**INTERNET**

The *Journals of the Senate* are available at  

Proof and Official Hansards for the House of Representatives,  
the Senate and committee hearings are available at  

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

**SITTING DAYS—2016**

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
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<td>March</td>
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<td>April</td>
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<td>December</td>
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**RADIO BROADCASTS**

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

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<td>PERTH</td>
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<td>SYDNEY</td>
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For information regarding frequencies in other locations please visit  
http://www.abc.net.au/newsradio/listen/frequencies.htm
FORTY-FIFTH PARLIAMENT
FIRST SESSION—FIRST PERIOD

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

Senate Office Holders
President—Senator Hon. Stephen Parry
Deputy President and Chair of Committees—Senator Susan Lines
Temporary Chairs of Committees—Senators Back, Bernardi, Gallacher, Ketter, Marshall, O'Sullivan, Reynolds, Sterle and Whish-Wilson
Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC
Deputy Leader of the Government in the Senate—Senator Hon. Mathias Cormann
Leader of the Opposition in the Senate—Senator Hon. Penny Wong
Deputy Leader of the Opposition in the Senate—Senator Hon. Don Farrell
Manager of Government Business in the Senate—Senator Hon. Mitchell Peter Fifield
Manager of Opposition Business in the Senate—Senator Katy Gallagher

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

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

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
<td>TAS</td>
<td>30.6.2022</td>
<td>LP</td>
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<tr>
<td>Back, Christopher John</td>
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<tr>
<td>Bernardi, Cory</td>
<td>SA</td>
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<tr>
<td>Birmingham, Hon. Simon John</td>
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<tr>
<td>Brandis, Hon. George Henry, QC</td>
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<td>Brown, Carol Louise</td>
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<td>Bushby, David Christopher</td>
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<td>Cameron, Hon. Douglas Niven</td>
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<td>Fierravanti-Wells, Hon. Concetta Anna</td>
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<td>Leyonhjelm, David Ean</td>
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<td>Lines, Susan</td>
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<tr>
<td>McCarthy, Malamirdir Barbara Anne</td>
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<tr>
<td>McGrath, Hon. James</td>
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<tr>
<td>McKenzie, Bridget</td>
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<tr>
<td>McKim, Nicholas James</td>
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<td>Moore, Claire Mary</td>
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<tr>
<td>Nash, Hon. Fiona Joy</td>
<td>NSW</td>
<td>30.6.2022</td>
<td>NATS</td>
</tr>
</tbody>
</table>
Senator  | State or Territory | Term expires | Party
--- | --- | --- | ---
O'Neill, Deborah Mary | NSW | 30.6.2022 | ALP
O'Sullivan, Barry James | QLD | 30.6.2019 | NATS
Paterson, James | VIC | 30.6.2019 | LP
Parry, Hon. Stephen Shane | TAS | 30.6.2022 | LP
Payne, Hon. Marise Ann | NSW | 30.6.2022 | LP
Polley, Helen Beatrice | TAS | 30.6.2022 | ALP
Pratt, Louise Clare | WA | 30.6.2019 | ALP
Reynolds, Linda Karen, CSC | WA | 30.6.2019 | LP
Rhiannon, Lee | NSW | 30.6.2019 | AG
Rice, Janet Elizabeth | VIC | 30.6.2019 | AG
Roberts, Malcolm | QLD | 30.6.2019 | PHON
Ruston, Hon. Anne Sowerby | SA | 30.6.2019 | LP
Ryan, Hon. Scott Michael | VIC | 30.6.2022 | LP
Scullion, Hon. Nigel Gregory | NT | CLP
Seselja, Hon. Zdenko Matthew | ACT | LP
Siewert, Rachel Mary | WA | 30.6.2019 | AG
Singh, Hon. Lisa Maria | TAS | 30.6.2019 | ALP
Sinodinos, Hon. Arthur | NSW | 30.6.2022 | LP
Smith, Dean Anthony | WA | 30.6.2022 | LP
Sterle, Glenn | WA | 30.6.2022 | ALP
Urquhart, Anne Elizabeth | TAS | 30.6.2022 | ALP
Waters, Larissa Joy | QLD | 30.6.2019 | AG
Watt, Murray Patrick | QLD | 30.6.2022 | ALP
Whish-Wilson, Peter Stuart | TAS | 30.6.2022 | AG
Williams, John Reginald | NSW | 30.6.2019 | NATS
Wong, Hon. Penelope Ying Yen | SA | 30.6.2022 | ALP
Xenophon, Nicholas | SA | 30.6.2022 | NXT

Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives:

| Territory | Senator | Party | Senator | Party
--- | --- | --- | --- | ---
Australian Capital Territory | Gallagher, K. | ALP | Seselja, Z.M. | LP
Northern Territory | McCarthy, M.B.A. | ALP | Scullion, N.G. | CLP

(1) Chosen by the Parliament of Victoria to fill a casual vacancy (vice S Conroy), pursuant to section 15 of the Constitution.

(2) Vacancy created by the resignation of Senator Bob Day on 01 November 2016.

**PARTY ABBREVIATIONS**

AG—Australian Greens; ALP—Australian Labor Party;
CLP—Country Liberal Party; DHJP—Derryn Hinch's Justice Party; FFP—Family First Party
IND—Independent; JLN—Jacqui Lambie Network; LDP—Liberal Democratic Party;
LNP—Liberal National Party; LP—Liberal Party of Australia;
NATS—The Nationals; NXT—Nick Xenophon Team; PHON—Pauline Hanson's One Nation

**Heads of Parliamentary Departments**

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

<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
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<tbody>
<tr>
<td><strong>Prime Minister</strong></td>
<td>Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td><strong>Minister for Women</strong></td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td><strong>Cabinet Secretary</strong></td>
<td>Senator the Hon Arthur Sinodinos AO</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister for the Public Service</strong></td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister for Counter-Terrorism</strong></td>
<td>Hon Michael Keenan MP</td>
</tr>
<tr>
<td><strong>Minister Assisting the Cabinet Secretary</strong></td>
<td>Senator the Hon Scott Ryan</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister for Cyber Security</strong></td>
<td>Hon Dan Tehan MP</td>
</tr>
<tr>
<td><strong>Assistant Minister to the Prime Minister</strong></td>
<td>Senator the Hon James McGrath</td>
</tr>
<tr>
<td><strong>Assistant Minister for Cities and Digital Transformation</strong></td>
<td>Hon Angus Taylor MP</td>
</tr>
<tr>
<td><strong>Deputy Prime Minister and Minister for Agriculture and Water Resources</strong></td>
<td>Hon Barnaby Joyce MP</td>
</tr>
<tr>
<td><strong>Assistant Minister for Agriculture and Water Resources</strong></td>
<td>Senator the Hon Anne Ruston</td>
</tr>
<tr>
<td><strong>Assistant Minister to the Deputy Prime Minister</strong></td>
<td>Hon Luke Hartsuyker MP</td>
</tr>
<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>Hon Julie Bishop MP</td>
</tr>
<tr>
<td><strong>Minister for Trade, Tourism and Investment</strong></td>
<td>Hon Steve Ciobo MP</td>
</tr>
<tr>
<td><strong>Minister for International Development and the Pacific</strong></td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td><strong>Assistant Minister for Trade, Tourism and Investment</strong></td>
<td>Hon Keith Pitt MP</td>
</tr>
<tr>
<td><strong>Attorney-General</strong></td>
<td>Senator the Hon George Brandis QC</td>
</tr>
<tr>
<td>(Vice-President of the Executive Council)</td>
<td></td>
</tr>
<tr>
<td>(Leader of the Government in the Senate)</td>
<td></td>
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<tr>
<td><strong>Minister for Justice</strong></td>
<td>Hon Michael Keenan MP</td>
</tr>
<tr>
<td><strong>Treasurer</strong></td>
<td>Hon Scott Morrison MP</td>
</tr>
<tr>
<td><strong>Minister for Revenue and Financial Services</strong></td>
<td>Hon Kelly O'Dwyer MP</td>
</tr>
<tr>
<td><strong>Minister for Small Business</strong></td>
<td>Hon Michael McCormack MP</td>
</tr>
<tr>
<td><strong>Minister for Finance</strong></td>
<td>Senator the Hon Mathias Cormann</td>
</tr>
<tr>
<td>(Deputy Leader of Government in the Senate)</td>
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<tr>
<td><strong>Special Minister of State</strong></td>
<td>Senator the Hon Scott Ryan</td>
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<tr>
<td><strong>Minister for Regional Development</strong></td>
<td>Senator the Hon Fiona Nash</td>
</tr>
<tr>
<td><strong>Minister for Local Government and Territories</strong></td>
<td>Senator the Hon Fiona Nash</td>
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<tr>
<td><strong>Minister for Infrastructure and Transport</strong></td>
<td>Hon Darren Chester MP</td>
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<tr>
<td>(Deputy Leader of the House)</td>
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<tr>
<td><strong>Minister for Urban Infrastructure</strong></td>
<td>Hon Paul Fletcher MP</td>
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<tr>
<td><strong>Minister for Defence</strong></td>
<td>Senator the Hon Marise Payne</td>
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<tr>
<td><strong>Minister for Defence Industry</strong></td>
<td>Hon Christopher Pyne MP</td>
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<tr>
<td>(Leader of the House)</td>
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<td>Title</td>
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<tr>
<td>Minister for Veterans' Affairs</td>
<td>Hon Dan Tehan MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Centenary of ANZAC</td>
<td>Hon Dan Tehan MP</td>
</tr>
<tr>
<td>Minister for Defence Personnel</td>
<td>Hon Dan Tehan MP</td>
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<tr>
<td><strong>Minister for Immigration and Border Protection</strong></td>
<td><strong>Hon Peter Dutton MP</strong></td>
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<tr>
<td>Assistant Minister for Immigration and Border Protection</td>
<td>Hon Alex Hawke MP</td>
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<tr>
<td><strong>Minister for Industry, Innovation and Science</strong></td>
<td><strong>Hon Greg Hunt MP</strong></td>
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<tr>
<td><strong>Minister for Resources and Northern Australia</strong></td>
<td><strong>Senator the Hon Matt Canavan</strong></td>
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<td>Hon Craig Laundy MP</td>
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<tr>
<td><strong>Minister for Health and Aged Care</strong></td>
<td><strong>Hon Sussan Ley MP</strong></td>
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<tr>
<td><strong>Minister for Sport</strong></td>
<td><strong>Hon Sussan Ley MP</strong></td>
</tr>
<tr>
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<td>Hon Ken Wyatt AM MP</td>
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<tr>
<td>Assistant Minister for Rural Health</td>
<td>Hon Dr David Gillespie MP</td>
</tr>
<tr>
<td><strong>Minister for Communications</strong></td>
<td><strong>Senator the Hon Mitch Fifield</strong></td>
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<tr>
<td><strong>Minister for the Arts</strong></td>
<td><strong>Senator the Hon Mitch Fifield</strong></td>
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<tr>
<td>(Manager of Government Business in the Senate)</td>
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<tr>
<td><strong>Minister for Regional Communications</strong></td>
<td><strong>Senator the Hon Fiona Nash</strong></td>
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<tr>
<td><strong>Minister for Employment</strong></td>
<td><strong>Senator the Hon Michaelia Cash</strong></td>
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<tr>
<td><strong>Minister for Social Services</strong></td>
<td><strong>Hon Christian Porter MP</strong></td>
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<tr>
<td><strong>Minister for Human Services</strong></td>
<td><strong>Hon Alan Tudge MP</strong></td>
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<tr>
<td>Assistant Minister for Social Services and Disability Services</td>
<td>Hon Jane Prentice MP</td>
</tr>
<tr>
<td>Assistant Minister for Social Services and Multicultural Affairs</td>
<td>Senator the Hon Zed Seselja</td>
</tr>
<tr>
<td><strong>Minister for Education and Training</strong></td>
<td><strong>Senator the Hon Simon Birmingham</strong></td>
</tr>
<tr>
<td>Assistant Minister for Vocational Education and Skills</td>
<td>Hon Karen Andrews MP</td>
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<tr>
<td><strong>Minister for the Environment and Energy</strong></td>
<td><strong>Hon Josh Frydenberg MP</strong></td>
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</table>

Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases. Assistant Ministers in italics are designated as Parliamentary Secretaries under the *Ministers of State Act 1952*. 

v
<table>
<thead>
<tr>
<th>Title</th>
<th>Shadow Minister</th>
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<tbody>
<tr>
<td>Leader of the Opposition</td>
<td>Hon Bill Shorten MP</td>
</tr>
<tr>
<td>Shadow Minister for Indigenous Affairs and Aboriginal and Torres Strait Islanders</td>
<td>Hon Bill Shorten MP</td>
</tr>
<tr>
<td>Shadow Assistant Minister for Indigenous Affairs and Aboriginal and Torres Strait Islanders</td>
<td>Senator Patrick Dodson</td>
</tr>
<tr>
<td>Shadow Cabinet Secretary</td>
<td>Senator the Hon Jacinta Collins</td>
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<tr>
<td>Shadow Assistant Minister for Preventing Family Violence</td>
<td>Terri Butler MP</td>
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<tr>
<td>Shadow Assistant Minister to the Leader (Tasmania)</td>
<td>Senator Helen Polley</td>
</tr>
<tr>
<td>Deputy Leader of the Opposition</td>
<td>Hon Tanya Plibersek MP</td>
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Wednesday, 30 November 2016

The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 09:30, read prayers and made an acknowledgement of country.

DOCUMENTS
Tabling
The Clerk: I table a document pursuant to statute. The list is available from the Table Office or the chamber attendants.

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

COMMITTEES
Economics References Committee
Meeting
The Clerk: A proposal has been lodged as follows:

Economics References Committee—private meeting otherwise than in accordance with standing order 33(1) today, from 4 pm, for the committee's inquiry into Australia's steel industry.

The PRESIDENT: Does any senator wish to have that question put? There being none, I call Senator Brandis.

BUSINESS
Rearrangement

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (09:31): I seek leave to move a motion to vary the hours of meeting and routine of business for today.

Leave not granted.

Senator BRANDIS: Pursuant to contingent notice of motion standing in my name, I move:

That so much of the standing orders be suspended as would prevent a minister moving a motion to provide for the consideration of a matter, namely a motion to provide for the determination of a motion relating to the hours of meeting and routine of business for today without amendment or debate.

The purpose of this hours motion, as it is commonly called, is to enable the Senate to progress the business which has detained us until midnight last night and until after midnight on Monday night or early Tuesday morning, in particular the package of legislation described colloquially as the ABCC bills—the government's bills to bring the rule of law to the construction industry.

Here we are on the second-last day of the parliamentary year, and the Australian Labor Party, in cahoots with the Greens, have resisted, every step of the way, the government's attempts to pass this legislation, whose only purpose is to bring legality and the rule of law to the building industry—an industry which is the third-largest employer in Australia, an industry which is absolutely at the heart of our economy, an industry which has been
bedevilled and disgraced by the behaviour of one union in particular, the CFMEU, and those who govern it.

Why is it, you might ask, that the Labor Party and the Greens are so determined to fight to the very last breath any attempt to reform the Australian building industry? It is pretty transparent, and it must be transparent to all who have followed this debate. It is because the Labor Party and the Greens are owned lock, stock and barrel by the trade union movement and by militant unions in particular, including the CFMEU. The opposition, of course, has been led by Senator Penny Wong, who was herself an official of the CFMEU, who owes her place in this chamber and her position in the Labor caucus to the patronage of the CFMEU. So, we know why the Labor Party is fighting so fiercely to resist this reform.

But the one thing, I am sorry to say, that never ever features in the Labor Party's thinking is the national interest. How can you mount a credible, intellectually-honest argument against the proposition that the rule of law should govern the construction industry?

And how can you deny for a moment, without turning a blind eye to the damning findings of the Heydon royal commission, the fact that a culture of unlawfulness, a culture of bullying and thuggery and sexism and homophobia and every other form of socially unacceptable and violent behaviour is a feature of that industry?

We have heard in question time after question time through the course of this year my colleague Senator Michaelia Cash—who has done an heroic job in reforming the Australian workplace during the course of the year in so many ways—citing chapter and verse the instances of unacceptable conduct by union officials to which the Australian Labor Party and the surrogates whom the union movement places into this Senate as place men turn a blind eye. They even make excuses and apologies for the sort of behaviour that is manifest in the workplace, particularly in the construction industry.

But we are going to persist, and we hope to persuade the crossbench to come with us to make an historic and long-needed reform to industrial law in this country by passing the ABCC bills and getting on with other business of the Senate as well. The Australian people elect us to this chamber to get on to do the people's business, to legislate, not to obfuscate, and to pass laws, not to filibuster debate. That is what the government has been trying to do—to legislate the bills that we took to a double dissolution election on 2 July, to secure their passage through the Senate, as we undertook to the Australian people to do, and they backed us. The last remaining redoubt of resistance to what the government is trying to do, with the support of the Australian people behind us, is the place men and surrogates and puppets and slaves on the Labor and Greens benches who are defending an interest that not only ought not to be defended but ought to be exposed.

Senator Wong (South Australia—Leader of the Opposition in the Senate) (09:37): Well, that was a fulminating and passionate—somewhat pompous, as always—speech, but let us just get onto some facts. It is a pity that Senator Brandis seems unable to make many contributions without going for the personal attack. I am happy to respond, because—what was I? I was some puppet and owed my position only to a job I once had years ago, because I had nothing else to offer, I am sure. But Senator Brandis might want to know that the division of the CFMEU of which I was an official was the timber workers—forestry workers—and I remember actually being at demonstrations with a whole bunch of coalition members and senators. I know that some of my own colleagues might not like that story, but we were
actually arguing against some of the decisions that the then Labor government made. I remember standing up with a whole bunch of coalition senators and members as an official of that union, as I was required to do and as I was proud to do, because I was representing their interests as an official, many years ago, when I was much younger and much less grey—interesting times.

But let us focus on the issue at hand, which is this government walking in and seeking to suspend standing orders because they did not give notice of a requirement to again sit extended sitting hours. I would say to the crossbenchers: just because you agree with a bill does not mean you have to do what Senator Cormann or Senator Brandis asks you to in terms of additional sitting hours. We have been very reasonable with the government in terms of hours. Last week the Labor Party gave up general business. We were willing to give up the MPI yesterday. I understand that did not accord with the wishes of the Greens party. We have indicated again that we would be prepared to give up the MPI. We are prepared to have a discussion about giving up some of our time tomorrow. So, there are cooperative ways to deal with this rather than walking into the chamber again and seeking to crunch, with the support of the crossbench, additional hours at short notice to senators.

