will not be made any easier by what the Gillard Labor government is trying to do by foisting its workforce supplement on aged-care providers.

Despite its user-friendly-sounding name, the supplement is not new money. It is not additional funding to cover the cost of the prescribed wage increases in residential care facilities. It comes from quarantining a percentage of future care subsidies and introduces even more red tape and complexity into the aged-care sector whilst diverting money away from residential care. In other words, money that should be going directly to better facilities and better care for residents in aged-care facilities is instead being used in an industrial process to cover wage increases. Worse still, in order to access the supplement, aged-care facilities will be expected to meet an eligibility checklist. One of the items on that checklist is a substantial investment from the facility itself of 70 to 80 per cent of the whole wage increase.

Julie's submission to the Senate inquiry eloquently expressed what has been the near-unanimous view of providers across the Great Southern region:

The general assumption that a reduction in direct care funding can be made to support wage increases is abhorrent to any industry provider and to the staff.

Narrogin Cottage Homes cannot support a proposal that seeks to leave our facility exposed to unfunded workforce wages that will impact directly on the most vulnerable in our community. This will only compound the WA issues of access to a skilled workforce.

So, if the government gets its way, you will see the perverse situation in regional Western Australia where aged-care facilities have to make substantial investments to meet eligibility criteria. One rural WA provider estimated that to gain $17,000 would cost them $30,000. Such are the nonsensical policy approaches of this Gillard Labor government.

The point here is that many of these regional aged-care facilities are already struggling. To put it bluntly, they do not have the capacity to make those sorts of investments. Ongoing viability is a real issue for many aged-care facilities across the Great Southern. Why any government would seek to add to operating costs at a time like this is beyond me, as it is beyond my coalition colleagues’ understanding. We are talking about small communities in regional areas. People living in these regions are not necessarily spoiled for choice when it comes to aged-care options, particularly if they wish to remain living locally. And for many, that is an important consideration. If someone has lived in a particular regional community all their life, it would be a frightening prospect to pack up and be moved many hundreds of
kilometres away to a metropolitan aged-care facility.

The small towns and regional centres that make up Western Australia's Great Southern region are proud local communities. They need to have confidence that they will be able to offer decent aged-care services to elderly members of the community no longer able to look after themselves. Confidence, however, is not something that aged-care operators, and indeed the wider local community, are getting from the Gillard Labor government, which is far more interested in its own internal wrangling than in providing assurances to older Australians.

I am very pleased that the shadow minister for aged care, my colleague Senator Fierravanti-Wells, has accepted my invitation to visit the Great Southern in mid-July. I know that many of the local aged-care operators who have contacted me to express their concerns about Labor's approach are looking forward to meeting with her and learning about the genuinely collaborative approach the coalition will take should we be fortunate enough to win government on 14 September.

Indeed, while I am on the subject of my coalition colleagues, it would be remiss of me not to mention the terrific support that our hardworking Liberal candidate for O'Connor, Rick Wilson, has had from members of the shadow ministry, many of whom have travelled to the Great Southern—and to other parts of O'Connor—to meet with local residents, community groups and businesses to talk about the issues and challenges confronting them. Time will not permit me to make mention of all of them this evening, but to date Rick Wilson and I have accompanied 12 shadow ministers to various parts of the Great Southern region in the one year that I have been in this place. That is a powerful indication of the ability of Rick Wilson to bring issues to the attention of senior coalition figures. It shows he is a passionate and effective advocate for local communities who is able to get policy and decision makers on the ground to see the situation firsthand.

If, as I hope, the people of O'Connor choose Rick Wilson to be their federal representative on 14 September, they can be confident that they will have a local MP who has the ear of ministers in an Abbott-led coalition government and is able to bring them right into local communities so that local people can put their views directly. As I said, time does not permit me to make mention of all the shadow ministers Rick has hosted, but I did particularly want to make mention of Senator Ronaldson, the shadow minister for veterans' affairs and the centenary of ANZAC.

Senator Ronaldson has made two visits to the Great Southern already and, all going well, will soon be making a third. Indeed, I hope there will be many more to follow in his capacity as a minister in the next government! The reason for that is the central role that Albany will play in the commemoration of the centenary of ANZAC. As many Australians will be aware, Albany was the point of departure for the first and second convoys to Gallipoli. Some 30,000 men sailed through the waters of King George Sound at the start of their long voyage. For thousands of them, the view of Albany's coastline as it receded into the horizon would be their last-ever glimpse of home.