It is unusual to sit on Wednesday nights. People often recognise that it is a night on which they can arrange other matters, because generally we have not sat on Wednesday nights. Well, I had a work function on, but that is fine. I am not known for my partying, either, I regret to say! I was once described by one of my colleagues as one of the most boring people in the parliament. That was harsh, I thought.

I make this point too: the government has moved extended hours because this is so important. We have made it clear we believe it has the numbers on this bill. It will pass before 12.45. There is no intention from the Labor side to extend debate on it. I have made that clear but, nevertheless, Senator Brandis wants to suspend standing orders and extend the hours.

I would make this point also: this is not the only legislation the Senate has to deal with. There is national security legislation, which has bipartisan support but which is not on this hours motion, which the government is happy to push off because its political priority is the ABCC. So the war crimes bill and the high-risk terrorist offenders bill, which we worked very hard on in a bipartisan way and which I would have thought would be a priority, which in fact, as I recall some of Senator Brandis's previous fulminating, was a priority: 'it was the most important thing to get through'—

Senator Brandis interjecting—

Senator WONG: Well, you have not put it in your motion, George. If you want to interject and stand up and change your motion, you go right ahead. Do you want to do that?

Senator Brandis interjecting—

The PRESIDENT: You have the call, Senator Wong.

Senator WONG: There you go. I guess he is not going to do that. Let us be clear about it. National security legislation is not urgent but beating up on the CFMEU is, because it is a political imperative. I mean, really.

What I would say is that we, I think, have been very reasonable in terms of giving up time, and we would have been willing to give up more time tomorrow, including private senators business in the morning. But what we have instead is the government seeking to use its
numbers on the crossbench to require additional hours sitting without notice. I would say to the crossbench: you are entitled to support the government on this legislation. We disagree with your view. There is a better way to manage this chamber in a somewhat more cooperative and courteous fashion, to give people notice of additional hours rather than turning up at 9.30 each day, suspending standing orders and crunching through additional hours of sitting. I put that to the crossbench. For that reason—not because we are going to delay this bill—as I have indicated quite clearly, we are—

Senator Brandis interjecting—

Senator WONG: Would you like to get up and speak, George? As I have indicated quite clearly, we are not intending to delay this. This motion was unnecessary. Really, I would ask the crossbench to perhaps consider continuing to go along with the government on this. (Time expired)

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (09:42): I do want to acknowledge, at the outset, that over the past couple of weeks there has been cooperation from the different groupings in this chamber at different times. I acknowledge that the Manager of Opposition Business facilitated the passage of some non-controversial legislation in the last week by forgoing general business time. I put that on the record and acknowledge that. As I often say in this place, in a chamber where the government of the day does not have a majority in its own right, management of the chamber and of legislation is a shared responsibility of all groupings in this place. On different occasions different groupings in this place accept that responsibility and assist the government. That is something that we very much appreciate.

What we sought to do earlier this week, and were successful in doing, was provide for additional hours that gave colleagues the opportunity to contribute to the debate. Again, through seeking a suspension of standing orders, if successful, the motion that Senator Brandis would move would facilitate contributions from colleagues. We are not seeking to curtail debate, as previous governments have done, by seeking to guillotine legislation. There was a very famous occasion under the previous government when 54 bills were guillotined in rapid succession with no provision for debate on bills. We are not seeking to guillotine. We are merely seeking to ensure that we do have the capacity is a chamber to deal with the legislation that I think we would all agree we need to resolve one way or another before the Senate rises for the year.

The proposition that Senator Brandis would move is that if we have not dealt with the ABCC legislation and also the backpacker legislation and the passenger movement charge legislation by 12.45 we would sit tonight until they are dealt with. This really is a contingency in the event that we have not dealt with that legislation by 12.45. I think there are reasonable prospects that the ABCC legislation could be dealt with by 12.45, and possibly even the backpacker package of legislation. We are not seeking to sit into the wee small hours tonight. I do not think that will be necessary, but this is a contingency should we need additional time. I should also point out—because I know Senator Birmingham would be extremely disappointed if I did not—that this will also mean that we can get to the VET student loan legislation perhaps a little more quickly.

We have, as a government, endeavoured to really focus in this last sitting period on legislation that is essential to deal with, and all of it is listed on the red today. That is the
totality of what we are seeking to do. We are not seeking an opportunity to in any way force things through this place; we are trying to limit ourselves to that which really needs to be done. Senator Wong, in her contribution, asked why we had not listed other legislation in the motion that Senator Brandis would like to move. The reason for that is we did not want to build into this motion more than we thought was necessary. I am confident that if we deal with the ABCC legislation and the backpacker's package today we will, through cooperation tomorrow, be able to deal with what remains on the legislative program. I encourage my colleagues to agree to the suspension of standing orders so that Senator Brandis can move his substantive motion, which, as I say, is a contingency in the event that we need a bit more time to conclude these two important packages of legislation.

Senator SIEWERT (Western Australia—Australian Greens Whip) (09:46): Senator Fifield opened his comments with remarks about the shared responsibility of managing this chamber. Usually at the beginning of the last fortnight we have a leaders and whips meeting, where we all sit down—the whips and the leaders of the parties and the crossbenches—and look at what the government want to get through in the two weeks, and we talk about it. That has not happened. It has been day-by-day chaos in this place. We had extended hours last week with no notice, extended hours on Monday with little notice and extended hours yesterday with little notice. Then we got a phone call—at least Senator Fifield gave us a heads-up—at about quarter past eight this morning saying that this was in the offing. So, instead of the normal way we do business in the last two weeks, what we are seeing is this day-to-day chaos while the government try to get whoever they can to agree to whatever they need to get the ABCC up, because they just want to be able to go out and say: 'Look: we've achieved this!' That was what was happening last night. There were amendments going everywhere. They obviously had not got all their ducks in a row and were not able to do what they wanted to do, so they were holding on by their fingertips, flying by the seat of their pants, because they did not know what was going on. They have not been able to manage the agenda, either last week or this week, to the point we have got to here with this motion about Wednesday night.

Just so people are clear, on a Thursday we do not have much government business time. When they say, 'Look at the bills that are on here; this is what we want to achieve,' there are a significant number of bills there. If they have not already done it, they are going to be asking for private members' time and for general business time. We did not think the ALP should have given up some of their very important, hard-won general business time to help the government get through their non-controversial bills, but they did. The government will be coming and asking for that time tomorrow, or we will be sitting late again tomorrow. Minister Fifield says, 'We've got a manageable agenda for tomorrow.' I do not think so, and I expect to be sitting late tomorrow. Even if the opposition benches do give up their private members' time and their general business time, the government will still be asking for more. They have not been able to manage the agenda. Where was the leaders and whips meeting? What we usually do, folks—for those who have not had the pleasure of going to a leaders and whips meeting—is sit down and work out how much time each bill is going to take: what is achievable, what is not and what is the top of the government's priority list. It did not happen, and this is the result.
When you talk about shared responsibility, talk to the hand, because you made no effort to involve the whole of the chamber in the discussions, as is normal in the last two weeks before we rise in June and, particularly, when we rise at the end of the year. It did not happen; chaos is the result.

Senator RHIANNON (New South Wales) (09:50): We are 20 minutes into our time—20 minutes that could have been used on the ABCC debate. We have the Leader of the Government in the Senate—he who must be obeyed—coming in here and again mismanaging things. We should have got into the debate. All through this management of the ABCC debate, there has been cooperation. Although we have huge differences on the actual substance, there has been clear cooperation in getting on with the debate. So what should have happened today, if somebody had actually been reasonable, is to come in here, get on with the debate and then, if we run out of time, negotiate with the whips and then work out more time. That is what we should have been doing. We should have been well into the debate by now.

But the attitude that comes through, to my mind, in many ways encapsulates all the problems that the coalition is running into now because of its failure to have a clear message and the elitism of the ABCC—which is essentially what that bill is about. It is saying, 'There are some people in Australia who are less than we are, and we're going to treat them badly so we can get our agenda up.' To my mind, it is not that different from this waste of time that is going on here. Seriously! It is Wednesday morning. We have all had a late night. We came in here expecting we could get our teeth into the ABCC. As soon as we come, they decide to waste half an hour with an hours motion, totally doing it back to front. It is a really irresponsible and, I have to say, arrogant way to treat people. Yes, we have our sharp differences. Yes, we will have very big fights about the substance. But we do not need to have the arguments on this sort of thing; we really do not.

Why do they do it? I think in some ways it is quite an interesting psychological study of what goes on with the Leader of the Government in the Senate. Right now, you would have to see that it is just elitism. He just wants to sort it out. He is not mindful of even getting it working for the government. This is not working for the government—starting off the day in this time-wasting way. It is really just tragic, actually, because we are all a bit tired and we want to get on with it, and here is the Attorney-General, the Leader of the Government in the Senate, with no clear explanation of why it is done back to front.

We should be having the hours motion—if it has to come in to manage the Senate's time—only if we run out of time. I reckon there would have been a good chance that we could finish this this morning, before lunchtime. We were well down the track.

Government senators interjecting—

Senator RHIANNON: I am happy to take the interjection: somebody tells me to sit down. But the point needs to be made about the mismanagement that is going on here—the arrogance that is occurring in how the government tries to manage this place. It does not make for a cooperative set-up in how we run the debate on this bill, because there are complexities. We are now into a heap of amendments that we need time for, but the starting point for the Attorney-General is to put people at loggerheads, not showing any cooperation or a willingness to just follow the informal practices that occur in this place—which I always find quite fascinating, actually. While there are all the rigid rules that go down, there is that flexibility and cooperation. There is so much that is done by leave in quite a civil way so we
can keep this place moving and we all get our cut of the action to some degree. But this heavy-handed approach that we have seen from the Leader of the Government in the Senate is a really bad start to the day.

I look forward to getting to the debate. I think what would be wise for Senator Brandis is just to withdraw this motion. Let's get on with it right now. That is what we should be doing: getting back to the committee on the ABCC.

The PRESIDENT: The question is that the motion moved by Senator Brandis to suspend standing orders be agreed to.

The Senate divided. [09:58]

(The President—Senator Parry)

Ayes ....................37
Noes ....................32
Majority................5

AYES

Abetz, E
Birmingham, SJ
Burston, B
Canavan, MJ
Cormann, M
Duniam, J
Fierravanti-Wells, C
Griff, S
Hinch, D
Kakoschke-Moore, S
Leyonhjelm, DE
McGrath, J
Nash, F
Parry, S
Reynolds, L
Ruston, A
Scullion, NG
Sinodinos, A
Xenophon, N

NOES

Bilyk, CL
Carr, KJ
Collins, JMA
Di Natale, R
Farrell, D
Gallagher, KR
Ketter, CR
Lines, S
McAllister, J
McKim, NJ
O'Neil, DM
Pratt, LC
Rice, J
Sterle, G

Back, CJ
Brandis, GH
Bushby, DC (teller)
Cash, MC
Culleton, RN
Fawcett, DJ
Fifield, MP
Hanson, P
Hume, J
Lambie, J
Macdonald, ID
McKenzie, B
O'Sullivan, B
Paterson, J
Roberts, M
Ryan, SM
Seselja, Z
Smith, D

Brown, CL
Chisholm, A
Dastyari, S
Dodson, P
Gallacher, AM
Hanson-Young, SC
Kitching, K
Marshall, GM
McCarrthy, M
Moore, CM
Polley, H
Rhiannon, L
Siewert, R
Urquhart, AE (teller)
Question agreed to.

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (10:00): I move:

That a motion relating to the hours of meeting and routine of business for today may be moved immediately and determined without amendment or debate.

I also move:

That the question be now put.

The PRESIDENT: The question is that the question be now put.

The Senate divided. [10:02]

(Ayes .......................... 37
Noes .......................... 32
Majority .................... 5)

AYES
Abetz, E
Birmingham, SJ
Burston, B
Canavan, MJ
Cormann, M
Duniam, J
Fierravanti-Wells, C
Griff, S
Hinch, D
Kakoschke-Moore, S
Leyonhjelm, DE
McGrath, J
Nash, P
Parry, S
Reynolds, L
Ruston, A
Scullion, NG
Sinodinos, A
Xenophon, N

NOES
Bilyk, CL
Carr, KJ

Brown, CL
Chisholm, A
The PRESIDENT (10:04): The question now is that the motion moved by Senator Brandis to grant precedence for him to move a motion relating to the routine of business today be agreed to.

The Senate divided. [10:06]

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

The Senate divided. [10:06]

Ayes .................. 37
Noes .................. 32
Majority ............. 5
AYES

Abetz, E
Birmingham, SJ
Burston, B
Canavan, MJ
Cormann, M
Duniam, J
Fierravanti-Wells, C
Griff, S
Hinch, D
Kakoschke-Moore, S
Leyonhjelm, DE
McGrath, J
Nash, F
Parry, S
Reynolds, L
Ruston, A
Scullion, NG
Sinodinos, A
Xenophon, N
Back, CJ
Brandis, GH
Bushby, DC (teller)
Cash, MC
Culleton, RN
Fawcett, DJ
Fifield, MP
Hanson, P
Hume, J
Lambie, J
Macdonald, ID
McKenzie, B
O'Sullivan, B
Paterson, J
Roberts, M
Ryan, SM
Seselja, Z
Smith, D

NOES

Bilyk, CL
Carr, KJ
Collins, JMA
Di Natale, R
Farrell, D
Gallagher, KR
Ketter, CR
Lines, S
McAllister, J
McKim, NJ
O'Neil, DM
Pratt, LC
Rice, J
Sterle, G
Waters, LJ
Whish-Wilson, PS
Brown, CL
Chisholm, A
Dastyari, S
Dodson, P
Gallacher, AM
Hanson-Young, SC
Kitching, K
Marshall, GM
McCarthy, M
Moore, CM
Polley, H
Rhiannon, L
Siewert, R
Urquhart, AE (teller)
Watt, M
Wong, P

PAIRS

Bernardi, C
Payne, MA
Williams, JR
Singh, LM
Cameron, DN
Ludlam, S

Question agreed to.
Consideration resumed of the amendment in respect of the Building and Construction Industry (Improving Productivity) Bill 2013.

The CHAIR (10:08): The question is that the amendment, moved by Senator Hinch, on sheet 8026 be agreed to.

Senator HINCH (Victoria) (10:09): I seek leave to amend amendment (1) on sheet 8026, which is currently before us, by inserting after '29 November 2018' the words 'expressions of interest' and the words 'be awarded', so it would now read: 'before 29 November 2018, submit expressions of interest, tender for and be awarded building work funded, whether directly or indirectly by the Commonwealth or a Commonwealth authority'. To assist senators I have circulated a revised sheet 8026, which does include this amendment.

Leave granted.

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (10:09): The government supports the amendment moved by Senator Hinch with the revised form of words he has outlined this morning. We understand that there are concerns in relation to whether this covers the undertaking of work on projects that are tendered for during this two-year transitional period. I can confirm that this will be the case.

Senator CAMERON (New South Wales) (10:10): Minister, can you guarantee that the amendment ensures that contractors with current agreements with terms prohibited by your 2014 Building Code will be able to continue doing government building work without having to renegotiate or change the existing EBAs?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (10:10): Yes.

Senator CAMERON (New South Wales) (10:11): Minister, will the position that has been achieved this morning be reflected in the code?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (10:11): Yes.

The CHAIR: The question is that amendment (1) on sheet 8026, as amended, be agreed to.

Question agreed to.

Senator XENOPHON (South Australia) (10:11): by leave—I, and also on behalf of Senator Hinch, move amendments (1) to (29) on sheet 7954 together:
(1) Clause 3, page 2 (line 16), after "productively", insert ", without distinction between interests of building industry participants, and".
(2) Clause 3, page 3 (line 11), after "industry", add ", including by encouraging youth employment with an emphasis on engaging apprentices".
(3) Clause 4, page 4 (lines 5 to 7), omit "The ABC Commissioner, inspectors and Federal Safety Officers are given powers to obtain information. The ABC Commissioner can demand information by giving a person an examination notice.", substitute "The ABC Commissioner, inspectors and Federal Safety Officers may obtain information. An examination notice, issued by a nominated AAT presidential member on application by the ABC Commissioner, may require a person to give information.".

(4) Clause 5, page 4 (before line 23), before the definition of ABC Commissioner, insert:

AAT presidential member means a person who is a presidential member of the Administrative Appeals Tribunal under the Administrative Appeals Tribunal Act 1975.

(5) Clause 5, page 4 (line 28) to page 5 (line 5), omit the definition of assistant.

(6) Clause 5, page 9 (line 10), omit "or an assistant".

(7) Clause 5, page 11 (after line 11), after the definition of lockout, insert:

nominated AAT presidential member means an AAT presidential member in respect of whom a nomination is in force under section 61A to issue examination notices under Part 2 of Chapter 7.

(8) Clause 5, page 12 (after line 4), after the definition of protected person, insert:

quarter means a period of 3 months beginning on 1 July, 1 October, 1 January or 1 April.

(9) Clause 19, page 22 (line 6), after "an inspector", insert "who is an employee of the Commission".

(10) Clause 19, page 22 (line 7), after "acting SES employee", insert "who is an employee of the Commission".

(11) Clause 19, page 22 (line 8), after "an SES employee)", insert "who is an employee of the Commission and".

(12) Clause 19, page 22 (lines 10 and 11), omit "section 61 (ABC Commissioner may give examination notice)", substitute "section 61B or 61F or subsection 61E(3) or (4) (examination notices)"

(13) Heading to clause 20, page 22 (line 27), omit the heading, substitute:

20 Quarterly and annual reports

(14) Clause 20, page 22 (before line 28), before subclause (1), insert:

(1A) As soon as practicable after the end of each quarter of each financial year, the ABC Commissioner must prepare and give to the Minister a report on the performance of the ABC Commissioner's functions and the exercise of the ABC Commissioner's powers during that quarter.

(15) Clause 20, page 22 (line 30), omit "the operations of the ABC Commissioner", substitute "the performance of the ABC Commissioner's functions and the exercise of the ABC Commissioner's powers".

(16) Clause 20, page 22 (after line 30), at the end of the subclause (1), add:

Note: See also section 34C of the Acts Interpretation Act 1901, which contains extra rules about annual reports.