Less well known by many is that Albany was also the location of some of the earliest services commemorating the events at Gallipoli. Padre Arthur Ernest White served with the AIF and on his return to Australia in 1918 it is believed he held a private requiem
mass for the locally-known battle dead at Albany's St John's Church. In 1931, White led a small procession up Mount Clarence early in the morning of Anzac Day. It is said that, as a boatman on the waters of King George Sound tossed a memorial wreath into the sea, White recited the key line from Laurence Binyon's For the Fallen: 'As the sun riseth and goeth down, we will remember them.' While there is some dispute about whether this constitutes 'the first' dawn service, it is clear that what took place in Albany so many decades ago was sufficiently moving and enduring as to help establish a commemorative tradition that is now observed not only right across Australia but in many other parts of the world.

Given that history, it is entirely fitting that it is in Albany where the national commemorations of the Centenary of ANZAC will commence at the beginning of November next year. This will not only be an important occasion for the local community in Albany, although it will be by far the biggest event Albany has staged; it will also be an important national commemoration. The focus of the nation and other parts of the world will be on Albany—providing a region that, frankly, has not done as well economically as other parts of the state with the opportunity to showcase itself.

It goes without saying that the commemorative events in Albany next year need to go well, because they will act as a springboard for attracting domestic and international tourism to Albany, and to the wider Great Southern region. What is concerning to me is that many people in the local community, including tourism operators, are fielding calls from potential visitors asking about what is happening with the commemorations—and there are no firm answers yet. The Gillard Labor government has failed to take the lead in the planning for these commemorations. Yes, the government has provided welcome funding for the Anzac interpretive centre, something that is to be welcomed, and I applaud it, but these things do not happen just by throwing money around. They require planning, they require discussion and they require cooperation. That is what has been absent here—and it is a failure on the part of this government to take the responsibility for ensuring these matters are being well coordinated that is causing the nervousness amongst the local community in Albany about what might unfold next year. I am confident that these things can quickly be put back on track, particularly if there is a change of government this September, given the strong personal interest Senator Ronaldson has taken in ensuring Albany's ANZAC commemorations are on a scale that befits the historical significance of the occasion.

While I do not seek to politicise what will be a major national occasion, I would make the point that what has happened—the lack of hands-on involvement from the Federal government—is emblematic of a larger issue that has been at play across the Great Southern region since 2010. As senators will be aware, in 2010 Mr Tony Crook was elected as the member for O'Connor, representing the WA Nationals. As was his prerogative, Mr Crook chose not to join the coalition but to sit initially on the crossbench with other Independents, most of whom are the people responsible for keeping the Gillard Labor government in office. He later joined the Nationals, but he remains outside the coalition party room.

The member for O'Connor has chosen to retire at this election, so the people of O'Connor will not have the opportunity to pass judgement directly on the wisdom of his approach and the decisions he took. It is certainly not my intention to offer lengthy commentary on his performance. To my mind, however, these last three years have
been ones of lost opportunity for the O'Connor electorate and for the people of the Great Southern region. If you look at those things the member for O'Connor said were his priorities—GST distribution and the introduction of a federal royalties for regions scheme—it is fair to say that his approach of ‘independence’ has not paid dividends. It is possible, as the Senate has shown this week, to stand up for your community and for the principles you hold dear while also serving as a member of a political party. Furthermore, working as part of a larger team offers members of parliament the chance to take problems directly to the policy makers—and, if need be, take policy makers directly to the site of problems.

As I mentioned earlier in my contribution, our Liberal candidate Rick Wilson has certainly been able to do this in the last year that I have been working closely with him. I look forward to continuing to work closely with Rick and with my coalition colleagues in the lead-up to 14 September, and to having Rick Wilson join us in Canberra as the member for O'Connor when the parliament meets after the next election. I am confident that, with Rick Wilson as their representative and with a change of government, the people of O'Connor can look forward to a period of renewed energy, interest and commitment to their local community from Canberra.

Sri Lanka
Forestry

Senator RHIANNON (New South Wales) (01:00): The politics of Sri Lanka are becoming highly relevant in Australia. We have a clear responsibility to understand the situation of the Tamils and the response of our government. The 26-year-long civil war in Sri Lanka ended on 18 May 2009. In that year, an estimated 40,000 Tamils were massacred, most of them while trapped in a series of no-fly zones set up by the government. About 380,000 Tamils were imprisoned by the Sri Lankan government in barbed-wire-ringed camps in which abuse, kidnapping, torture and sexual violence were rife. I have met Tamils who had to escape these camps to ensure their survival.