(17) Clause 20, page 22 (line 31) to page 23 (line 14), omit subclauses (2) and (3), substitute:

(2) A report under subsection (1A) or (1) must include:

(a) details of:

(i) the number, and type, of matters that were investigated by the ABC Commissioner during the quarter or year (as the case requires); and

(ii) the cost, during that quarter or year, of each such investigation; and

(b) details of assistance and advice provided during that quarter or year to building industry participants; and
(c) details of the extent to which the Building Code was complied with during that quarter or year.

Note: See also section 107, which restricts the disclosure of personal information in a report.

(3) The report must also include:
(a) details of directions given by the Minister during that quarter or year under section 17 or 18; and
(b) details of delegations by the ABC Commissioner under section 19 during that quarter or year.

(18) Clause 60, page 47 (lines 5 to 9), omit "The ABC Commissioner may require a person to give information, produce documents or answer questions relating to an investigation of a suspected contravention of this Act or a designated building law by a building industry participant. The Commissioner does this by giving a person an examination notice.", substitute "A person may be required under an examination notice issued under Part 2 to give information, produce documents or answer questions relating to an investigation of a suspected contravention of this Act or a designated building law by a building industry participant. The notice is issued, on application by the ABC Commissioner, by a nominated AAT presidential member.".

(19) Clause 61, page 48 (line 3) to page 49 (line 18), omit the clause, substitute:

61A Minister may nominate AAT presidential members to issue examination notices

(1) The Minister may, by writing, nominate an AAT presidential member to issue examination notices under this Part.

(2) The Minister may nominate an AAT presidential member who is a Judge to issue examination notices under this Part only if the Judge has consented, by writing, to the nomination.

(3) A nomination ceases to have effect if:
(a) the nominated AAT presidential member ceases to be an AAT presidential member; or
(b) the Minister, by writing, withdraws the nomination.

(4) A nominated AAT presidential member has, in performing a function of or connected with issuing an examination notice under this Part, the same protection and immunity as a Justice of the High Court has in relation to proceedings in the High Court.

61B ABC Commissioner may apply to nominated AAT presidential member for examination notice

General requirements

(1) The ABC Commissioner may apply, in writing, to a nominated AAT presidential member for the issue of an examination notice referred to in subsection (2) if the ABC Commissioner believes on reasonable grounds that a person:
(a) has information or documents relevant to an investigation by an inspector into a suspected contravention, by a building industry participant, of this Act or a designated building law; or
(b) is capable of giving evidence that is relevant to such an investigation.

(2) The examination notice may require the person:
(a) to give information to the ABC Commissioner; or
(b) to produce documents to the ABC Commissioner; or
(c) to attend before the ABC Commissioner and answer questions relevant to the investigation.

Form and content of application

(3) An application for an examination notice must:
(a) if a form is prescribed by the regulations—be in that form; and
(b) include any information prescribed by the regulations.
An application for an examination notice must not relate to more than one person, but may relate to more than one investigation.

Application must be accompanied by affidavit

An application for an examination notice must be accompanied by an affidavit by the ABC Commissioner including the following:

(a) the name of the person to whom the application relates;
(b) details of the investigation (or investigations) to which the application relates;
(c) the grounds on which the ABC Commissioner believes the person has information or documents, or is capable of giving evidence, relevant to the investigation (or investigations) referred to in paragraph (b);
(d) details of other methods used to attempt to obtain the information, documents or evidence;
(e) the number (if any) of previous applications for an examination notice that the ABC Commissioner has made in relation to the person in respect of the investigation (or investigations) referred to in paragraph (b);
(f) information about whether the ABC Commissioner has made, or expects to make, any other applications for an examination notice in relation to the investigation (or investigations) referred to in paragraph (b) and, if so, the persons to whom those applications relate.

Further information

A nominated AAT presidential member to whom an application for an examination notice is made may request the ABC Commissioner to give the presidential member further information in relation to the application.

If a request for further information is made under subsection (6), the ABC Commissioner must give the further information in writing as soon as practicable after receiving the request.

61C Issue of examination notice

(1) A nominated AAT presidential member to whom an application for an examination notice has been made must issue the examination notice if the presidential member is satisfied of the following:

(a) that an inspector has commenced the investigation (or investigations) to which the application relates;
(b) that there are reasonable grounds to believe that the person to whom the application relates has information or documents, or is capable of giving evidence, relevant to the investigation (or investigations);
(c) that any other method of obtaining the information, documents or evidence:
   (i) has been attempted and has been unsuccessful; or
   (ii) is not appropriate;
(d) that the information, documents or evidence would be likely to be of assistance in the investigation (or investigations);
(e) that, having regard to all the circumstances, it would be appropriate to issue the examination notice;
(f) any other matter prescribed by the regulations.

(2) A nominated AAT presidential member must not issue an examination notice except in the circumstances referred to in subsection (1).

(3) An examination notice must not be issued in relation to more than one person, but may be issued in relation to more than one investigation.
(4) If:
(a) an application for an examination notice is made in relation to more than one investigation; and
(b) the nominated AAT presidential member to whom the application is made is not satisfied of the matters referred to in subsection (1) in relation to each of those investigations;
the nominated AAT presidential member must issue the examination notice in relation to the investigation (or investigations) in relation to which the nominated AAT presidential member is satisfied of the matters referred to in subsection (1).

61D Form and content of examination notice
An examination notice must:
(a) if a form is prescribed by the regulations—be in that form; and
(b) if the notice requires a person to give information under paragraph 61B(2)(a) to the ABC Commissioner—specify the time by which, and the manner and form in which, the information is to be given; and
(c) if the notice requires a person to produce documents under paragraph 61B(2)(b) to the ABC Commissioner—specify the time by which, and the manner in which, the documents are to be produced; and
(d) if the notice requires a person to attend before the ABC Commissioner to answer questions relevant to an investigation—specify the time and place for the attendance; and
(e) be signed by the nominated AAT presidential member who issued it; and
(f) include any other information prescribed by the regulations.

Note: See also sections 62 (offence for failing to comply with examination notice), 79 (power to keep records or documents), 102 (self-incrimination) and 103 (protection from liability).

61E ABC Commissioner may give examination notice to person in relation to whom it is issued and vary time for compliance

ABC Commissioner may give examination notice to person in relation to whom it is issued
(1) If a nominated AAT presidential member issues an examination notice, the ABC Commissioner may give the notice to the person in relation to whom it is issued.
(2) If an examination notice is not given to the person in relation to whom it is issued within 3 months after the day on which it was issued, the notice ceases to have effect at the end of that period.

ABC Commissioner may vary time for compliance with examination notice
(3) If:
(a) the ABC Commissioner gives an examination notice to a person under subsection (1); and
(b) the time specified in the notice under paragraph 61D(b), (c) or (d) is not at least 14 days after the notice is given to the person;
the ABC Commissioner must, at the same time as the examination notice is given to the person, also give notice to the person of a time later than the time specified in the notice.
(4) The ABC Commissioner may, at any time after giving an examination notice to the person in relation to whom it is issued, give notice to the person of a time later than the time:
(a) specified in the notice under paragraph 61D(b), (c) or (d); or
(b) notified under subsection (3).
(5) A later time notified under subsection (3) or (4) must be at least 14 days after the examination notice is given to the person.
(6) If the person is notified of a later time under subsection (3) or (4), the examination notice has effect as if the later time (or the latest of those times) were the time specified in the examination notice.

61F Conduct of examination etc.

Application of section

(1) This section applies if a person is required by an examination notice to attend before the ABC Commissioner to answer questions relevant to an investigation.

ABC Commissioner to conduct examination

(2) The ABC Commissioner must conduct the examination of the person.

Representation by lawyer

(3) The person may, if he or she so chooses, be represented at the examination by a lawyer of the person's choice.

Oath or affirmation

(4) The ABC Commissioner may require the information or answers given by the person at the examination to be verified by, or given on, oath or affirmation, and either orally or in writing. For that purpose, the ABC Commissioner may administer the oath or affirmation.

(5) The oath or affirmation is an oath or affirmation that information or answers are, or will be, true.

ABC Commissioner must not require person to give certain undertakings

(6) The ABC Commissioner must not require the person to undertake:

(a) not to disclose information or answers given at the examination; or

(b) not to discuss matters relating to the examination with any other person.

(20) Clause 62, page 49 (line 20), before "A person", insert "(1)".

(21) Clause 62, page 49 (after line 30), at the end of the clause (before the penalty), insert:

Note: A court may impose a maximum penalty of 30 penalty units instead of, or in addition to, a term of imprisonment. A body corporate that is convicted of an offence may be fined up to 5 times that maximum penalty (see subsections 4B(2) and (3) of the Crimes Act 1914).

(22) Clause 62, page 49 (after line 31), at the end of the clause (after the penalty), add:

(2) This Part does not require a person to give information, produce a document or answer questions if to do so would disclose information that:

(a) is the subject of legal professional privilege; or

(b) would be protected by public interest immunity.

Note: A defendant bears an evidential burden in relation to the matters in this subsection (see subsection 13.3(3) of the Criminal Code).

(23) Clause 62, page 49 (line 28), omit "subsection 61(5)", substitute "subsection 61F(4)".

(24) Clause 64, page 50 (lines 17 to 25), omit the clause, substitute:

64 ABC Commissioner must notify Commonwealth Ombudsman of issue of examination notice

(1) As soon as practicable after an examination notice has been issued, the ABC Commissioner must:

(a) notify the Commonwealth Ombudsman that the examination notice has been issued; and

(b) give the Commonwealth Ombudsman a copy of:

(i) the examination notice; and

(ii) the affidavit that accompanied the application for the examination notice; and

(iii) any other information in relation to the examination notice that was given to the nominated AAT presidential member who issued the notice.
(2) If notice under subsection 61E(3) or (4) is given to a person, the ABC Commissioner must notify the Commonwealth Ombudsman as soon as practicable after giving notice.

(25) Clause 65, page 51 (line 16), omit "and any assistant", substitute "and any person assisting the ABC Commissioner".

(26) Clause 65, page 51 (lines 27 to 31), omit subclause (6), substitute:

(6) As soon as practicable after the end of each quarter of each financial year, the Commonwealth Ombudsman must prepare and present to the Parliament a report about examinations conducted during that quarter. The report must include the results of reviews conducted under this section during that quarter.

(27) Clause 106, page 87 (line 23), omit "(annual reports)" substitute "(quarterly and annual reports)".

(28) Clause 107, page 88 (line 26), omit "(annual reports)" substitute "(quarterly and annual reports)".

(29) Clause 120, page 97 (before line 30), before paragraph (4) (a), insert:

(aa) matters required or permitted by this Act to be prescribed by the regulations; or

(ab) matters necessary or convenient to be prescribed for carrying out or giving effect to this Act; or

The first two clauses of these amendments are something that Senator Hinch has worked on. I commend him for it. They relate to broadening the scope of the objects of the bill, to add the words 'encouraging youth employment with an emphasis on engaging apprentices,' which is a very worthy objective, and I think it puts a focus on the bill.

I will spend more time speaking in relation to examination notices and AAT oversight. These amendments maintain the current administrative oversight for the use of coercive powers. An Administrative Appeals Tribunal presidential member will be required to issue the examination notice, rather than the ABC Commissioner as the current bill allows. This is a safeguard against any misuse of coercive power. Other associated provisions from part 3, chapter 7, have also been incorporated.

These amendments address some concerns about the coercive powers in this bill, although I note that coercive powers are used in other pieces of legislation with the ACCC, ASIC, APRA, but it is important to note that the coercive powers are not new. In 2012, under the former Labor government coercive powers were retained, with safeguards, for the FWBC. One of those safeguards was oversight by the AAT, which required an AAT presidential member to issue the examination notice.

These amendments also clarify that a person who is the subject of an examination notice does have the right to a lawyer. There have been countless times when I have heard senior members of the opposition say that this bill takes away the right to legal representation. The text of clause 61(4) of the current bill states:

A person attending before the ABC Commissioner, or before an assistant, as mentioned in paragraph (2)(c) may be represented by a lawyer if the person chooses.

It seems pretty clear that there is a right to legal representation. However, to make it abundantly clear, these amendments will change the wording to read:

The person may, if he or she so chooses, be represented at the examination by a lawyer of the person's choice.

I think we can all confidently say that, without a doubt, someone who is the subject of an examination has the right to legal representation and to choose their own lawyer. There are also amendments to ensure that the AAT presidential members appointed to issue
examination notices continue to do so when the ABCC is established. I am very happy to answer any questions in respect of these amendments.

**Senator CAMERON** (New South Wales) (10:14): I am just beginning to wonder why this government, for three years, held a position of moving from the Fair Work Building Commission act to the bill that they have here, which has been amended, amended, amended and amended again. Why did we have these three years of rhetoric about the need for all these changes in the Fair Work Building Commission when we are really back to the legislation of the Fair Work Building Commission.

We support this amendment. We would rather go back completely to a position where workers get a fair go in this country and you do not have the code denying workers access to negotiate on reasonable terms and conditions in the building industry—the same rights that workers in every other industry in this country have and are being denied to building and construction workers. I just do not get it. I just do not get this government. There were three years of saying, 'This is absolutely essential to restore law and order in the building industry,' and then they cave-in—anything to get a win; anything to get a position where they can say at the end of the period, 'We have got our ABCC bill through parliament.'

This is not the ABCC bill that the extremists in the coalition want. This is not the ABCC bill that the Abbott crew would want. This is still a bad bill, but they have been pulled back so much that it is an absolute embarrassment for them from where they were with the hard-nosed rhetoric that they were on about. We will support this amendment, but we will be continuing to push a proposition that workers should be able to negotiate and bargain on exactly the same terms and conditions as every other worker in the country.

Senator Xenophon, there are the statements that both you and Senator Hinch have made about the worst public servant in the country, Mr Nigel Hadgkiss. I hope that the government starts to listen about having a biased person there. We should just get that fixed. We will support this, but we have other amendments as well.

**Senator CASH** (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (10:17): The government will be supporting the amendment.

**The CHAIR:** The question is that the amendment, as moved by Senator Xenophon on sheet 7954, be agreed to.

Question agreed to.

**Senator XENOPHON** (South Australia) (10:17): I, together with my colleague Senator Hinch, move:

(1) Schedule 2, page 13 (after line 14), after item 14, insert:

**14A Continuation of nomination of AAT presidential members**

(1) This item applies to a person if, immediately before the transition time, an instrument is in force under section 44 of the old Act nominating the person to issue examination notices under Division 3 of Part 1 of Chapter 7 of the old Act.
(2) The instrument has effect, after the transition time, as if it were an instrument made by the Minister under section 61A of the new Act nominating the person to issue examination notices under Part 2 of Chapter 7 of the new Act.

14B Preserving regulations relating to examination notices

Regulations made by the Governor-General for the purposes of a provision of the old Act referred to in column 1 of the table that are in force immediately before the transition time continue in force after that time as if the regulations were rules made by the Minister for the purposes of the provision of the new Act referred to in column 2 of the table.

Preserving regulations relating to examination notices

<table>
<thead>
<tr>
<th>Item</th>
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<tbody>
<tr>
<td>1</td>
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<td>3</td>
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This is, in a sense, consequential to the amendment that has just been passed. In fact, I spoke to it earlier. This is about the continuation of nomination of AAT presidential members and the preserving of regulations relating to examination notices. In other words, it is to ensure that the safeguards that were built into the previous amendment actually work in a practical sense.

Senator HINCH (Victoria) (10:18): Just to put it into perspective, what we are doing here is just moving bits of old machinery into the new shed.

Senator CAMERON (New South Wales) (10:18): Could I just ask Senator Xenophon why he is not moving all the amendments in that part—(9) to (10).

Senator Cash: It's just transitional, Doug.

The CHAIR: Just so we are clear, this is an amendment to the consequential bill, schedule 2, after item 14, No. 1 on sheet 8009. The question is that this amendment, as moved by Senator Xenophon, on sheet 8009 be agreed to.

Question agreed to.

Senator XENOPHON (South Australia) (10:19): by leave—I, and on behalf of Senator Hinch, move amendments (1) to (10) on sheet 8011 together:

(1) Clause 16, page 20 (line 11), before "The ABC Commissioner", insert "(1)".

(2) Clause 16, page 20 (before line 12), before paragraph (a), insert:

(aa) promoting the main object of this Act (see section 3);

(3) Clause 16, page 20 (after line 20), after paragraph (b), insert:

(ba) ensuring building employers and building contractors comply with their obligations under this Act, designated building laws and the Building Code;

(4) Clause 16, page 21 (after line 7), at the end of the clause, add:

(2) In performing the functions referred to in subsection (1), the ABC Commissioner must ensure that the policies and procedures adopted and resources allocated for protecting and enforcing rights and obligations arising under this Act, designated building laws and the Building Code are, to the greatest extent practicable having regard to industry conditions based on complaints received by the ABC
Commissioner, applied in a reasonable and proportionate manner to each of the categories of building industry participants.

(5) Clause 20, page 23 (line 7), omit "year.", substitute "year; and".

(6) Clause 20, page 23 (after line 7), at the end of subclause (2) (before the note), add:

(d) details of:

(i) the number, and type, of matters that were investigated by the ABC Commissioner during that quarter or year in relation to building employers; and

(ii) the cost, during that quarter or year, of each such investigation; and

(e) details of the following, both in total and in relation to each category of building industry participant:

(i) the number of proceedings commenced in accordance with this Act in that quarter or year;

(ii) the cost, during that quarter or year, of those proceedings (including legal expenses); and

(f) details of the number, and total cost, of such proceedings finalised in that quarter or year; and

(g) details of the legal expenses incurred during that quarter or year as a result of enforcement action undertaken by the ABC Commissioner; and

(h) details of industry conditions, during that quarter or year, based on complaints received by the ABC Commissioner during that quarter or year; and

(i) details of activities that the ABC Commissioner has undertaken during that quarter or year to monitor the compliance of products used in building work with relevant Australian standards published by, or on behalf of, Standards Australia;

(j) details of the number, and type, of matters for which examination notices were issued under this Act.

(7) Clause 21, page 23 (line 31), omit "character.", substitute "character; and".

(8) Clause 21, page 23 (after line 31), at the end of subclause (3), add:

(c) will uphold the APS Values set out in section 10 of the Public Service Act 1999, including by performing his or her functions in an apolitical manner and acting impartially and professionally.

(9) Clause 28, page 25 (line 29), omit "incapacity.", substitute "incapacity; or".

(10) Clause 28, page 25 (after line 29), at the end of subclause (1), add:

(c) if the Commissioner fails to perform his or her functions with impartiality as between all categories of building industry participants.

These amendments that I move with my colleague Senator Hinch relate to the functions of the ABC Commissioner, to reporting obligations and issues of termination and appointment. I want to make this absolutely clear: this amendment makes some changes to the language contained in the current bill.

Clause (16) of the bill will be amended so that the functions of the ABC Commissioner's function, to the extent that it is possible, are carried out in an impartial manner across all building industry participants. Clause (20) of the bill will be amended to include additional reporting requirements in the annual report. This amendment will increase transparency and accountability and also require the annual report to include details of compliance activity against building employers—something that is not done now. The level of accountability under the current framework as proposed is not satisfactory, and I am pleased the government is prepared to agree to these extra accountability and transparency measures.
Clause (21) of the bill will be amended to include a requirement for the ABC Commissioner to uphold the Australian Public Service values set out in section 10 of the Public Service Act 1999 and expressly states that the ABC Commissioner will perform his or her functions in an apolitical manner and will act impartially and professionally. Clause (28) of the bill will be amended to include an additional ground of failing to act impartially between all categories of building industry participants.

I have said what I have had to say about the importance of impartiality. These amendments actually do something about it. They actually give a remedy if someone is behaving egregiously and in a partial manner that is not being fair to all building industry participants. I commend these amendments that I move with my colleague Senator Hinch.

Senator HINCH (Victoria) (10:22): This is what I call the 'Senator Cameron amendment' and I think it will hold the commissioner more accountable. The commissioner will not be able to cherry-pick in future—to use my old grandmother's line again, what is sauce for the goose is sauce for the gander—and we think this will toughen things up. Maybe the commissioner will now have to get a diary.

Question agreed to.

Senator CAMERON (New South Wales) (10:22): I rise to move opposition amendment (1) on sheet 8015:

(1) Clause 34, page 29 (after line 29), at the end of the clause, add:

(4) Provisions of the Building Code that are inconsistent with the operation of Part 2-4 of the Fair Work Act 2009 have no effect to the extent of the inconsistency.

I move that for all the reasons that I have been talking about for the last couple of days.

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (10:23): And for all the reasons that we are here today, supporting the bill, the government will not be supporting this amendment.

Senator RHIANNON (New South Wales) (10:23): We need to understand what is going on here with the Building Code. We do just need to reflect on the Fair Work Act. The Fair Work Act may not be perfect—that would be our starting point—but it does give protection to people's rights at work. I would even say it is a step to making Australia a fairer place. That is why we just need to consider what is going on with this amendment and with the Building Code in that context. The essence of the Fair Work Act does say that employees and employers can bargain about their conditions for their workplace. The really important aspect of it is that once they reach agreement those conditions have the force of law. That is the centrepiece and that is what the government is essentially trying to knock out—to absolutely destroy how industrial relations work. That is why we need to identify that essence of the Fair Work Act.

Let's remember what we achieve when we have that act in place, and what can end up having the force of law behind it: the hours of work, supporting apprentices and the issue of casualisation—one of the biggest problems facing the workforce in Australia. And then there is the contracting out that is going on. There are so many areas of our working conditions that are negotiated and that is why we need to ensure that this amendment is supported.
As a matter of basic principle, if an agreement complies with the Fair Work Act, that should be enough. The Fair Work Act already has a number of strict requirements about what can and cannot be in agreements. A Fair Work Commissioner is required to vet every agreement before it is approved and ensure it complies with the laws. That is why the Greens support the amendment and we urge that the Senate does so.

The CHAIR: The question is that amendment (1) on sheet 8015 be agreed to.

The committee divided. [10:29]

(The Chair—Senator Lines)

Ayes ....................33
Noes ....................36
Majority ...............3

AYES

Brown, CL
Carr, KJ
Collins, JMA
Di Natale, R
Farrell, D
Gallagher, KR
Ketter, CR
Lambie, J
Marshall, GM
McCarthy, M
Moore, CM
Polley, H
Rhiannon, L
Siewert, R
Urquhart, AE (teller)
Watt, M
Wong, P

Cameron, DN
Chisholm, A
Dastyari, S
Dodson, P
Gallacher, AM
Hanson-Young, SC
Kitching, K
Lines, S
McAllister, J
McKim, NJ
O'Neil, DM
Pratt, LC
Rice, J
Sterle, G
Waters, LJ
Whish-Wilson, PS

NOES

Abetz, E
Birmingham, SJ
Bushby, DC
Cash, MC
Culleton, RN
Fawcett, DJ (teller)
Fifield, MP
Hanson, P
Hume, J
Leyonhjelm, DE
McGrath, J
Nash, F
Parry, S
Reynolds, L
Ruston, A
Scullion, NG
Sinodinos, A
Williams, JR

Back, CJ
Burston, B
Canavan, MJ
Cormann, M
Duniam, J
Fierravanti-Wells, C
Griff, S
Hinch, D
Hakoschke-Moore, S
Macdonald, ID
McKenzie, B
O'Sullivan, B
Paterson, J
Roberts, M
Ryan, SM
Seselja, Z
Smith, D
Xenophon, N
Question negatived.

The CHAIR (10:33): The question is that these bills, as amended, be agreed to.

The committee divided. [10:33]

(Chair—Senator Lines)

Ayes ..................... 36
Noes ..................... 33
Majority ............... 3

AYES

Abetz, E
Back, CJ
Birmingham, SJ
Burston, B
Bushby, DC
Canavan, MJ
Cash, MC
Cormann, M
Culleton, RN
Duniam, J
Fawcett, DJ (teller)
Fierravanti-Wells, C
Fifield, MP
Griff, S
Hanson, P
Hinch, D
Hume, J
Kakoschke-Moore, S
Leyonhjelm, DE
Macdonald, ID
McGrath, J
McKenzie, B
Nash, F
O'Sullivan, B
Parry, S
Paterson, J
Reynolds, L
Roberts, M
Ruston, A
Ryan, SM
Sculion, NG
Seselja, Z
Sinodinos, A
Smith, D
Williams, JR
Xenophon, N

NOES

Brown, CL
Cameron, DN
Carr, KJ
Chisholm, A
Collins, JMA
Dastyari, S
Di Natale, R
Dodson, P
Farrell, D
Gallacher, AM
Gallagher, KR
Hanson-Young, SC
Ketter, CR
Kitching, K
Lambie, J
Lines, S
Marshall, GM
McAllister, J
McCarthy, M
McKim, NJ
Moore, CM
O'Neill, DM
Polley, H
Pratt, LC
Rhiannon, L
Rice, J
Siewert, R
Sterle, G
Urquhart, AE (teller)
Waters, LJ
Watt, M
Whish-Wilson, PS
Wong, P

Question agreed to.
Bills, as amended, agreed to.
Bills reported with amendments; report adopted.

Third Reading

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (10:36): I move:

That these bills be now read a third time.

The PRESIDENT (10:37): The question is that the bills be now read a third time.
The Senate divided. [10:37]
(The President—Senator Parry)

Ayes .................36
Noes ..................33
Majority .............3

AYES
Abetz, E
Birmingham, SJ
Bushby, DC
Cash, MC
Culleton, RN
Fawcett, DJ (teller)
Fifield, MP
Hanson, P
Hume, J
Leyonhjelm, DE
McGrath, J
Nash, F
Parry, S
Reynolds, L
Ruston, A
Sculliion, NG
Sinodinos, A
Williams, JR

NOES
Brown, CL
Carr, KJ
Collins, JMA
Di Natale, R
Farrell, D
Gallagher, KR
Ketter, CR
Lambie, J
Marshall, GM
McCarthy, M
Moore, CM
Polley, H
Rhiannon, L
Siewert, R
Urquhart, AE (teller)

Cameron, CL
Carr, J
Collins, JMA
Di Natale, R
Farrell, D
Gallagher, KR
Ketter, CR
Lambie, J
Marshall, GM
McCarthy, M
Moore, CM
Polley, H
Rhiannon, L
Siewert, R
Urquhart, AE (teller)
BILLS

Income Tax Rates Amendment (Working Holiday Maker Reform) Bill 2016 (No. 2)

First Reading

Bill received from the House of Representatives.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (10:41): I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (10:41): I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

This Bill is the key element of a broader package of measures to implement the Government’s working holiday maker reform package.

This Government has been committed to getting the policy right on working holiday makers. It is important that our agricultural sector receives certainty.

The Government will therefore today put forward a bill which will propose working holiday makers pay 15 per cent tax on their earnings from the first dollar they earn up to $37,000, after which ordinary marginal tax rates will apply.

The Government thanks Coalition Members and Senators for their constructive contributions in resolving this matter as well as Senate crossbenchers with whom the government has reached agreement to deal with this matter.

Working holiday makers are an important source of Australia’s international tourism and a key source of seasonal labour in regional areas, particularly in the agriculture, horticulture, tourism and hospitality sectors.

We have listened to stakeholders about declining numbers of working holiday makers in areas that rely on their seasonal labour. The Government wants to ensure that we have the workforce to meet these seasonal labour needs.

As a result of our negotiations in the Senate, this Bill will set the tax rate to apply to working holiday makers at 15 per cent from their first dollar of income up to $37,000, rather than the 32.5 per cent
announced in the 2015-16 Budget. Ordinary marginal tax rates apply after $37,000. The new tax rate will apply from 1 January 2017.

Taxing working holiday makers at 15 per cent tax from the first dollar of income up to $37,000 is internationally competitive in terms of after tax income. Even after taking cost of living differences into account, this change will mean that after-tax incomes for working holiday makers in Australia are considerably higher than key competitor countries, such as New Zealand, Canada and the UK.

This Bill gives both working holiday makers and employers certainty about the tax arrangements that will apply.

The Turnbull Government's package of reforms to working holiday maker arrangements addresses stakeholder concerns about the taxation of working holiday makers and makes other changes to increase Australia's attractiveness as a destination for backpackers, while being conscious of its impact on the budget.

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

Senator WHISH-WILSON (Tasmania) (10:42): The Income Tax Rates Amendment (Working Holiday Maker Reform) Bill 2016 (No. 2) is bad policy for agricultural producers in this country. Let us be very clear about this. There have been plenty of heroes in this place hunting headlines, trying to come in at the last minute and do a deal. For the government, I am not sure; for agricultural producers, I am not sure. This is a 15 per cent headline rate for backpackers. Most backpackers in this country do not pay tax at the moment because they deem themselves to be residents for tax purposes. That is a situation that has worked very well for this country's agricultural producers, and it has been good for backpackers. This government has now put a new tax on backpackers of 15 per cent from the first dollar they earn through to $37,000. Let us be really clear about this. This is not a reduction in the tax rate. For all effective purposes, this is a new tax on backpackers.

Go across the ditch, across the Tasman to New Zealand, and backpackers pay a rate of around 12 per cent from the first dollar that they earn. It might sound on the surface that 15 per cent is pretty close to that and that it is competitive, but that is not the case, and let me tell you why. Backpackers in this country also pay 10 per cent of their salary into superannuation, the same as any other worker. This government is going to claw back 95 per cent of that 10 per cent of superannuation. So, for all effective purposes, that is another 9½ per cent tax on top of 15 per cent. So let us do the maths: around 24 per cent is the tax rate that backpackers are going to pay in Australia. Remember at the back of your mind that, at the moment, most of them are not paying tax in this country. These are some of the lowest paid workers in Australia, who fulfil a very important role for Australian industry. We want them to come here for their working holiday, we want them to work hard and we want them to spend their money in the tourism industry while they are here seeing this beautiful country.

It is a win-win relationship, but now, thanks to a stubborn Treasurer who is penny pinching, trying to raise revenue, we now have a new tax on backpackers which is effectively 24 per cent—twice what they pay over in New Zealand. And if anybody does not think the Kiwis are going to capitalise on this, they are living under a rock. This is a competitive situation to get labour in this country. So let us be very clear about this: this is not a good deal for agricultural producers. This is not a good deal for backpackers. This is bad policy, and the Senate should reject it. This is not about getting a political win for Mr Barnaby Joyce and Mr Scott Morrison. Some of the farming groups have been running around—the National Farmers' Federation—cheerleaders for the Liberal-Nationals party, saying, 'Take 19 per cent'
and, when that did not happen, 'Take 15 per cent', because they think it is a good deal for the government, because they are trying to help the government out.

Well, we are trying to help agricultural producers, and we want to see this bill rejected and a competitive tax rate put in place to help Australian producers and help backpackers. The Greens will not be supporting this, and we have a second reading amendment. I move:

At the end of the motion, add:

"but the Senate is of the opinion that the increase in the tax payable on superannuation to 95 per cent which is contained in Superannuation (Departing Australia Superannuation Payments Tax) Amendment Bill 2016 should not be proceeded with."

That would give an effective tax rate for backpackers that is much lower than the one that is being proposed.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (10:46): I thank all senators who have contributed to this debate and I commend the bill to the Senate.

The ACTING DEPUTY PRESIDENT (Senator Marshall): The question is that the second reading amendment moved by the Australian Greens be agreed to.

Question negatived.

The ACTING DEPUTY PRESIDENT: The question now is that the bill be read a second time.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator GALLAGHER (Australian Capital Territory—Manager of Opposition Business in the Senate) (10:47): by leave—I move amendments (1) and (2) on sheet 8018:

(1) Schedule 1, item 6, page 5 (line 15) omit "15%", substitute "10.5%".

(2) Schedule 1, item 7, page 5 (table item 1), omit "15%", substitute "10.5%".

And I move that the question be put.

The CHAIR: The question is that the question be now put.

The committee divided. [10:52]

(The Chair—Senator Lines)

Ayes .................... 35
Noes .................... 32
Majority.............. 3

AYES

Bilyk, CL (teller)  Brown, CL
Cameron, DN  Carr, KJ
Chisholm, A  Collins, JMA
Culleton, RN  Dastyari, S
Di Natale, R  Dodson, P
Farrell, D  Gallagher, AM
Gallagher, KR  Hanson-Young, SC
Question agreed to.

The CHAIR: The question is that the requests standing in the name of Senator Gallagher be agreed to.

The committee divided. [10:56]

(The Chair—Senator Lines)

Ayes ....................35
Noes .....................32
Majority ................3

AYES

Bilyk, CL (teller)  Brown, CL
Cameron, DN  Carr, KJ
Chisholm, A  Collins, JMA
Culleton, RN  Dastyari, S
Di Natale, R  Dodson, P
Farrell, D  Gallagher, AM
Gallagher, KR  Hanson-Young, SC
Hinch, D  Ketter, CR
Kitching, K  Lambie, J

Wong, P  Whish-Wilson, PS

NOES

Abetz, E  Back, CJ
Birmingham, SJ  Burston, B
Bushby, DC  Canavan, MJ
Cash, MC  Cormann, M
Duniam, J  Fawcett, DJ (teller)
Fifield, MP  Griff, S
Hanson, P  Hume, J
Kakoschke-Moore, S  Macdonald, ID
McGrath, J  McKenzie, B
Parry, S  O'Sullivan, B
Reynolds, L  Paterson, J
Ruston, A  Roberts, M
Sculion, NG  Ryan, SM
Sinodinos, A  Seselja, Z
Williams, JR  Smith, D
Xenophon, N
AYES
Leyonhjelm, DE
McAllister, J
McKim, NJ
O’Neill, DM
Rhiannon, L
Siewert, R
Urquhart, AE
Watt, M
Wong, P

Lines, S
McCarthy, M
McKean, CM
Pratt, LC
Rice, J
Sterle, G
Waters, LJ
Whish-Wilson, PS

NOES
Abetz, E
Birmingham, SJ
Bushby, DC
Cash, MC
Duniam, J
Fifield, MP
Hanson, P
Kakoschke-Moore, S
McGrath, J
Nash, F
Parry, S
Reynolds, L
Ruston, A
Sculion, NG
Sinodinos, A
Williams, JR

Back, CJ
Burston, B
Canavan, MJ
Cormann, M
Fawcett, DJ (teller)
Griff, S
Hume, J
Macdonald, ID
McKenzie, B
O’Sullivan, B
Paterson, J
Roberts, M
Ryan, SM
Seselja, Z
Smith, D
Xenophon, N

Question agreed to.
The CHAIR: The question is that the bill be passed subject to requests.
The committee divided. [10:59]
(The Chair—Senator Lines)

Ayes ....................33
Noes ....................32
Majority ..............1

AYES
Abetz, E
Birmingham, SJ
Bushby, DC
Cash, MC
Culleton, RN
Fawcett, DJ
Griff, S
Hinch, D
Kakoschke-Moore, S
McGrath, J
Nash, F
Parry, S

Back, CJ
Burston, B
Canavan, MJ
Cormann, M
Duniam, J
Fifield, MP
Hume, J
Macdonald, ID
McKenzie, B (teller)
O’Sullivan, B
Paterson, J
Bill agreed to subject to requests;
Bill reported with requests.

Adoption of Report

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (11:00): I move:

That the report from the committee be adopted.

In doing so, I will explain to the chamber what just happened. Labor—

Senator Cameron interjecting—

Senator CORMANN: Senator Cameron is getting very excited about himself here! The hubris is unbelievable, because he thinks the government got stuffed. No, the people who got stuffed today by the Labor Party, the Greens, Senator Hinch and Senator Culleton are the farmers of Australia. What Labor, the Greens, Senator Culleton, Senator Hinch and Senator Lambie have done today is vote for Wayne Swan's 32.5 per cent tax rate for nonresident foreign workers, because that is the tax rate that will apply if this vote in the Senate chamber today stands.

Labor, the Greens, Senator Hinch and Senator Lambie have voted for a higher tax than what the government was prepared to do. The government has been absolutely reasonable. Against our better judgement, we proposed to compromise down to an income tax rate of 15 per cent. That is absolutely reasonable. Last week Senator Hinch voted for 19 per cent. Last
week Senator Culleton voted for 19 per cent. But the government compromised further because we understood there was a consensus in this chamber for a 15 per cent tax rate.

Now the chamber has chosen to vote for a 32.5 per cent tax rate because—let me make it very clear—the government in the House of Representatives will not be accepting this request for amendments. The government in the House of Representatives will reject that request for amendments, this bill will come back to the Senate and there will be a final opportunity for the Senate to decide whether they want a 32.5 per cent tax rate from the first dollar earned or whether they want a 15 per cent tax rate—whether they want a 17.5 per cent tax cut for foreign workers or whether they want a 22 per cent tax cut for foreign workers. The government has said there is a limit to how much further we are prepared to cut taxes for foreign workers because we understand that, given the budget is in deficit and given the unsustainable spending growth trajectory that we inherited from Labor, every time we cut taxes by more for foreign workers it means that we have to increase taxes by more or cut spending by more for Australians.