More than three years later, international human rights organisations are still producing alarming reports about the continuing human rights abuses in Sri Lanka. But, instead of putting pressure on Sri Lanka to stop its terror tactics, human rights violations, intimidations and extrajudicial killings, Australia flaunts a friendship of cooperation and collaboration that gives the Rajapaksa regime encouragement to resist reforms and expand its international engagement.

In February 2013, foreign minister Senator Bob Carr told me at Senate estimates that there was no evidence that since 2010 returnees were 'being discriminated against or arrested, let alone tortured'. That same month, February 2013, Human Rights Watch produced a report titled 'We will teach you a lesson': sexual violence against Tamils by Sri Lankan security forces. The report details 75 cases of alleged rape and sexual abuse of Tamil detainees that occurred between 2006 and 2012. Men and women reported being raped multiple times, with army, police and pro-government paramilitary personnel frequently participating.

In April this year, Amnesty International released a statement saying:

The Sri Lankan government is intensifying its crackdown on critics through threats, harassment, imprisonment and violent attacks …

It went on to say that a document called Sri Lanka’s Assault on Dissent reveals how the government, led by President Rajapaksa, is promoting an official attitude that equates
criticism with treason in a bid to tighten its grip on power.

In April 2013, ABC's 7.30 ran a story about a Tamil man living in Melbourne who was abducted, raped and tortured by Sri Lankan army intelligence officers when he returned to Sri Lanka for a visit.

My office has been in contact with a Tamil who was imprisoned with other Tamils in Sri Lanka after the war ended in 2009. They were all gang-raped over a number of months. DIAC is aware of this case. I have documents which show this. How much more evidence does foreign minister Bob Carr need to prompt a reassessment of Australia's position on Sri Lanka?

The Australian Federal Police have spent approximately $540,000 training the Sri Lankan police in the 2012-13 financial year. The training courses have included management of investigations, development for individual police officer programs, criminal intelligence analyst training, money-laundering investigations training, and train-the-trainer programs. When I asked the AFP in Senate estimates if they were aware of the allegations made against the Sri Lankan police of widespread use of torture and rape in detention, I was told, 'Of course the AFP is conscious of those.' Considering Australia is funding Sri Lankan police training, the public would expect our government to hold the Rajapaksa regime to account for allegations of deaths in custody and torture and rape by the Sri Lankan police. Being 'conscious' of such acts is definitely not good enough.

My request for examples of where the AFP have interacted with their counterparts in Sri Lanka to recommend changes to address these ongoing allegations about torture and rape were taken as questions on notice. I may not receive these answers till February 2014. While these allegations stand, no-one who has fled persecution in Sri Lanka and sought asylum in Australia should be removed or deported back to Sri Lanka, which is ruled by a regime implicated in war crimes and crimes against humanity.

Time and again the Australian government has shown that human rights in Sri Lanka is not a priority, only stopping Tamils leaving the country is. Enhanced screening is the latest example of Labor's attempt to downplay the brutal crimes of the Sri Lankan Rajapaksa regime to suit its domestic political agenda. It is also another disgraceful act by the Australian government in its treatment of asylum seekers. Rachel Ball, the Director of Advocacy and Campaigns at the Human Rights Law Centre, has written about enhanced screening:

Processes under the Migration Act exist to determine whether asylum seekers require Australia's protection from torture or persecution, but 'screened out' asylum seekers never make it through the gate. They are denied access to the Australian legal system. Instead, they are interviewed with no legal advice, no information about their rights, no transparency and no independent review. The Government appears to be using a quick and dirty process to bypass fundamental human rights protections.

Ms Ball goes on to say:

We don't know what questions are asked in the screening out process and we don't know what answers are given. We do know that many of those who have been returned are immediately imprisoned—in Sri Lanka—and left at the mercy of those they claim to fear.

Reports I have received indicate enhanced screening is used only for those arriving from Sri Lanka. Since August last year 1,035 asylum seekers from Sri Lanka have been sent back involuntarily. UNHCR's Richard Towle has called the enhanced screening arrangements 'unfair and unreliable' and has
said they form part of 'an ever widening suite of deterrent measures'. Emily Howie, who is a Leebron Fellow at Columbia University in New York and a lawyer with the Human Rights Law Centre, wrote about enhanced screening on 17 June this year:

This truncated and secret screening process is being used to bypass proper and fairer assessment procedures under Australian law. Even when due process is followed, decision-makers in the immigration department often get it wrong. Last year, the Refugee Review Tribunal upheld 82% of appeals against negative decisions by the immigration department in respect of Sri Lankans who arrived by boat. The only thing "enhanced" about the truncated screening process is the likelihood of irreversible mistakes being made, resulting in people who fear persecution being forcibly returned to their persecutors.