Labor has been quite up-front. Labor wants lower taxes—even lower taxes—for foreign workers and it wants higher taxes for Australians saving for their retirement and higher taxes for Australian small businesses. Labor has been quite transparent, but I am quite surprised that Senator Culleton and Senator Hinch would decide to go for Wayne Swan's 32.5 per cent income tax rate from the first dollar earned instead of going for the much lower 15 per cent tax rate.

So, with those few words, and not wanting to hold the Senate up any longer, I will just confirm for the Senate that the government will not be accepting these requests in the House of Representatives—

Senator Jacinta Collins: Well, then you wear it!

Senator CORMANN: Here we have the hubris again from Senator Collins. The hubris: 'You'll wear it.' No, the Labor Party will wear this like a rose of crowns, the Greens will wear it like a rose of crowns and Senator Culleton, Senator Hinch and Senator Lambie will wear it like a rose of crowns because they will be held responsible. On offer today was a 15 per cent tax rate. Instead, the Labor Party went for the 32.5 per cent tax rate.

I understand the Labor Party is a high-taxing party. The Labor Party might still have some fondness for the Wayne-Swan-introduced 32.5 per cent tax rate for income earned by foreign workers in Australia, so maybe this is just a cunning ploy and some of these other senators have been sucked into this cunning ploy by the Labor Party. But let me be very clear: this vote today by the Senate was a vote against the farmers' best interests. Everybody knows that even at 19 per cent our tax rate here in Australia is internationally competitive. Our tax rate is internationally competitive, and holiday-makers coming to Australia are better off earning money in Australia than they would be for the same amount of money earned in New Zealand, in Canada or in the United Kingdom. Even after that—even though the 19 per cent tax rate was internationally competitive—in order to facilitate a consensus in this chamber, the government went that further step. Quite frankly, we were not all that keen to go that further step—that is a matter of record—but the Senate is now saying: 'Actually, even though there would've been a majority for 19 per cent last week, no, we're not even going to accept the lower 15 per cent. We're going to go for 32½ per cent instead.' That is what they call in the classics 'cutting off your nose to spite your face'.

—Senator J. Collins:
But this, obviously, is now not resolved. If it does not get resolved by the Senate in a form that is acceptable to the government, it means that the 32.5 per cent Wayne Swan tax rate from the first dollar earned by nonresident foreign workers will apply, and everybody in this chamber knows that, consistent with relevant cases in the Administrative Appeals Tribunal and consistent with relevant guidance by the Taxation Office, that is actually the law of the land right now.

Question agreed to.

Report adopted.

**Passenger Movement Charge Amendment Bill (No. 2) 2016**

**First Reading**

Bill received from the House of Representatives.

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (11:06): I move:

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

Question agreed to.

Bill read a first time.

**Second Reading**

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (11:06): I move:

That this bill be now read a second time.

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

Leave granted.

*The speech read as follows—*

The Passenger Movement Charge Amendment Bill (No. 2) 2016 gives effect to the Government’s commitment that the rate of the passenger movement charge of $60 applying from 1 July 2017 will not increase for a minimum period of five years from this date.

This commitment was made to One Nation Senators during passage of the Passenger Movement Charge Amendment Bill 2016 which was passed by the Senate last week. That Bill increased the passenger movement charge from $55 to $60 from 1 July 2017.

This is the first time the passenger movement charge has been increased since 2012. The $5 increase is broadly in line with the increase in the consumer price index between 2012 and 2017.

*The PRESIDENT*: The question is that the bill be now read a second time.

The Senate divided. [11:11]

(The President—Senator Parry)

<table>
<thead>
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<th>Ayes</th>
<th>33</th>
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<td>Noes</td>
<td>32</td>
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**AYES**

Abetz, E
Back, CJ
Birmingham, SJ
Burston, B
Bushby, DC
Canavan, MJ

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CHAMBER
Wednesday, 30 November 2016  SENATE  3727

AYES

Cash, MC  Cormann, M
Culleton, RN  Duni, J
Fawcett, DJ  Fifield, MP
Griff, S  Hanson, P
Hinch, D  Hume, J
Kakoschke-Moore, S  Macdonald, ID
McGrath, J  McKenzie, B (teller)
Nash, F  O'Sullivan, B
Parry, S  Paterson, J
Reynolds, L  Roberts, M
Ruston, A  Ryan, SM
Scullion, NG  Seselja, Z
Sinodinos, A  Williams, JR
Xenophon, N

NOES

Bilyk, CL (teller)  Brown, CL
Cameron, DN  Carr, KJ
Chisholm, A  Collins, JMA
Dastyari, S  Di Natale, R
Dodson, P  Farrell, D
Gallacher, AM  Gallagher, KR
Hanson-Young, SC  Ketter, CR
Kitching, K  Lambie, J
Leyonhjelm, DE  Lines, S
Marshall, GM  McAllister, J
McCarthy, M  McKim, NJ
O'Neill, DM  Polley, H
Rhiannon, L  Rice, J
Siewert, R  Sterle, G
Urquhart, AE  Waters, LJ
Watt, M  Whish-Wilson, PS

Question agreed to.
Bill read a second time.

Third Reading

The PRESIDENT (11:13): As no requests have been indicated and unless any senator wishes to have a committee stage, I shall call the minister to move the third reading.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (11:13): I move:

That this bill be now read a third time.
Question agreed to.
Bill read a third time.
VET Student Loans Bill 2016
VET Student Loans (Charges) Bill 2016
VET Student Loans (Consequential Amendments and Transitional Provisions) Bill 2016

Second Reading

Consideration resumed of the motion:
That these bills be now read a second time.
to which the following amendments were moved:
At the end of the motion, add:
"but the Senate is of the view that public funds should not be provided to private for-profit vocational education and training providers."

At the end of the motion, add:
"the Senate calls on the Government to recognise the importance of the Australian arts industry and community by giving greater representation to artistic and creative courses on the VET student loans eligible course list."

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (11:14): I spoke earlier about this bill and I was interrupted. I was explaining to those on the government benches who were previously opposed to a price cap on VET fees. Minister Ryan, Birmingham and Morrison all came out strongly against the idea. Despite all the criticism from those opposite of Labor's price cap policy, these bills we are debating today propose three different price caps on VET FEE-HELP lines: $5,000, $10,000 and $15,000. This is a backflip of such proportions that, seriously, it would make an Olympic gymnast proud.

Another welcome backflip by the government has been the provision of an ombudsman for the VET sector, something that Labor has been calling for over a long time. The Minister for Education and Training, Senator Birmingham, gave an undertaking a year ago that he would establish an ombudsman, but there was no provision for one in these bills when they were presented to the House. Many stakeholders supported the idea of an ombudsman through their responses to the VET FEE-HELP discussion paper, and it is pleasing to see that the government will finally move to amend their legislation in this place to provide for one. An ombudsman is a sensible, practical step to help students get redress for exploitation and unfair debts.

Labor is also pleased to see the government moving to implement a version of the transparency and reporting requirements that Labor moved in the House. This will allow information about the operation of the scheme to be released twice a year so that the public can scrutinise the effectiveness of what providers are doing and what is happening to taxpayers' money.

Labor has serious concerns about the government's draft eligible course list which were raised by stakeholders through the Senate inquiry. Submissions to the inquiry noted the simplistic methodology used to create the list. The government has based the list on state skills lists, which were never ever designed for this purpose. The requirement that the course be on two state lists has ruled ineligible many specialist courses that are only offered in one state. And there has been particular criticism from the arts and creative industries, as courses
offered by some of our most respected public arts institutions, such as NIDA and the Australian Ballet School, have also been deemed ineligible. I would have thought that the government was actually trying to make some amends in the area of the arts following their disastrous cuts in regard to the arts funding area. There have been courses struck off the list that had been developed to meet industry need which have very high employment outcomes. While we are not voting on the course list today, I understand that my colleague in the House Kate Ellis has written to the minister, urging him to consult with industry on the eligible course list and address the concerns that have been raised.

Labor will be moving two amendments to these bills to address issues that were raised by the Senate inquiry. One of our amendments will allow the minister to grandfather VET FEE-HELP students beyond the end of 2017. The current provisions have the grandfathering abruptly ending at the end of 2017. There are a number of reasons why students may need to continue their study beyond the end of 2017. They might be studying in a course that goes for more than 12 months, they may be studying part-time or they may have suspended their studies taking time off because of illness or family responsibilities. There are currently 140,000 students, by the government's own estimate, who will need to be grandfathered so that they can finish their courses. The alternative for these students will be having to pay the full cost of their course up-front if they want to finish. Under our amendment, the grandfathering power is given to the minister so the extension does not provide an excuse for dodgy providers design on more students and charge inflated fees.

Labor's other amendment would exempt TAFEs from the proposed course restrictions and loan caps for another year until 2018, and this will allow the government time to strike a new funding deal with the states. The VET FEE-HELP problem applies overwhelmingly to the private sector. The following facts clearly demonstrate this. TAFEs have a much higher unit completion, on average 77 per cent compared to 59 per cent for private providers. TAFEs do not charge inflated fees for courses. The tuition fees for the most popular diplomas in 2015 are less than $6,000 at TAFE compared to over $18,000 with private providers. We know from evidence submitted to the Senate inquiry into these bills that the government has been aware for some time that there were problems with the VET FEE-HELP system. The Consumer Action Law Centre, the Australian Competition and Consumer Commission, the Australian Skills Quality Authority and the Department of Education and Training all gave evidence that they were either receiving or aware of complaints as early as 2014. During those years, the Abbott-Turnbull government has gone through five ministers and has been so consumed with their own internal factional squabbles that they failed to take action to address this problem.

This legislation has been rushed through parliament, but it is a rush that Liberals imposed on themselves because of their lack of action over the time that this problem was emerging. It has tied this government in knots and they have failed to undertake proper consultation on the reforms. If this government had acted sooner, they could have saved billions of dollars which could have been invested in apprenticeships and TAFE instead of been wasted on dodgy private providers.

While Labor appreciates the urgency with which these reforms need to be implemented, we are concerned that the government will face challenges in the timely implementation of the new scheme, given the rushed nature of their response. While these bills address the rorts
from unscrupulous private VET providers, there is a parallel crisis in public vocational education brought on by this government's savage cuts. These reforms do nothing to restore the $2.75 billion the Liberals have ripped out of TAFEs, skills and apprenticeships. As a result of the Liberal cuts, there are 130,000 fewer apprentices. TAFE is the backbone of our apprenticeship system, yet the current Assistant Minister for Vocational Education and Skills, Ms Andrews, is questioning whether there is a need for new national partnership on skills—so much for jobs and growth.

The current partnership put in place by Labor expires in the middle of next year, and the government's failure to commit to a new national partnership is putting at risk over $500 million a year of Commonwealth support for TAFE and skills. Labor supports our public TAFE system. That is why we put forward a TAFE funding guarantee before the last election, but for some reason the Liberals have an ideological problem with TAFE. They fail to understand the important role that TAFE has in the provision of technical and professional skills for a strong, competitive economy. And, if they think the private sector is going to do a better job, they only need look at the problems that had to be addressed by the bills we are debating right now. What those opposite have demonstrated with both their cuts to skills and their glacier-like response to the rorting of the VET FEE-HELP system is that they simply do not care about vocational education and training. Only Labor has a commitment to a strong vocational education and training sector, with TAFE at the centre as a public provider. We have been leading the debate for some time on the response to the crisis in the VET sector caused by the rorting of the VET FEE-HELP scheme.

Now the government, after criticising Labor policies, have been dragged kicking and screaming once again to the realisation that our policies provide the best solution. I welcome the government's adoption of Labor policies, although with the thousands of students ripped off and billions of dollars wasted over the past couple of years while the government sat on their hands it really is a case of too little too late. I commend the bills and Labor's amendments to the Senate.

Senator Hanson (Queensland) (11:22): I support the measures in this legislation. The proliferation of private colleges offering courses of suspect outcomes and suspect practices is long overdue for regulation. Those colleges are utilising millions of dollars in education funding when those funds are desperately required by institutions such as TAFE, which is underfunded but offering worthwhile educational courses. We need to keep these TAFE colleges in rural and regional areas. They are very necessary not only for our youth but also for other Australians in these areas. As I travel throughout Queensland I see that a lot of these TAFE colleges are closing down. It is not good for these areas, and we must ensure that TAFE colleges are kept open.

In the vocational education and training sector students are being offered iPads as inducement when they do not any hope of completion and no educational background to successfully complete simply to have student loans approved. We need to look at not only vocational education and training but also further education at university. Where are the degrees and the decent educational level required for people to go on to these courses? We are pushing people into further education when they do not have the academia or the ability to go on further. We should be encouraging people to go into apprenticeship schemes. Going to
university and getting a degree is not the answer. For a lot of students who are finishing these courses there are no jobs.

We have to have a program that says, 'If you are going to have so many going through to do a course, whether it be in hairdressing or in some other profession, students have to know at the end of the day we have too many applying for these professions and there are no jobs to go to.' It is not being managed correctly or properly. Our kids are not being told and are not being put into the right courses. We have to get rid of this mentality that you must go on to higher education. At the end of the day, there have to be the jobs available.

The system was set up so that everyone wants to sign up all these kids to these loans. They give them iPads. They know they have no ability to actually go on and do these studies. The agents are scouring the unemployed on behalf of unscrupulous colleges to sign up students, knowing they have no hope of completion and, even further, no hope of even paying back those loans. This is another cost to the taxpayer. It is estimated that by 2025-26 we are going to be in debt by $185.2 billion. That is going to be 46.3 per cent of the nation's debt. This cannot happen. It cannot go on. It has to be reined in.

This legislation would stop the use of agents. A duty should be placed on colleges to assess further whether a potential student has the educational standard to commence the proposed course, the aptitude for the area of employment to follow the course and the likelihood of completing the course. It is like, 'Come on down! We've got something else for you.' That is what I am hearing. Examples are courses for IT, media, personal trainers, hairdressers, make-up artists et cetera where there are no positions on completion.

In total the VET debt is just over $6.064 billion in fees since 2009 to 2015. So it has grown from approximately $25 million to over $6 billion in a matter of six years. Between 2009 and 2015, students chose to pay approximately $21 million up-front. That represents a mere 0.35 per cent of the total student fees. They pay from day one. How much does a hairdresser make? The government must rein in that debt and ensure each student commits at least a small payment from the beginning of the course towards its repayment. Otherwise, people will continue to take worthless courses unless they know they will be liable to begin repaying their loan immediately. At the present repayments do not start until $54,000 and that is intended to be reduced to $52,000. How many hairdressers and make-up artists make that sort of money?

People have to start being responsible for their own actions, not the taxpayers covering this. I propose—and I will be moving an amendment on this—that from day one people start paying back their loans on a percentage. People should take some responsibility because too many do these courses when they have nothing else better to do with their time. If they do not have the qualifications they should not be doing it. They should be looking for other worthwhile jobs. Then they just walk away and it is not their responsibility. If you take this on, you do have a responsibility to pay back the taxpayer. That threshold must be reduced. People should be paying it back from day one from any income that they make. If they are not earning an income then it should come even from their welfare payments. It comes down to a responsibility. As I said before, by the year 2025-26 we will be in debt of $185.2 billion. We cannot afford it. If we do not start reining this in then, for those students who would be able to do these courses, we will not be able to assist them or fund them at all.
I will now go on to TAFE colleges. A TAFE course may cost $7,000, but I am advised that, for a comparable course, private educational colleges are charging anything between $15,000 and $18,000. Why the difference? Why are they charging so much in these private educational courses? That is another thing that needs to be investigated. People can make rational economic decisions if they know the cost of those decisions. People have to ensure that potential students understand the financial consequences of taking a student loan. It is up to the government to make sure of that; they have a responsibility to the taxpayer.

We are in so much debt in this country and at the moment we are paying $40 million a day in interest alone. If we expect to have decent health care, hospitals and schools in this nation then people who want to access taxpayer funded services must pay back the country and the taxpayer and be responsible for their own actions. As I said at the beginning in this debate, I do support the government and the measures in this legislation. But, as I said, I will be moving an amendment that the students start paying back their debts from day one.

Senator PRATT (Western Australia) (11:31): I rise this morning to support the VET Student Loans Bill 2016 and related legislation. On this side of the chamber we do support the general direction of these bills, but—like with many of the important issues brought to this place by this government—sadly, once again, we see too little too late. We have seen far too little on this issue. For example, in Western Australia, in our home state, we have seen the biggest mining boom in generations, yet accompanying that was an absolute decline in training opportunities. We saw an absolute increase in dodgy private providers ripping off younger and older students, leaving them with massive debts. Now that the mining boom is over we are left with an economy that does not have the skills embedded right throughout the state economy in order to diversify. We have had people under financial stress in the boom and now in the decline they are left with debts instead of qualifications. It is an appalling situation.

Amazingly, the government has finally responded to the wreck that everyone else could see coming, and it has the gall to point to the highly-challenging implementation targets and rushed policies as evidence of its competency on these matters. It really is a shame. The truth, in my view, is that the government has struggled to grasp what is needed to ensure Australians have the very real opportunities they need to train for future market demands in our nation. We have seen five ministers in three years! What more evidence do we need to demonstrate this government's failure to deliver the training and apprenticeship opportunities and technical and vocational education that our nation needs? Where did the $2.75 billion ripped out of TAFE and vocational training actually go? The VET fee situation supposedly meant that students were cross-subsidising that withdrawal of money, but instead what we saw was a massive decline in quality outcomes for students. Why have we seen five ministers in such a short period of time? Is it they perhaps who need training? Why are industry stakeholders still unsure how these changes are going to be implemented in our nation? So much for effective consultation!

But all is not lost. As we all know, imitation is the best form of flattery. Finally this government has adopted some key policies Labor has been calling for which will be implemented in this legislation. The legislation will cap student loans to stop rip-offs; crack down on brokers; link publicly funded courses to industry need and skills shortages; require providers to re-apply under new standards, so only high-quality providers can access the loan
system; link funding to student progress and completion; and establish a VET loans ombudsman. All of these policies were called for by Labor and they have been copied from Labor. Funnily enough, all these policies all rejected by this government back in May.

So what are the future issues for our nation when it comes to education and training in the VET sector? We know that stakeholders have agreed that these reforms are urgently required. We also know that as a nation we are going to face incredibly significant challenges in transitioning into the new scheme, particularly given the proposed time frame that we have before us. We also know that the draft list of eligible courses has attracted significant criticism, particularly in relation to the performing arts and creative industry courses. This is an issue that has been raised with me by many stakeholders. I think it is a difficult issue because we do value the creative arts in our country and people do need to be able to access education and training. When you invest in the arts, there is an economic and social dividend, and it is one that sometimes our economy fails to count. So it is really important, when we look at the final eligible course list, that it is not part of these bills before us. The shadow minister has written to the minister about our concerns about this draft list. We need to continue to engage to ensure that people can access these courses into the future.

One of the key issues to note into the future is that, by restricting access to student loans, the bills are in fact significantly reducing investment in the vocational education system. Compared to the current system, we have $7 billion less being provided in student loans over the forward estimates, and $25 billion less over the decade. This makes the money that the coalition has already ripped out of vocational education and training all the more problematic.

I am concerned about the loan caps. While loan caps are really important, we do not want to see those replaced with significant increases in out-of-pocket costs for students. Unless other supports within our vocational education and training sector are adequate, those out-of-pocket costs are going to prevent students being able to access the education they want.

As a nation we also very much need a longer-term policy response regarding VET courses and TAFE—beyond the debate we are having today. We need to look at a quality national skills partnership. This is about the funding of TAFE and making sure TAFE has a very secure foothold in our nation. We cannot diversify the economy and we will not have the skills that our economy and community need without a quality TAFE sector. It has been of great concern to me how the proliferation of private providers—many of whom are of good quality but many of whom are not—have ripped away money from students and ripped away the reputation of what was a very important and effective sector. We know that TAFE funding expires in mid-2017. We know that the government is negotiating with the states. But what we need is a public commitment to replacing this agreement so that we can protect our TAFE sector.

This legislation also puts forward the establishment of an industry ombudsman, and that is a really important outcome. However, I am very concerned that, despite the passing of this legislation, many students will continue to be saddled with unfair debt because of the legacy of mismanagement of this issue. Providers have collapsed, and there is no entity for students who have such a debt, for courses they have not received, that they can pass that debt on to or settle it with. For us this is going to remain a really critical policy issue. I find it appalling that students who have been trying to advance their opportunities in the economy and contribute to the community, instead of being on a pathway to improve their lives, have been left without
the qualifications they desire. In some cases they have done dodgy courses that have left them
without the skills they wanted, and they have been saddled with large debts.

It is a pretty tough environment for young Australians at the moment when it comes to the
employment market. In my own home state of Western Australia, youth unemployment is
increasing. We are asking students to spend their time studying, engaging in the vocational
education and training sector, so that we can diversify our economy and so that they have an
opportunity to improve their skills and help us diversify the economy. But under this
government there has been a complete abandonment of those students who are trying to do
the right thing.

On the other hand, I have been really pleased to see, coming from this side of the
parliament, the commitment to greater integrity when it comes to these issues. We have put
forward an integrity package to stop the massive waste of taxpayers' money, to prevent price-
gouging of students and to improve training outcomes. That is our vision that we put forward
some time ago, and the government is only now playing catch-up on that initiative.

Last May, in Labor's budget reply speech that Bill Shorten gave in the parliament, MPs
were told that under the Liberals the VET FEE-HELP loan scheme had escalated from $699
million in 2013 to $1.7 billion in 2014. That was a massive escalation when we already knew
that there were problems. We needed intervention sooner, but I guess I am pleased that we
have the opportunity to pass this legislation before the end of the sitting year this week,
because it is urgent. But the priorities of this government are absolutely galling when you
look at the fact that it prioritises the passing of the ABCC legislation over and above an
important bill like this one. We have thousands of students in our country who are absolutely
loaded up with a massive debt for irrelevant qualifications sold to them by dodgy providers—
all of that at great cost to the taxpayer as well as to these students. It is these students who are
paying the price for the government's mismanagement.

The real question is: what is the government going to do in the long term about the debt
that these students have been saddled with in exchange for these dodgy qualifications? Do we
really expect them to pay back that money, for qualifications they have not received? We
have seen students ripped off by unscrupulous colleges and dodgy providers, with taxpayers
being forced to pick up the tab. Some colleges are costing taxpayers more than $1 million in
VET FEE-HELP loans to produce a single graduate. It has been an appalling situation. We
have seen students at private colleges paying fees of up to $32,000 for things like salon
management, $29,000 for project management and $28,000 for marketing diplomas. It is
appalling to see these organisations, private companies, that have set up some of these dodgy
training providers pocketing massive profits at the expense of students. I was particularly
dismayed to see the likes of John Dawkins involved in some of these dodgy practices,
particularly given his history in the higher education sector.

We know that in New South Wales you can get an equivalent government provided course
in its TAFE sector for things like salon management, project management and marketing
diplomas for a little over $6,000. That is what we should be striving for: cost-effective,
government provided courses that have a modest fee attached to them that mean that people
can get quality education that is matched to the needs of local industry and the community.
We do not want to see thousands of Australian students being loaded up with this massive
debt but not the qualification they need to find a job.
We also know that in this environment many providers under this scheme preyed on students in appalling ways. In 2014, we saw that the largest private training colleges in Australia were paid $90 million in government subsidies, and yet less than five per cent of their students graduated. That was certainly of great concern and outrage from our shadow higher education minister, at the time, Senator Kim Carr. We saw just 4,181 students at an average cost of more than $200,000 per student. We are now asking questions in this parliament about where that money went. We need to make sure that now and into the future we can stop this terrible waste of taxpayers' money and, indeed, the exploitation of students.

What we see here are massive subsidies from the taxpayers to these companies but, at the same time, students being saddled with massive debt. It is extraordinary when you think about where all the money has gone.

It is time to stop the terrible exploitation of students. We need integrity in our system and we need to continue to clean out dodgy providers who have been ripping off Australians, both students and taxpayers, for too long. We have had brokers who have preyed on students, offered free computers and laptops, signed them up to expensive courses and made taxpayers in our country pay the bill. It is why we believe that it is reasonable to put limits on course loans in same way that limits are already in place for university degrees, as was put forward by Sharon Bird, who was the shadow vocational education minister when Labor put forward its election policy earlier this year. It is about Labor putting the interests of students and taxpayers first over and above the interests of companies and other vested interests. We know that under the coalition there has been one winner and that has been unscrupulous colleges. While that was happening, apprenticeship numbers plummeted, all because Malcolm Turnbull slashed a billion dollars from apprenticeship support and programs. We know that this masked massive cuts in the VET FEE-HELP scheme and it also masked massive cuts from our vocational education and training sector. We need to continue to rein in taxpayer subsidies to private companies and restore integrity to our vocational education and training sector. It is a critically important thing to do.

What we in the Labor Party want to see is caring for people and their jobs rather than corporate profits in vocational education training companies. If you look at the government's so-called accomplishments in this portfolio, we have seen the graduation rate fall. In the largest 10 private providers, the graduation rate was under five per cent. That represented over $900 million in federal money. We have seen students tricked into racking up massive debts with little hope of finding a job, we have seen an explosion in short course and online courses that are not worth a cracker, we have seen an estimated 40 per cent of VET FEE-HELP loans never being repaid and much of this is because of their inaction.

We know that in this place we have heard all of this before. But you will continue to hear this over and over again from this side of the chamber because we care about people, we care about jobs and we care about quality education and training. In the end, this is about ensuring that all Australians have an opportunity to gain access to quality, market-relevant education and training. We need trust and confidence that training is worth something and that it is affordable. Thank you.

These bills restrict the dollar amount of student loans for vocational education and training and restrict the number of loans that will be issued. These loans are extremely concessional, and the Liberal Democrats believe they promote bad decisions and unfairly burden the taxpayer. For that reason, I will support these bills but I do so reluctantly. The bills restrict the dollar amount and the number of loans in the worst possible way. They restrict the dollar amount of loans by authorising bureaucrats to set caps based on the assumption that bureaucrats know the correct price for a course to become a pilot, mechanic, florist or winemaker. These bills restrict the number of loans that will be issued by empowering bureaucrats to select the courses that can come with concessional loans, by imposing taxes on private providers and by banning brokers and agents from providing information to students on student loans. Unsurprisingly, this bureaucratic approach will add $45 million to the costs of the education bureaucracy by 2020.

It would be far better to restrict the dollar amount and number of loans by making them less concessional so that people put serious thought into taking out a loan. This would mean some decided against taking out a loan, while providers would compete for price-conscious students by keeping their fees low. A real interest rate should be imposed on student loans. And you should have to start repaying your loan once your income exceeds the minimum wage rather than the current threshold of $52,000. Your minimum repayments should be a reasonable share of your income rather than the current level of two per cent. And debts should be repaid not just when you leave the country, but also when you die with an estate. These options were not properly explored in the previous parliament and are completely untested in this parliament. These bills will save taxpayers money so I support them, but we could do a great deal better.

Senator POLLEY (Tasmania) (11:53): I rise today to speak on the VET Student Loans Bill 2016 and related bills. I start by getting right to the point. Labor supports the bills in the Senate. We agree to support government amendments to the bills to provide for the establishment of a VET ombudsman proposed by Labor in the other place, increase transparency and reporting requirements proposed by Labor in the other place, and improve the regulation of marketing practices and the broker ban. We also agree to amendments to the bills: firstly, to give the minister the power to grandfather the VET FEE-HELP students beyond the end of 2017; and, secondly, exempt TAFEs from course restrictions and loan caps until the end of 2017, to allow time for the next skills national partnership to be finalised.

Labor has made it clear that it will see these reforms as long overdue and necessary to end the appalling rorting of the scheme that has been allowed to occur. We are pleased to see that the Turnbull government is finally prepared to come to the table and take some action on this issue, which has been growing and continually ignored under their watch. We on this side of the chamber are pleased that Minister Birmingham has agreed to several of Labor's proposed amendments and we do not intend to delay passage of the legislation through the parliament. But their tardiness in dealing with this issue is not unfamiliar. They ignore, they dither, they shift the blame and sometimes, if the problem is bad enough, they jump onboard—like they have with these bills—and try to take credit for Labor's policy.

When it comes to these bills today the government is making a habit of copying Labor's policies. In May the Liberals were falling over themselves to criticise Labor's policy proposal. Today they are trying to take credit for it. Unfortunately, these changes are too little too late.
But I guess it is better late than never. We should have seen legislation to improve VET FEE-HELP before the parliament a year ago, and I remain deeply concerned about the consequences to the vocational education sector if these measures are not correctly implemented.

Thanks to this very mediocre government, today, we are now considering rushed reforms years too late. Hopefully, the government will finally come to the table to sign and get serious about fundamental reform and proper protection for students. Over the last three years the Liberals have shown they simply do not care about technical and vocational education or TAFE. There is clear evidence from the Senate inquiry into these bills that shows problems with VET FEE-HELP emerged in 2014 and that the government knew about them.

That was three years ago. But no proper action was taken before the portfolio had been tossed around between five ministers, no-one having their feet under the table long enough to read their briefs. If the government had done its job and acted sooner, billions of dollars—and I mean billions not millions—could have been invested into apprenticeships and TAFE instead of being wasted on dodgy providers. Instead, the government sat on their hands while the quality of training and courses declined. Fees have skyrocketed and students have been squeezed out of quality TAFEs and lured away by far too many shonks. The Senate inquiry into the future of our aged-care workforce has recently heard about the detrimental impact this is having on the aged-care sector. We have a workforce shortage and quality of care is spiralling.

Labor knows that reform is long overdue and urgent, but the reality is that the bills before the Senate today are only one part of the solution. The proposed changes do nothing to turn around the decline and crisis within our public TAFE system. In fact, from the middle of next year, there is nothing in this government's budget to continue the national partnership that funds TAFE and skills, nothing whatsoever. On all fronts, the government has been asleep at the wheel. This portfolio has had five ministers in three years. And there will probably be another one when Mr Turnbull does his reshuffle after we get out of parliament. There is nothing in them to boost apprenticeships—in fact, they have done the opposite and cut 128,000 apprentice places.

Whilst we support the thrust of these bills, the government has failed to consult properly on the implementation of these changes and the time frame for implementation they have set themselves is overly ambitious and seemingly rushed. We will be watching closely to make sure the rules and determinations made by the minister are fair and effective, holding the government to account as these changes are implemented.

I move now to the government's amendment in the Senate. Labor has been calling for an ombudsman for a long time and has moved amendments in the House to establish one. Almost a year ago in the Senate the minister, Simon Birmingham, gave an undertaking that he would establish one, but when these bills were presented to the House there was no provision for an ombudsman. That is a pretty mediocre government, I have to say. An ombudsman is a practical way to help those students who have been ripped off and left with huge debts and nothing to show for them.

Senator McKenzie interjecting—
Senator POLLEY: That is another interjection from another mediocre senator. The least we can do is make sure there is help in this place so that these students can get their money back. Labor will continue to hold the government to account, to make sure the other legislative changes needed—to establish an ombudsman with the right powers to protect students—are brought forward by the government with urgency.

We are also very pleased that the government is bringing forward a version of transparency and reporting amendments moved by Labor in the House of Representatives. The amendment will make sure that the VET FEE-HELP debacle can never happen again. Even if the minister has dropped the ball again, or is likely to drop the ball again—as the government has done over the last few years—information about the operation of the scheme will be made public twice a year, so we will be able to keep a close eye on what the providers are doing. This is a sensible amendment, and Labor is pleased the government has decided to support it.

We also welcome the changes the government is bringing forward in light of the Senate inquiry findings to strengthen the regulation of marketing practices and the banning of brokers. The inquiry heard disturbing evidence about the risks of exploitative in-house marketing practices at training organisations and about brokers finding ways to get around the proposed ban. This must be stopped, and we will support the government in stopping it. The details will be in ministerial rules yet to be released, but Labor's position is clear: we want brokers to be banned and dodgy marketing practices to be stamped out. We will be watching closely to make sure the minister's rules are thorough and effective in stamping out rorts and shonks.

In light of the Senate inquiry into these bills, Labor is moving two further amendments in the Senate: (1) allowing the minister to grandfather VET FEE-HELP students past the end of 2017, which is very important; and (2) exempting TAFEs from the proposed course restrictions and loan caps for one year, until 2018. Over 140,000 students will need to be grandfathered in the VET FEE-HELP scheme next year so that they can finish their courses. It stands to reason that many of these students will not finish their studies by the end of 2017, when the grandfathering abruptly ends. The impact of this dead stop to grandfathering at the end of 2017 will be huge for students. They will be faced with having to pay the full cost of their course fees up-front if they want to finish. This is completely unfair, and this is set to be yet another wave of VET students that the system will turn into victims through no fault of their own. It is very concerning that the minister has not provided anything in these bills to help these students when it is abundantly clear tens of thousands of students will be put in this position. Labor is moving these amendments because we want to protect students. It is wrong that students are again coming last in the debate, and students deserve to know that, when they start their studies next year, they will be able to afford to finish them.

TAFE is the backbone of the system and, along with innocent students, it has suffered the most in recent years from Liberal cuts and mismanagement at a state and federal level. The national partnership on skills, which funds TAFE, is set to end in the middle of next year, but the government still has not committed to replacing it at all. This uncertainty is crippling for TAFE and TAFE students. That is why we are moving an amendment to exempt TAFE from the eligible course list and the loan caps for one year, into 2017. I cannot stress any more in this chamber today the urgency of these two amendments, supported by the government, in the interest of TAFE and, in particular, those students.
In recent weeks, the Assistant Minister for Vocational Education and Skills, the member for McPherson, questioned whether the national partnership on skills was even needed in the future. This is deeply concerning. The current national partnership, put in place by Labor, expires in the middle of next year. Labor has been absolutely clear: we back public TAFE. That is why we took a TAFE funding guarantee to the last election. TAFE is the backbone of our apprenticeship system, but the Liberals—just as they do on so many issues—revert back to their DNA, where they would do anything but support TAFE. It is time the Liberals joined us in backing TAFE. I urge the minister and those on the other side of the chamber to support our amendments so that we can move forward and so that there is certainty given to all of those TAFE students who will live with uncertainty until these bills are passed. I commend these bills and our amendments to the chamber.

Senator GRIFF (South Australia) (12:04): I rise to briefly speak to the VET Student Loans Bill 2016 and related bills. This package of reforms is aimed at scrapping the existing VET FEE-HELP program and introducing, in its place, a sustainable loans program. According to the Minister for Education and Training, these reforms will deliver an estimated reduction in total outstanding HELP debt of more than $7 billion across forward estimates, and $25 billion over the next 10 years. This is a very significant budget saving. But, given that these reforms are necessary due to the mass rorting of the current system, you have to ask why absolutely nothing has been done since the last raft of reforms in 2012.

Many billions of dollars of taxpayer money has been wasted due to inaction from both Liberal and Labor governments—particularly over the last four years. Looking at figures provided by the Minister for Education and Training, the scheme blew out from costing $325 million in 2012 to costing a staggering $1.8 billion in 2014 and an even more mind-blowing $2.9 billion in 2015. What will 2016 show? Over the same time, student numbers jumped by almost 400 per cent, student fees doubled and student loans increased by a whopping 792 per cent. When we go back just a few years earlier and compare the number of students accessing VET FEE-HELP then to the number accessing it in 2015, we see a jump of 5,000 per cent. That is an increase in student numbers from just over 5,000 to 272,000.

There is absolutely no question that much of this increase—and the resultant cost to taxpayers—is due to wholesale rorting by unscrupulous training providers and brokers. This certainly has to stop. That is, of course, the reason for the bills, but it does not excuse this government's failure to address the wholesale rorting sooner. Another result of this rorting is that many students are now left with significant debts which will, in many cases, probably never be repaid. Some were signed up for thousands of dollars of loans for courses they did not need or would never complete. Some deceitful providers and brokers even signed up Indigenous Australians in remote communities, elderly people living in retirement villages and people with disabilities—sometimes without their knowledge. Why was the government asleep at the wheel with this issue? Why did the Department of Education and Training not have effective auditing in place? Does it now truly have effective auditing in place?

Vocational education and training is pivotal to ensuring effective employment outcomes and qualifications for students. Vocational education and training must take into account the future needs of our economy. According to government, under the new scheme course eligibility will be focused on courses that have a high national priority, meet industry standards, contribute to addressing skill shortages and align with strong employment
outcomes. The minister will have the power to approve and/or change the course list through legislative instrument.