ABC 7.30 on 10 June ran a story in which a Tamil asylum seeker, Nathan, said his brother, who was subjected to enhanced screening in Australia, was jailed upon his removal to Sri Lanka in December. He was beaten and deprived of food for many days. Enhanced screening must stop. It is a process that fails to ensure that Australia is not returning refugees to a place where they are at risk of persecution, torture, cruel, inhuman or degrading treatment. Australia has clear international obligations under the UN Convention against Torture, the International Covenant on Civil and Political Rights as well as the Refugee Convention.

Another example of Australia's unfair and inhumane treatment of asylum seekers was revealed in the May Senate estimates. I asked why there was a delay in meeting the request of 14 Tamil men on Christmas Island who had repeatedly asked to be reunited with their wives and children, who were also detained on the island. The reunions happened the next day. It should not take a question at Senate estimates for the Australian government to act. The Australian government should abide by its international obligations and act with humanity.

I would also like to acknowledge the 52 refugees that Australia has locked up in indefinite detention because ASIO has deemed that they are a threat to national security. I and, I am sure, the many people who campaign for refugee rights are thrilled and relieved that Manokala and her son, Ragavan, and the Rahavan family, including their three children, have finally been released after their horrifying imprisonment in our detention centres. I visited both families in detention and each time I saw the growing mental and physical toll this detention has taken on both adults and children.

Our work for those held unfairly under the adverse security assessments is not yet done. Ranjini and her three children are still in prison in Villawood and there are 51 others in the same situation. My colleagues and I will continue to campaign for a change in Australia's cruel immigration practices that allow such a situation to occur in the first place where there is no clear evidence of terrorist activities.

With regard to the human rights abuses taking place in Sri Lanka, there are mechanisms to let Sri Lanka know that we are not willing to turn a blind eye to the Rajapaksa regime's blatant disregard of human rights and justice. One of these is the upcoming Commonwealth Heads of Government Meeting that will be held in Sri Lanka this November, after which the Sri Lankan government will assume chair-in-residence of the Commonwealth for two years. The Australian government should follow the example of Canada and say, 'If CHOGM goes ahead in Colombo without an improvement in the human rights situation there, the Prime Minister will not attend.'
On 22 April this year the International Bar Association's Human Rights Institute launched its fact-finding report on Sri Lanka in Britain's House of Lords. British barrister Sadakat Kadri, commenting on the CHOGM, said that the Commonwealth:

... needs to consider very carefully whether Sri Lanka is an appropriate venue for the CHOGM and whether it is an appropriate chair in office for the two years after that, because Sri Lanka will become the body that represents the Commonwealth and its core values around the world.

Mr Kadri added:

There is a very real danger that if the CHOGM meeting goes ahead—
in Sri Lanka—

the present government will consider it a licence to continue along the course that it has so far proceeded and fail to uphold the Commonwealth's values.

Former Prime Minister Malcolm Fraser has also added his voice to Canadian Prime Minister Harper's strong call.

In recent years I have called many times for Sri Lanka's High Commissioner to Australia, Thisara Samarasinghe, to be recalled and, if not, then for our Prime Minister to expel him. I repeat this call again. Mr Samarasinghe was a commander of the Sri Lankan navy during the last days of the war when civilians, trapped in the government designated 'no-fire zone', were shelled from the sea.

The following sentence has been taken from page 28 of the report of the Secretary-General's Panel of Experts on Accountability in Sri Lanka:

From as early as 6 February 2009, the SLA—the Sri Lankan Army—continuously shelled within the area that became the second NFZ—No Fire Zone—from all directions including land, air and sea.

I emphasise that shelling occurred from the sea at the time that High Commissioner Samarasinghe was a Sri Lankan navy commander. On 17 October 2011 the media reported that the International Commission of Jurists named Mr Samarasinghe in a submission containing allegations of war crimes. This submission was sent to the Commonwealth Director of Public Prosecutions, as well as to the offices of the Prime Minister and the Minister for Foreign Affairs. I confirmed this in Senate Estimates. The charges were later dropped by the AFP, who said they had evaluated information in the submission and had decided that they would not investigate the allegations against Mr Samarasinghe. In trying to understand this decision by the AFP, what should be noted is the AFP's close working relationship with the government of Sri Lanka to stop Tamil asylum seekers fleeing to Australia.

If the Prime Minister does attend the coming CHOGM scheduled for Sri Lanka in the face of broad community opposition, the very least that she and all those in the Australian delegation should do is watch the recently released film No Fire Zone directed by Callum Macrae, a filmmaker with 30 years experience. Some of this film was screened recently in this parliament. This documentary about the final awful months of the Sri Lankan civil war is chilling. The evidence of war crimes is stark: trophy photos from soldiers' phones depicting killings, rapes and extreme abuse, and testimony of those who lived through these crimes. This is some of the most disturbing video footage I have ever seen. The evidence has been verified with a great deal of precision.

No Fire Zone is direct evidence of war crimes, summary execution, torture and sexual violence. It is also direct evidence of why Tamils are fleeing Sri Lanka and are seeking asylum in Australia. I appeal to
those in the Labor, Liberal and National parties who support enhanced screening and other tactics to limit the number of Tamil refugees coming to this country to please watch No Fire Zone. There is a link between refugees coming from Sri Lanka to Australia: the aftermath of dealing with war crimes and the ongoing oppression and discrimination occurring in Sri Lanka. We all have a responsibility to be informed about these events, to work to ensure war crimes committed in Sri Lanka are investigated and to grant all asylum seekers their rights.

On another matter, after decades of campaigning for an end to native forest woodchipping in New South Wales, there has been a breakthrough. Woodchipping on the New South Wales North Coast is due to end. Boral plans to stop its woodchip business operating out of the Port of Newcastle and has announced that it will sell its export arm and wood-processing plant. While the poor returns on native forest products appear to have played a role in Boral's decision to pull out, the sustained campaigning of forest activists and groups like the North Coast Environment Council and the North East Forest Alliance have kept this issue on the public agenda. I congratulate all those involved in this campaign. These groups have campaigned on meagre budgets, working hard year in and year out to expose the repeated breaches of threatened species licences by companies like Boral. The inspections many forest activists have carried out have shamed the Forestry Corporation of NSW, formerly Forests NSW, for their failure to enforce conditions that should apply to all logging and woodchip operations.

In 1995, when the current Minister for Foreign Affairs, Senator Bob Carr, was campaigning to be the New South Wales Premier, he promised to end woodchipping by the year 2000. The promise, made in writing to former New South Wales Greens state MP Ian Cohen was never kept. Eighteen years later, we are all too aware that this broken promise has resulted in the destruction of so many unique ecosystems.

But still, it is a great breakthrough to end North Coast woodchipping, a breakthrough that underlines the need to end woodchipping on the South Coast and lock in protection of all our native forests. Recently, I saw firsthand how urgently we need this protection. I undertook an aerial inspection of mid-North Coast state forests with Greens New South Wales MP David Shoebridge—David is also the Greens state forest spokesperson. The forests north of Port Macquarie at Wedding Bells were deeply scarred. We also saw extensive damage to the east of Mount Cairncross and in many other areas. The logging practices used were extreme. Many of the areas had been clear-felled, with no canopy cover retained. I was surprised at the intensity of the clearing and how extensive it was. Locals told us of their concerns about the damaging forestry practices in many local state forests. This environmental vandalism must cease.

Woodchipping has led to an intensity of logging, removal of nesting trees with hollows and widespread degradation of public forests.

Since 1981, around 300,000 tonnes of woodchips per annum have been exported to Japan from north-east New South Wales native forests. The native forestry sector in New South Wales receives an extraordinary amount of public money and continues to operate at a loss. While the woodchipping threat for North Coast forests has been removed, the need for a strong native forest protection campaign is still needed.

I have received worrying reports that the winter firewood sold at Bunnings and other Sydney outlets is sourced illegally from state
forests. Bunnings advertise their firewood as 'natural Australian product'. I urge this company to provide clear details on the source of their wood on their website and at the point of purchase so customers can be confident that, as they heat their homes, they are not destroying the homes of our native wildlife.

Many of the legal wood supply agreements in New South Wales are also in need of immediate review. Sixteen such agreements signed by former Labor minister Ian Macdonald are under a cloud. Mr Shoebridge has said that, in light of the questionable dealings revealed at ICAC, there must be an immediate review of every wood supply contracts that bears Mr Macdonald's signature—both to protect the New South Wales Treasury and to protect the precious native forests of New South Wales. I support Mr Shoebridge's call for this review.