The Senate Standing Committee on Education and Employment has urged the government to give consideration to expanding the number of approved courses where sufficient justification is provided. It would like to see course eligibility expanded to include areas where there are skills shortages and a need to provide specialist training, always ensuring courses align with strong employment outcomes. These recommendations are consistent with the views expressed by the majority of stakeholders who provided evidence during the committee's inquiry process, and the stakeholders that I and my colleagues have met with individually.

During my briefings with the government, I sought feedback in relation to the rationale behind all of the courses the government proposes to cut from the eligible course list. According to the information provided to me by the minister's office, 506 courses have been superseded and deleted; 364 courses have been superseded but are equivalent to a current course; 1,468 courses have been superseded, with no equivalent current course; and 478 current courses have been excluded on the basis that they do not meet the new criteria. To meet the new criteria, courses must be on at least two state and territory skills lists or be required for specific licensing requirements or be STEM related—that is, science, technology, engineering and mathematics related. The government has justified the criteria relating to the two states' skills lists on the basis that there are a few areas where two states would not share the same industry needs. For example, in my home state of South Australia, if South Australia requires particular skills in ageing, the same is likely to be true for Tasmania or another state. Equally, if Western Australia requires specialised mining skills, Queensland is likely to require them as well. The fact that the addition and/or removal of eligible courses will be dealt with by way of regulation and therefore be subject to disallowance should, according to government, assist in ensuring appropriate course listing and funding.

I also note that the government has adopted the committee's recommendations to establish a VET ombudsman. This is certainly a welcome development and should provide further recourse for students in terms of resolving disputes that arise under the existing scheme as well as the new scheme. It should also provide an opportunity for ongoing reviews and, importantly, public disclosure of information relating to the operation of the VET student loans program.

At this stage I would like to note two concerns around the proposed time frames that apply under the main bill. The first is in relation to students. As we know, the VET FEE-HELP scheme ceases on 31 December this year, and those students that are currently receiving VET FEE-HELP loans will fortunately have access to grandfathering arrangements for a further 12 months. Students undertaking eligible courses under the new scheme will be able to access it from 1 January 2017. The obvious problem with this is that we have somewhat tight timing, which will be very difficult for some students, who will be caught by the changes because they have to deal with things over the coming four or so weeks. This is very much a tough ask, and we look forward to hearing from the minister how the department intends to effectively communicate with students.

The second concern relates to TAFEs, publicly owned RTOs and Australian universities that are approved VET FEE-HELP providers. Whilst these providers will not be required to
apply for approval under the new scheme, the scheme timing will still impact them and their students. Indeed, TAFE has sought a further 12-month exemption from the new scheme in order to ensure a smooth transition and to make sure the 140,000 students currently receiving VET FEE-HELP are able to move to the new scheme without disruption. This would of course mean exempting TAFEs from the proposed eligible course list and loan caps for a further 12 months. Given that TAFEs make up around 15 per cent of student loans, there is certainly some merit in this position, and my colleagues were all supportive of the amendments proposed by the opposition, provided that TAFEs are subject to appropriate transparency and accountability measures, which we also considered to be extremely important.

It is also worth noting that the same sorts of concessions have been sought from other providers and, again, we were keen to hear from government in relation to any concessions that could have been provided to them, particularly given the dire ramifications that many of them are now facing. Of course, we know that there is no prospect of any of the amendments or concessions I just mentioned getting up, because the government and the opposition, who are equally responsible for the rorting mess, have come to a cosy arrangement to let the bills go through really without any significant change. Neither want to take responsibility for it; instead, they are only interested in pointing the finger and laying blame at each other's feet. This is an absolute disgrace that will be to the detriment of tens of thousands of students.

Unlike the government and the opposition, my colleagues and I remain committed to a considered debate on a later start date to ensure, as far as possible, that students in particular are not adversely impacted by the government's proposed changes. As such, I foreshadow that I will be moving an amendment to postpone the implementation date of the scheme, something that the government or the opposition should have done themselves. I urge the opposition to put aside the petty politicking and support this amendment for the sake of these students. Really, there is no point standing back after the fact saying, 'I told you so' when you have the opportunity to fend off that threat right now.

There is absolutely no question that reform in this space is well overdue. The fact that the existing scheme has blown out to a mind-boggling $2.9 billion because the government has been asleep at the wheel is evidence enough of this. There are some key elements of the new scheme that will go a long way towards providing value for money for students and taxpayers alike, and stamping out the shonky practices of dodgy training providers and brokers is extremely important. But we must ensure that these changes do not come at the expense of community and industry needs and potential employment outcomes. Similarly, we must ensure the changes do not come at the expense of those course providers that continue to do the right thing, of which there are many. There also needs to be an emphasis on appropriate reporting and transparency to ensure any identified issues are addressed sooner rather than later.

In closing, again, I wish to place on the public record our disappointment that the government and the opposition have seen fit to do a deal that effectively constrains any sort of worthwhile debate and further changes. Both have the opportunity now to support the amendment that I will be moving shortly and ensure that the scheme is not a complete disaster. If this amendment is not supported, there is absolutely no doubt that innocent
training providers will hit the wall; their businesses will collapse, and the tens of thousands of students they enrol will be left significantly out of pocket.

Senator O'NEILL (New South Wales) (12:15): I rise to put remarks on the record regarding the VET sector and these important pieces of legislation that go some way to cleaning up the mess that is currently the state of the nation with regard to vocational education and training.

In principle Labor supports these bills as being necessary but long overdue. It has taken the government far too long to get to this point, and still the legislation continues to raise questions and ignore issues. We understand the urgency, but had they been doing their job the government would not find themselves in this position today. Had this government got its act together sooner and listened to what Labor has been saying for some time now, the public purse would be hundreds of millions of dollars better off. Instead, that money has been wasted and has found its way into the pockets of some unprincipled, ruthless and deceitful private providers—or perhaps profiteers might be a better way to describe them and their practices.

I do not wish to extend the debate unnecessarily, and I know that many have put on the record the scale of the problem. But what I cannot for the life of me understand is why this government has consistently adopted a careless, cavalier and incompetent approach to the vocational education and training sector, given that it is absolutely vital to our economic success and the prosperity of the nation. Under this government, VET policy development has lacked continuity. There have been multiple changes in ministerial responsibility. There has been no sense of direction or anything that would remotely suggest that somewhere somebody in the government was engaged in some strategic thinking around this vital and essential part of how we are going to continually transform our capacity as a nation, economically and in terms of our work participation capacity.

Instead of turning around to dodgy private providers and saying 'Wait a minute: what about student outcomes? What about ensuring high-quality teaching and learning experiences? What about completion rates? What about linking courses to the needs of local and regional economies? What about accountability and transparency? What about value for the taxpayers' dollars?' this government did nothing; they just let it continue. The media has been full of stories about rip-offs, wasted money, poorly thought through courses, a lack of transparency and accountability, and we have seen a very flat-footed government in response.

The scale and the depth of the problem is also well documented in the CEDA report—the recent report by the Committee for Economic Development of Australia—titled VET: securing skills for growth 2016. It claimed that while the VET system in Australia is a fundamental part of our economy it is under very significant threat. That is the context in which this legislation is arriving and why Labor does not seek to delay any further. This is a small change amongst a raft of changes that need to occur to genuinely maximise the value of our investment in the vocational education and training sector. The CEDA report catalogues a VET system that is blighted by drastic reductions in enrolment. It identifies a system in which accountability, transparency and regulation are weak. There is within the system a deep anxiety among providers as to the future of VET funding. They argue that the entire vocational education and training sector system has been so undermined that it is in an extremely parlous state. The CEDA report recommends a comprehensive national review of the sector with discussions within COAG designed to help reach national partnership
agreements. It adds even more weight to the reports that have been prepared by the education and employment committee here in the Senate as well as interest that has come from the House.

Sadly, though, we are in a position where there remains a major gap in the bill, and there is no redress for the many students who have been the innocent victims of dodgy VET providers and who now find themselves thousands of dollars in debt, having signed up for third-rate, badly constructed and poorly delivered courses that did absolutely nothing to help them get into employment. That is an area that certainly needs some further attention.

As a senator for New South Wales I also want to put on the record how valuable TAFE is and what a critical part it needs to have in the conversation going forward. To take the example of one small section of New South Wales as a test case—TAFE New South Wales in the Hunter—in the last period the state government has seen a real decline in funding of TAFE. The outcome there has been the loss of 120 permanent and support staff, with of course a massive economic on-flow, and enrolments are down by approximately 60 per cent. There has been a reduction in the variety of courses offered, significant fee increases and threats to the viability of TAFE centres in places such as Belmont, Glendale, Newcastle, Hamilton and Cessnock. And on the central coast there has been investment over many years of forward-looking governments, particularly state Labor, investing in Wyong TAFE, putting in wonderful facilities for hospitality, only to have the course capacity completely removed. So, these resources are going to waste while young people are desperate to get the training they need to get into a profession that is actually growing on the coast—this complete mismatch.

This is the scale of the problem. When we talk about it here as a bill, it is an abstract concept, but in reality it is people's lives that are being put on hold or delayed indefinitely because of a failure to have proper planning and proper leadership from this government. The Liberal Party talks about managing money. Well, they have clearly showed by the way they have managed this that they have not done that. The other thing is that they are advocates of a market based economy. Now, a market based system is not going to work in rural and regional New South Wales or in any rural or regional area. It cannot have the same dynamic or scale that it does in metropolitan and urban centres. Rural and regional centres are bound to have small student enrolments. We need to make sure that providers understand that this is part of dealing equitably with this, of giving Australians an opportunity, close to where they live, to get a future. Market forces are determining what courses are offered based far too much on delivery costs. The inevitable outcome is that attaching a financial cost to offering a particular course means that in rural areas, where there are small numbers of students, those students will never ever get the training and the access that they need. That problem is being exacerbated by the failure of this government to provide ubiquitous access to the technology of the 21st century—the NBN—to all people across this country. It would have been delivered pretty much across Australia by now had Labor continued with the rollout. So, we are seeing the exacerbation of a lack of access to education for people in regional areas and across this nation.

In closing, can I say that the Prime Minister cannot continue to tour, and to undertake appearances at media studios, sloganeering about an innovative Australia while his government's policy in the VET area has determined that it should shrink—that it should shut
down. How is it possible to retain any credibility whatsoever by simply sitting back and trotting out platitudes, while all around him the system that educates the nation is plunging into crisis more deeply every day? The task is clear: we must restore the integrity of a system that has been plagued by scandal. We must invest in the education and training that our economy and our nation need as we work towards a progressive, dynamic and innovative 21st-century Australia. Can I suggest that, instead of providing $50 billion to provide tax cuts to multinational businesses, this government consider re-investing in our nation's future by committing themselves unequivocally to supporting education and training. If the government is interested in going down that path, Labor stands ready to listen.

Senator KAKOSCHKE-MOORE (South Australia) (12:23): My colleague Stirling Griff has already outlined many of the concerns the Nick Xenophon Team has about this bill; concerns which have grown over the past few weeks since the bill was first due to come before the Senate. But I couldn't not make my own contribution, given the impact these reforms could have on important sectors which I hope to help advance during my term. These are sectors which I do not want to see diminished. The VET Student Loans reforms before us have been described as 'bungled and rushed,' and, 'inequitable, discriminating against women and disadvantaged groups, and in complete contrast to the government's innovation agenda'. If these descriptions are true, then these reforms have gone far beyond what was needed to help stop the rorting of VET-FEE HELP, and instead seem like a savings measure which will be to the detriment of all Australians.

Senator Griff has summarised these concerns and outlined the need for a delay to the commencement date of the reforms. I find it hard to believe that, with just four weeks left before the new scheme is set to start, there is sufficient time for applications to be submitted and processed, for course information to be issued, for an opportunity for students and training providers to actually plan for 2017, and so on. It seems that this will be a logistical nightmare, particularly for the Department of Education—the same department which did not pick up that some providers went from loans of $200,000 to $2 million, almost overnight. Even if the department can work through the enormous administration task, the scheme remains flawed. I pause here to note that these flaws have been raised by the opposition leader, Bill Shorten, directly with Prime Minister Turnbull. Yet we stand here today knowing that this legislation will still pass with minor amendments—because the major parties have done a deal. Rather than act to help prevent a flawed scheme from being included, it seems Labor consider it sufficient to note the issues and then take a step back, as if that will somehow get them off the hook if and when the problems materialise in the future. The provisional approval process, completion rates based on incorrect data, lack of guarantee of enrolment beyond 30 June 2017, loan caps which are inappropriate for adequate course delivery, and important courses omitted from the eligible course list are just some of the notable flaws.

Turning now to the course list, I will touch on a couple of areas which will be disadvantaged due to the omission of courses—courses producing graduates who are currently employed at the coalface of mental health: addiction treatment providers, and those working with victims of domestic violence and sexual abuse, with Aboriginal and Torres Strait Islander populations in prison, and with returned veterans, as well as with refugees suffering PTSD. Courses related to these areas are not on the list. Despite the government's
commitment in these crucial spaces, it has omitted courses that are having transformational outcomes; not just for the people with whom they work but also for the graduates themselves. Graduates of these courses often come from disadvantaged backgrounds, and are entering the workforce—sometimes after long-term unemployment—by having overcome significant hurdles, making a positive impact on the lives of other Australians.

Let me give you some examples, Acting Deputy President Reynolds. Sandrine works with people with acquired brain injuries in the Community Re-entry Program at Flinders University in South Australia. She was previously unemployed and is now working in addition to undertaking further study in a Masters of Counselling and Psychotherapy. Bek works as an art therapist in the Community Re-entry Program, which is for people with brain injuries, and as a private practitioner with people with complex mental health conditions. She has had recent experience with breast cancer, and reports that art therapy helped her to cope and that it is helping other cancer patients, too. Janet works at the repatriation hospital, providing art therapy for people with persistent, long-term mental health conditions. She has a history of mental health issues herself and, in addition to helping others, it helps her function. She was previously long-term unemployed. Alison provides art therapy services to clients of two national employer assistance programs. She is supporting her husband, who has a disability and is on a disability support pension. I could go on and on, but I think the point is already obvious: despite these outcomes, courses including art therapy and transpersonal counselling are not on the list.

Recognition of art therapy around the world as a unique and valuable field in the healthcare arena is growing. It is practised in a variety of settings, from mental health clinics to schools, prisons and senior living centres. In the US, art therapists have become commonplace in veterans' hospitals and medical centres. In the UK, arts programs are routinely integrated into healthcare programs. In my home state of South Australia, one training provider, the IKON Institute of Australia, will cease to be able to operate if the proposed course list comes into effect. A full-time and contractor workforce of around 50 people will no longer have employment. And there are many more examples of training providers expecting to close as a result of these reforms. IKON was one of the first 20 VET-FEE HELP providers in Australia. It has an impeccable history with zero non-compliances. Its statistics show that 87 per cent of IKON graduates have attained employment. Significantly, 88 per cent of IKON students are female. This reflects the community service and health sectors, of which females comprise 68 per cent and 77 per cent respectively, according to the national Workplace Gender Equality Agency.

The current course list only covers eight health and 13 community service qualifications—that is six per cent of the 347 qualifications. There are no accredited training courses for helping professions, but there are 157 qualifications in the engineering and manufacturing fields, which are male-dominated sectors. Also missing are all the vocational performance-skills-oriented courses such as dancing and acting. The government has shown a clear lack of understanding of the importance of vocational training, of face-to-face learning and of regular practice in small classes in developing creative arts students. There is also a lack of understanding, again, that not all students need a university course or are even suited to university teaching and learning methods.
By leaving these courses off the list, the government has created fee barriers that will deter students from different cultural and economic backgrounds from accessing training. Elite training institutions, such as NIDA and the Western Australian Academy of Performing Arts, deliver vocational training, are responsible trainers of artist talent and are valued by the sector. Much like the helping professions that will be impacted as I have already outlined, the negative impact on arts training is occurring because the selection criteria used to determine the eligible course list are flawed.

The government has chosen to restrict the course list to courses that are on at least two state and territory training subsidy lists or are STEM related. This method relies on skills shortage lists and employment measures that do not take into account the characteristics of arts and employment. They do not seem to factor in future needs or developing treatment methods, such as art therapy, appropriately. The Department of Communications and the Arts was apparently not consulted.

The Department of Employment's statistics, which show that health care and social assistance are projected to make the largest contribution to employment growth over the next five years, appear to have been ignored. Whether it is creative arts or helping professions, there seems to have been a failure to recognise and value the people who work in these sectors and those who aspire to work in these sectors. I fear we may just find ourselves in a position where we cannot appropriately service the needs of Australians and have stifled our artists and creatives because, much like their inability to recognise rorting in time, the government could not recognise our future needs in time either.

The government says it has a responsibility to ensure that taxpayer money is well directed and spent in a way that offers the greatest benefit to the Australian community, so it must recognise that at the heart of vocational education and training are the futures and careers of Australians, particularly young people. If you hold the future of anyone, but especially a country, in your hand then you should take great care of it and not rush through what can only be described as unfair, inequitable and flawed policy. Thank you.

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (12:32): I thank all contributors to this debate on the VET Student Loans Bill 2016 and related bills. It is important to firstly remind ourselves why it is we are here and why it is we are doing this. We are doing this to close down the VET FEE-HELP scheme and to replace it with something far more targeted. As many have acknowledged, VET FEE-HELP has been a gigantic failure. We have seen enormous price rises, student growth jumping by 5,000 per cent, course costs tripling in some instances and the value of loans written against the Commonwealth blowing out from $26 million to $2.9 billion. The former Labor Attorney-General and now ASQA commissioner, Michael Lavarch, said during the Senate inquiry:

I have been in and around public life for a long time. I think I can fairly say that this was the worst piece of public policy I have ever seen.

VET FEE-HELP must come to an end. It must come to an end as soon as possible, and that is why the government has introduced this legislation to close this scheme down at the end of December.

We have, of course, taken action to try to fix it along the way. We have applied around 20 measures whilst in government to try to fix this program. Sadly, though, our decision is that a full reset is required. We have seen far too many brokers and far too many providers ripping
off far too many students and taxpayers and destroying and hurting the reputation of the VET system at the same time. That is why on 5 October I announced the new VET Student Loans scheme as a replacement for VET FEE-HELP. It is a new scheme which will still provide financial support to enable genuine students to receive high-quality training—training that aligns with the skills needed in the workplace and the economy. There will be a higher bar of entry for providers; there will be tighter eligibility for courses and their relevance to the skills needs of the states and territories; there will be caps on loans that are related to the efficient cost of delivery of the courses; there will be restrictions on brokers; there will be tougher compliance and investigatory powers; there will be limits on third-party delivery of courses to approved providers; and there will be requirements in relation to student progression.