We now know that these agreements were based on grossly unsustainable yields from state forests. The result of Mr Macdonald's work has left New South Wales with degraded forests and growing legal liabilities. Woodchipping is a dying industry. A reasonable, responsible government would have a transition plan in place to end the destruction, provide employment and training for any workers out of a job, and protect our native forests. Whaling was once seen as a key part of local economies along our coast. These days, the remnants of this industry are found in museums. One day, woodchipping will also be relegated to museum status. That future needs to happen now. Forest protection should be a priority for state and federal governments.

Aircraft Noise

Senator HUMPHRIES (Australian Capital Territory) (01:19): I rise to speak this morning about the appalling track record of the Department of Infrastructure and Transport and Minister Albanese in their attempts to change the national framework for land use planning and aircraft noise by intruding into areas of state jurisdiction. At Senate estimates hearings over the last 18 months, I have repeatedly questioned senior DoIT officers. I am profoundly disturbed by the answers I have received and, as my time here draws to a close, I want to share with the Senate the sum of my concerns.

My focus has been on a plan by DoIT to change the rules governing planning in areas affected by noise from Australian airports—a Commonwealth move to force regulatory change to suit the interests of the aviation sector with utter disregard for the planning role of the states and for the housing industry. Either the minister or his department has departed from the standards we expect in a democratic federal system. For over 30 years, we have had in Australia a national standard—adopted in every jurisdiction—for mitigating the impacts of aircraft noise. The standard is AS2021.

AS2021 is a science based standard shaping the interface between residential development and airport activity. In recent years, however, DoIT has conducted a misleading campaign to change AS2021. Worse, DoIT has attempted to impose its preferred changes in disregard of the opposition of several states and of local government in an area where state support is crucial.

My questions to DoIT during estimates have revolved around the National Airports Safeguarding Advisory Group, or NASAG, since 2010. NASAG was convened by DoIT as an intergovernmental group following the aviation white paper of December 2009. It is now clear that DoIT used NASAG as a vehicle to undermine AS2021 and protect the interests of airports. DoIT convened
NASAG, determined its agenda, and chaired and recorded the minutes of its meetings. NASAG included state and local government, but at crucial junctures their views were either not sought or ignored. NASAG's operations lacked transparency and its proceedings went unreported.

DoIT's heavily censored NASAG minutes show a campaign to replace AS2021 with a system directed at enhancing aviation interests alone. Throughout the early months of NASAG, the Commonwealth pretended its plans were to develop new aircraft noise metrics as the information tools proposed by the white paper rather than what they really were—namely regulatory measures prohibiting certain forms of development which had hitherto been allowed.

AS2021 is based on the Australian Noise Exposure Forecast system, or ANEF, which predicts on-ground levels of aircraft noise. The system's strong scientific pedigree informs land use planning decisions worldwide. AS2021 provides that outside what is called the '20 ANEF contour', residential housing is acceptable. Inside 25 ANEF, housing is unacceptable.

Airports are responsible for producing ANEF charts every five years setting out these contours. The Commonwealth's approach was to allege that, somehow, AS2021 was out of date. So it acted to undermine it. DoIT bowled up to the members of NASAG a map of noise complaints for Sydney Airport during 1998 which purported to indicate that a majority of noise complaints originated outside the 20 ANEF contour, demonstrating, the department contended, that AS2021 was now ineffective.

But a close examination of the facts discloses a less than honest manipulation of the data by the department. Firstly, 1998 was the year that saw noise sharing introduced to Sydney. That saw a huge spike in complaints from Sydney residents exposed to aircraft noise for the first time. Complaint numbers later reduced. Further, most of the problematic areas of Sydney were developed prior to AS2021 and would have been in breach of the standard—that is, complaints were coming from households which would not have been built had AS2021 been in force at the time.

DoIT proposed to NASAG that the ANEF system be 'supplemented' with a new set of noise contours to overlay the ANEF. Far from mere information tools, the new noise metrics or contours suddenly became regulatory in nature and were aimed at stopping development in huge areas of land around airports. In the words of Minister Albanese to a NSW counterpart in May 2011:

... where a development would expose future residents to more than six 60 decibel events between the hours of 11 pm and 6 am, it is the Government's view that such development should not be approved.

I am happy to table any of the documents I have referred to in this speech, Mr President. The minister makes it plain that the Commonwealth wanted to stop housing development in huge swathes around existing cities. As a result of industry and state and local government opposition, DoIT has now retreated back to the position of new aircraft noise metrics as information tools only. But this was not what DoIT proposed when it first published the draft output of the NASAG process, the National Airports Safeguarding Framework, in February last year. The framework contained six guidelines dealing with different topics. Guideline A, containing the new noise metrics, was by far the most radical guideline. Strangely, while there was specific stakeholder consultation around the five other relatively uncontroversial NASAG
guidelines, there was none around the most explosive of them, Guideline A, prior to public release.

February 2012 was the first point at which the department published its plan to replace AS2021 with a new set of noise metrics. These metrics aimed to prohibit residential development in huge areas of land in various capitals. They were not aimed at informing the public about the effects of aircraft noise but at restricting residential development in the vicinity of airports, airports of which the Commonwealth is both regulator and landlord.

DoIT asserted that airports are a national asset to be protected from residential development—up to 30 kilometres from major airports. Complaints about aircraft noise will constrain the full economic development of airports and lead to curfews, this argument maintains.

DoIT now claims that the new noise metrics were never intended to be prescriptive, but were only intended to be informative and to supplement the ANEF system. This is belied by the draft text of guideline A. It is further belied by the amended text of guideline A published by DoIT after the 18 May 2012 meeting of the Standing Council on Transport and Infrastructure, or SCOTI. The new noise metrics were clearly aimed at restricting housing development in the states and territories, enhancing the value of Commonwealth airport leases. The noise metric in guideline A with the greatest impact was ‘N60=6 at night’ metric. If adopted, the N60=6 at night metric would sterilise over 1,000 square kilometres of land from residential development in and around the non-curfewed airports, at Canberra, Melbourne, Brisbane, Perth and Darwin. Incredibly, DoIT has never produced maps that identify the impact of the N60=6 at night metric on land supply around these airports. No notice has ever been given to landowners within the affected land. DoIT did not seek views or advice from the housing sector which would be enormously affected. There was no attempt by DoIT to inform professional bodies in planning, engineering or acoustic science. The department sought neither acoustics nor planning input in respect of a proposal to change an acoustic standard. The April 2012 minutes of NASAG reveal that the department conducted no scientific or regulatory assessment. The department had no state support for the new regulatory metrics but persisted in attempting to have the changes endorsed through the COAG structures. It stifled any suggestion of dissent.

When the noise metrics were exposed to public view in February 2012, industry bodies and professions were universally scathing. Among the criticisms were claims that there had been neither scientific assessment nor regulatory impact assessment of the new metrics. The October 2007 COAG Best Practice Guide to Regulation, introduced by the Howard government and still in force today, was simply flouted. The Commonwealth failed to follow its own rules. It was left to industry bodies to engage specialist advice to demonstrate the potential impact of the NASAG proposals. Maps commissioned from international acoustic experts were the first to demonstrate the amount of land to be sterilised by the NASAG proposals, in particular the N60=6 at night metric. Urban economists Macroplan demonstrated the financial impacts. CB Richard Ellis reported on land value impacts. DoIT’s intentions were finally exposed to scrutiny.

Having been alerted to the intent and impact of the new noise metrics, state governments responded. The minutes of the 20 April 2012 NASAG meeting, withheld by
the department under the FOI Act for 12 months, paint a clear picture of the states’ opposition to the new noise metrics. Western Australia, New South Wales, Queensland, Victoria and the Australian Local Government Association all voiced opposition at that time. Nonetheless, DoIT pushed on, attempting to have the new metrics adopted through COAG. Opposition from the states continued at a meeting of SCOTI on 18 May 2012. The department turned its efforts towards pressuring Standards Australia to revise AS2021 to include the new noise metrics rejected by the states and local government.

The SCOTI meeting on 18 May had been a focus of my questions at estimates. I have asked repeatedly what happened at that meeting and what was the position of the states regarding the new noise metrics. I have received various answers. On 23 May 2012 the Secretary of DoIT responded with evidence that WA and New South Wales had voiced opposition at the SCOTI meetings. However, the communique of the meeting prepared by DoIT only records that New South Wales had reservations about the format of Guideline A. This was misleading. The minutes of the 18 May SCOTI meeting are now on the public record as a result of my questioning. These state that New South Wales does not agree with Guideline A in its present form. The minutes contradict the deceptive communique: it was not the formatted Guideline A that was rejected by New South Wales, but the guideline itself. Western Australian opposition to Guideline A is recorded neither in the 18 May 2012 SCOTI minutes prepared by DoIT, nor in the communique. The evidence of that opposition from the Secretary of DoIT five days after the SCOTI meetings has, however, already been mentioned. This is in total contrast to more recent evidence at a recent Senate estimates hearing suggesting that the communique accurately records the position of the states at the SCOTI meeting.

I recently became aware of a letter to the Secretary of DoIT citing repeated attempts by WA to correct the record as to that state’s position at the SCOTI meeting. Referring to multiple breaches of undertakings by officers of the department, the letter from WA Planning head, Eric Lumsden, invites further inquiry. He said:

I respectfully ask that you replace paragraph 9 of the current SCOTI paper with the following text:

At the May 2012 SCOTI meeting, and subsequently in Chief Officer and Ministerial correspondence, Western Australia also indicated that it did not support Guideline A while it contains the proposed alternate noise metrics in their current state and requested that these metrics be subjected to thorough research, documentation and a Regulatory Impact Assessment.

Queensland and Victoria voiced opposition to the new noise metrics at NASAG in April 2012. Having been thwarted in its attempt to impose the new metrics through COAG, DoIT has now met the same response from Standards Australia.

Within DoIT’s new noise metrics, the N60=6 at night was the metric of greatest impact, framed to prohibit residential development in 1,000 square kilometres of land around five Australian capital cities. Given this enormous potential impact, careful consultation and expert consideration were clearly required. The revised text of Guideline A put out by DoIT after the SCOTI meeting in May 2012 expressly provided for the N60=6 at night to be considered by Standards Australia. What is not clear, however, despite my repeated questioning, is why the Department put out a consultation draft in July 2012, before the Standards Australia review, which made no mention of N60=6 at night. DoIT has
never given a satisfactory answer to this question.

DoIT's website shows that it omitted the N60=6 at night metric from its July 2012 Standards Australia consultation draft. DoIT then took a paper to Standards Australia in September 2012 in which it reinserted the N60=6 at night metric without further consultation. The proposal for review sent to Standards Australia was radically different from the one that was consulted upon by DoIT. In reality, no valid consultation occurred.

Standards Australia has a critical role in any change to AS2021. DoIT, having chosen to submit its proposal to Standards Australia, undertook to conform to the strict guidelines adopted by that body in reviewing standards, including the requirement to demonstrate stakeholder support and net benefit. In submitting its proposal in September last year, an officer of DoIT declared to Standards Australia that its proposal regarding AS2021 met these requirements. That declaration was false. Consequently, DoIT faced the ignominy of a ruling by Standards Australia that its proposal failed to meet requirements for stakeholder support. Even so, Standards Australia cooperated with DoIT and organised a forum to consider the proposal. Participants included the states and territories, local government, the housing and aviation industries and the engineering, acoustic and planning professions. The forum overwhelmingly rejected the DOIT amendments to the standard.

Standards Australia resolved to initiate a process to review AS2021, from which it will specifically exclude consideration of DOIT's proposed new noise metrics. The review will look at developing guidelines for the independent formulation of ANEF contours. This is consistent with the recommendations of the 2010 Senate Rural and Regional Affairs and Transport References Committee report on Airservices Australia’s management of aircraft noise. This is a major achievement in getting transparency and objectivity in the process of developing ANEF contours. I commend Standards Australia for the direction it has taken despite DOIT's and Minister Albanese's apparent intentions.

The process of formulating ANEFs must give greater emphasis to clarity and objectivity and the views of states and territories, which are impacted upon by ANEFs in their planning responsibilities. The present process is dominated entirely by aviation interests, with Commonwealth agencies such as Airservices applying no scrutiny to the assumptions on which airport ANEFs are based. The states must take leadership in safeguarding the strengths and objectivity of the existing ANEF system and ensure that any future changes to AS2021 occur only after proper consultation, appropriate expert advice and thorough regulatory assessment. AS2021 must continue to be applied universally, consistently and equitably. Commonwealth interaction with state planning process must become more transparent and more balanced and not just a tool for aviation interests at the expense of proper utilisation of existing state infrastructure and affordable housing.

As a matter of probity, I note that my constituents in the housing industry in Canberra and the region have raised with me their concerns about the matters described. I also put on record that, as I have previously declared, the ACT Division of the Liberal Party has been in receipt of donations from the Village Building Company, one of those housing interests.

Senate adjourned at 01:37 (Wednesday)
DOCUMENTS

Tabling

The following government documents were tabled:


Australian Competition and Consumer Commission—Telstra's structural separation undertaking—Report for the period 6 March to 30 June 2012.


Australian Research Council—Strategic plan 2013-14 to 2015-16.


Answers to Senate Questions on Notice will no longer be published in the Senate Hansard. The full text of Questions on Notice and their answers are available online at www.aph.gov.au/SenateQON