We want to ensure that students are getting what they pay for. We have inserted provisions to grandfather and protect those students currently in the VET FEE-HELP scheme to ensure that they are supported into the future to complete their studies. We have, of course, spent the last couple of days debating some very contentious legislation. To take a couple of stakeholders from that legislation and look at their views in relation to this legislation, we see broad agreement. Master Builders Australia, on the one hand, said to the Senate inquiry that they 'support the federal government's efforts to overhaul the flawed VET FEE-HELP scheme and believe the introduction of VET Student Loans will go further to protect taxpayers' dollars and students'. The ACTU, an opposite voice in some of the debates we have had in the last couple of weeks, equally said that they 'view the bills being considered as a broadly positive first step towards repairing the broken VET system and restoring public and industry confidence in the ability of the sector to deliver high-quality skills training'. We also have consumer advocates, such as the Consumer Action Law Centre, welcoming the government's package of reforms to the VET FEE-HELP loan scheme from a consumer protection point of view.

So, with industry, with unions and with consumer advocates all on side, I am pleased that this legislation looks like it will enjoy support across the parliament. I particularly thank the opposition for the constructive negotiations and discussions that we have had. I note that the government is bringing some amendments to this bill—amendments that we have worked on as a result of discussions with the opposition, particularly in relation to the adoption of an ombudsman advocated not only by the Labor Party but also by the Greens and, indeed, committed to some time ago by the government.

Our policy is different from that which Labor took to the election, despite what some in the chamber have said, and we have gone far further in restricting provider access, restricting courses to areas related to economic activity and ensuring that loan fees and loan caps are aligned to the cost of delivery of those courses. We have committed to a number of review mechanisms to make sure we get the methodology right in the future.

I note contributions particularly from Senator Hanson and Senator Leyonhjelm about repayment rates in relation to HELP loans. I would urge them to take note of comments I made that such matters are being considered in the context of higher education reform and can be considered at that time. I commend these bills to the Senate—bills that will clean up a great fraud and corruption in the VET system, which has rorted taxpayer dollars, hurt many vulnerable Australians and harmed the reputation of the VET sector, and that will instead give us a far more effective, far more targeted VET Student Loans program into the future.
The ACTING DEPUTY PRESIDENT (Senator Gallacher): The question is that the second reading amendments moved by Senator Hanson-Young on sheets 7966 and 7967 be agreed to.

Senator Hanson-Young: I seek leave to have the two amendments put separately.

The ACTING DEPUTY PRESIDENT: I am just seeking an indication that the chamber would like the amendments moved separately to vote differently on the amendments.

Leave granted.

The PRESIDENT: The question is that the amendment moved by Senator Hanson-Young on sheet 7966 be agreed to.

The Senate divided. [12:43]

(The President—Senator Parry)

Ayes ......................8
Noes ......................47
Majority .................39

AYES

Di Natale, R
Hanson-Young, SC
Hanson, P
Rhiannon, L
Mckim, NJ
Siewert, R (teller)
Rice, J
Whish-Wilson, PS
Waters, LJ

NOES

Bilyk, CL
Birmingham, SJ
Brown, CL
Burston, B
Bushby, DC
Cameron, DN
Collins, JMA
Cormann, M
Culleton, RN
Dodson, P
Duniani, J
Farrell, D
Fawcett, DJ
Ferravanti-Wells, C
Ffield, MP
Gallacher, AM
Gallagher, KR
Griff, S
Hanson, P
Hinch, D
Hume, J
Kakoschke-Moore, S
Ketter, CR
Kitching, K
Leyonhjelm, DE
Macdonald, ID
Marshall, GM
McCarthy, M
McKenzie, B
Moore, CM
Nash, F
O'Neil, DM
O'Sullivan, B
Parry, S
Paterson, J
Polley, H
Pratt, LC
Reynolds, L
Roberts, M
Ruston, A
Seselja, Z
Sinodinos, A
Sterle, G
Urquhart, AE (teller)
Watt, M
Williams, JR
Xenophon, N

Question negatived.
The PRESIDENT (12:47): The question now is that the amendment, also moved by Senator Hanson-Young, on sheet 7967 be agreed to.

Question agreed to.

Original question, as amended, agreed to.

Bill read a second time.

STATEMENTS BY SENATORS

The PRESIDENT (12:47): It now being past 12:45 we move to senators' statements.

Working Holiday Maker Program

Senator O'SULLIVAN (Queensland) (12:47): Today is a hallmark day for me. I have spent my three years in this place endeavouring to expose the Labor Party and the Greens and a couple of others for their hatred of the bush and farmers. And what you have just done today—we have seen you do before in 2011—with the legislation on the backpacker tax is right up there with the suspension of the live cattle trade. You see if it does not play out over Christmas. You have just put thousands of farms, small producers, people in the service industries and people in the beef industry in a terrible position because you know—and we do not want this fraud to go without being exposed—full well that 10.5 per cent taxation is not on the table. It has never been on the table. It was not on the table today and it will not be on the table in the future. This bill is going to come back to this place at 15c and it will have to lay on the table until our farmers in their thousands have called you—and I will devote my entire Christmas break to stirring this up—until you have had hundreds and hundreds of calls each, as they share with you what their Christmas is like when their fruit remains on the trees, when their small crops remain in the fields, when processing cannot occur and the service industries cannot operate and when all of those resorts up and down our coast and in your states cannot operate. I notice a lot of you do not come from my place, and to the few that do, I will tie this stinking, rotten, dead kangaroo around your throats in Queensland. I will make sure that every Queenslander knows that senators from Queensland supported this legislation to send these businesses to the wall at 32½c.

And do you know what the insidious thing is? That your defence to this has been that somehow this was the government's backpacker tax. Well, you know full well that the greatest treasurer ever to live, Mr Swan, introduced this in 2012 with the support of the Greens. This is the Greens-Labor coalition backpacker tax—make no mistake about it. To use the words of Mr Keating: 'It is law. L-A-W.' This is not something to be fiddled around the edges with; this is the current tax rate for foreign nationals. And what the Greens would have us do—let me just concentrate there for a moment—is put them in a position where the foreign nationals can come into this country, just come in from I do not know where—Syria, Iraq, New Zealand, where if you like. What one of the speakers for the Greens did the other day was, when you get to that question for tax purposes, mark off that you are a resident. The Greens promoted fraud in a speech the other day. We found out why: because the speaker has these backpackers working on his grape farm and two of them are living at Mum's.

The ACTING DEPUTY PRESIDENT (Senator Gallacher): Senator O'Sullivan, please direct your comments through the chair and not across the chamber.
Senator O'SULLIVAN: Well, he needs to get on the phone to Mum now and get the rent for the next three months. He needs to get on the phone and tell Mum to put an ad in the paper to get himself some new tenants because these people are going at 32½c.

I have to tell you—this place—you know what? People out there are sick to death of all of us. They are sick to death of their parliament and all of this crap that goes on with politics. They want us to get on with the job and that is exactly what we did. The government went out and took 1,760 submissions from industry, the farm sector, the service sectors sector and the tourist sector.

We took some independent advice on it and we settled on 19c because that is what they wanted. You senators have come in here and said, 'My farmers in Tasmania are ringing me every day.' We had an audacious statement from Senator Whish-Wilson, who told us that he spoke to every farmer in Tasmania. How ridiculous is that!

Senator Carol Brown interjecting—

Senator O'SULLIVAN: It is on the Hansard. You are supporting this, Senator Brown. He has persuaded you to do this. It was the most atrocious, misleading statement in this Senate since I have been here. He said he spoke to every farmer in Tasmania. Think about that. I tell you what I will do, Whishy: bring your phone logs in and prove it and I will give you a free trip to Paris.

The ACTING DEPUTY PRESIDENT: Senator Cameron, on a point of order?

Senator Cameron: Senator O'Sullivan knows that he should address a senator by their proper title.

The ACTING DEPUTY PRESIDENT: Senator O'Sullivan, I do remind you to address those opposite or on other benches by their correct titles.

Senator O'SULLIVAN: That is Senator Whish-Wilson, if anyone was in any doubt. I am sorry, Doug, that I did that. The fact of the matter is that we have a situation here where those opposite have persisted in providing advice into this Senate that is false and have persuaded some of the crossbenchers, who have really demonstrated a real show of ignorance on this issue.

We have just seen Senator Culleton, who is from One Nation and from the bush and has been fighting for farmers, send his neighbours to the wall. That is what he has done today. One Nation is divided. It is an empty vessel now. It is finished. Culleton is one of the Labor Party or maybe one of the Greens.

The ACTING DEPUTY PRESIDENT: Senator O'Sullivan—

Senator O'SULLIVAN: 'Senator Culleton’—my apologies.

The ACTING DEPUTY PRESIDENT: Yes. Please extend the courtesy expected by the chamber.

Senator O'SULLIVAN: Put a global 'Senator' before any senator's name I say so we do not have this problem! We have a serious situation on our hands—

Senator Cameron: Mr Acting Deputy President, I rise on a point of order. I know debates are wide ranging, but to treat the Senate in the way in the way that the senator has done now is just unacceptable. He cannot be so flippant about what he is doing. He should actually treat the chamber with some respect.
The ACTING DEPUTY PRESIDENT: Senator O'Sullivan, I do remind you of the requirement for all acting deputy presidents to observe the standing orders. I do remind you as an acting deputy president to observe the courtesies expected by the President.

Senator O'SULLIVAN: I do respect that. I apologise to the chair for any difficulty that I have created. But I will tell you what: you know you are on the money when Senator Cameron gets up every two minutes to interrupt the thrust of your speech! I have had three interruptions. That is a record for me. Senator Cameron has been interfering, but it will not make any difference because, until this tax rate is settled, every time I come into this place I will talk about this issue. They have to have it branded on their foreheads in the Labor Party and the Greens.

Senator Culleton, Senator Hinch and others: you have ownership of this. This was your tax. This is your tax. The power rests with you to bring it back to a reasonable rate. It is less than what the sector wanted, less than what the agriculture industry wanted and less than what the farmers wanted. It is down four per cent.

Senator Brown interjecting—

Senator O'SULLIVAN: Senator Brown, you need to spend a bit more time reading up on the results of inquiries. I will bet you London to a brick that no-one on the other side has even read the results of the inquiry that was done in the lower house to provide this 19 per cent tax rate.

This is exactly the same as the cessation of the live cattle trade, only it is going to affect more small businesses in the bush. It is going to affect many more than in the live cattle trade. In effect it is up in the north and it flows down through the trade and the market into the south. This is going to affect thousands of small businesses, including mum-and-dad operations at Stanthorpe, Warwick, Laidley and the Lockyer. That is the food bowl of my home state.

The only good thing to come out of this is that in all of these areas the Labor Party will never ever get another vote—not as long as they breathe. The Greens already do not get a vote there. As I said the other day, when the Greens get up and speak in favour of farmers and agriculture, farmers everywhere break out into a big sweat. They really do. They break out into a big sweat. They have a Bex and a lie down and wonder what they have just seen. That is what they are going to find today. You people opposite have crippled these small businesses.

Senator Carol Brown: You have!

Senator O'SULLIVAN: No, it is you people. This is your tax. This is a Labor tax of 32½c and you have just reinforced it today through your actions in this chamber. You do not care about what happens in the bush. Senator Brown does not have a bloody clue about what happens there, and she certainly does not care about what happens there.

This is a devastating decision in this place. This is a devastating economic decision. I see you sitting there, Senator Cameron, with that grin you have. I tell you what: I will get the farmers to take the grin off your dial when they start to contact your office. You will need to put extra staff on. You have brought the economy of these small businesses to a standstill.

The ACTING DEPUTY PRESIDENT: Senator Cameron, you have a point of order?
Senator Cameron: Again, Senator O'Sullivan should actually not threaten a senator in this place. His behaviour during this debate has been absolutely disgusting and he should be called to order.

The ACTING DEPUTY PRESIDENT: All I have heard is Senator O'Sullivan encouraging electors to ring senators' offices, so I do not think there is a point of order there.

Senator O'SULLIVAN: Democracy at work, it is! Fancy! You are going to have to take the calls of some angry constituents in relation to the decision that you take today.

I will close. This is going to come back from the House. There is going to be no acceptance for a 10½c tax. That has the support of all in government, including the National Party. I say that before this group starts to bleat about it. Think about it. We are their people. We live for them, and we support this decision of the government. So those opposite should not start during question time and at other times to suggest that there is some division or fracture within this government. There is none. We are as one on this. I have nothing else to do now in my office as a senator but get this fixed. I will work hard with my colleagues. There are 22 National Party people and many, many Liberal senators and members who will go into the Christmas break now and devote every part of their resources to making sure that every small business in the bush and every economy understands that this is the decision of those opposite decision from start to finish. They made it, and they will have to live with the consequences.

Workplace Relations

Senator CAMERON (New South Wales) (12:59): Isn't it great to hear from the National Party saying how much they care for the bush, when the bush in New South Wales understand that the National Party actually left any resemblance of support for the bush in New South Wales long ago! The Orange by-election demonstrated what they think of the National Party in New South Wales—that is, not much.

I want to go to the issue I stood on today. In June this year, the Griffin Coal company in Collie Western Australian was successful in an application to terminate its existing workplace agreement, which covered approximately 70 maintenance workers represented by the Australian Manufacturing Workers' Union. As a result, maintenance workers have had their pay and conditions cut to the minimum standards in the award. Griffin Coal and parent company Lanco have deliberately stalled negotiations on a new agreement and then sought orders to terminate the old agreement, thereby forcing workers onto minimum wages and conditions. For these workers, this has meant a reduction of 40 per cent in their base pay—a drop on average of $50,000 a year. They have had their hours increase from 42 hours to 49 hours a week. They have had their superannuation entitlements cut back. They have had reductions in their entitlements for annual leave, long service leave and redundancy benefits.

The mine is owned by Lanco Infratech, a conglomerate based in New Delhi, operating in power, mining, real estate and construction. Last year, according to ATO figures, Lanco Resources Australia Pty Ltd had a total income of $122,098,000 and paid no tax! The company claims that it had to cut wages and conditions for its employees because it was making losses. The workers and their union have repeatedly put forward a position that they would accept pay cuts of nearly 20 per cent and agreed roster changes. They have offered up their travel entitlements, reductions in their superannuation and a host of non-monetary conditions in an attempt to reach an agreement with Griffin Coal. At every turn, Griffin Coal
has told the workers that their offers are not good enough—that it wants to reduce wages even lower and force workers to work longer hours. Not bad from an Indian multinational that pays no tax in this country! It is ripping away wages and conditions of Australian workers. Workers are now negotiating from a much reduced position, and many are leaving or looking for work elsewhere so that they can pay their mortgages and household bills.

What is worse, this abuse of the bargaining process is becoming a pattern of employer behaviour under this government. Big businesses are using the Griffin Coal decision to alter the foundations of agreement making. There has been an increase in agreement termination applications since the decision to terminate the Griffin Coal 2012 agreement. AGL, Essential Energy, ExxonMobil and BHP Billiton are all in various stages of pursuing enterprise agreement terminations. In my view, Mr President, this was not the design or intent of these provisions of the Fair Work Act. This is an issue of fairness and justice. Not only are the workers worse off, but they have had their bargaining position permanently weakened.

To quote from a letter from one of the workers at Griffin Coal:

I believe that Commissioner Cloghan's ruling has set a new precedent. Now any company can present [itself] as being in financial hardship and set itself a position to request pay cuts. The company then will not have to negotiate in good faith and not move much in its position and make it near impossible for the workforce to reach an agreement.

While negotiations stall because of this, the company can then apply to have an Enterprise Agreement cancelled. If the workforce doesn't agree to the terms of the company then the Fair Work Commission will place that workforce onto the award!

The worker goes on to describe the effect this is having on the town of Collie:

Families will struggle to pay mortgages and other bills in an increasingly expensive world. Electricity, Water, Health Insurance and the general cost of living goes up due to inflation.

Local businesses will struggle as no one will have disposable income to spend in the local community. Collie is not a tourist hotspot and local businesses rely on local people to support them.

Community and sporting clubs will suffer if workers are forced onto a 2:1 roster. No one will have as much free time on their hands to donate or participate.

Finally, the worker says:

All employees want Griffin Coal to be viable as we are stakeholders too. On saying that, employees shouldn't be made to bear the brunt to cover the full financial losses of a company, which quite clearly is the case.

Mr President, the Lanco Group is worth $1.4 billion. It is a multinational that paid no tax in Australia last year, but has made some individuals very wealthy. Its executive chairman is a multibillionaire—one of the richest men in India, according to Forbes magazine. Where are the Liberals and Nationals on this critical issue for all Australian workers? What good are they if they do not stand up for workers in unfair cases like this? Do they see their job as making it easier for multinationals to extract national resources, pay little to no tax and pay workers as low a wage as possible? The question must be asked: they are the coalition silent when workers are being exploited in this manner?

I have a view that what has been happening is probably that the Western Australian Liberal Party will have been receiving donations from this company, and you never hear the coalition complain about any multinational company that makes donations to them.
I think they want a situation the same as at Carlton & United Breweries, where the company sacked 55 workers and sought to reduce pay by 65 per cent and to cut hard-won entitlements. Again, this is to the benefit of another multinational conglomerate, the biggest of big businesses—in this case, SABMiller, just recently merged with AB InBev, the world's biggest brewer. These are the people who deny decent wages and conditions to the cleaners in this parliament building, workers who had to strike last year for recognition of their rights. The coalition disrespect and disregard the staff in their own Public Service departments, who, I note, will be going on strike again next week as the Turnbull government's hardline, ideological, uncooperative, bad-faith bargaining policy is shown to be a complete failure.

This is why you will hear nothing from the coalition on the outrageous treatment of the workers at Griffin Coal or Carlton & United Breweries, or indeed here at Parliament or in the Australian Public Service. They are the ones pushing this agenda. They want to enrich multinational conglomerates at the expense of Australian workers and the Australian public. They want chaos and rancour in the Public Service, and they want the people who work in this parliament to be put in their place.

Well, they have a fight on their hands. Labor will not back down. Labor will stand with Australian workers fighting for a decent wage, fighting for safe jobs with decent conditions and fighting for the right to bargain fairly with employers. That is what Labor stands for. Labor stands for a fair go for workers. That is why we oppose the ABCC bill. That is why we stand up for the workers at Griffin Coal. That is why we stand up for the families at Griffin Coal.

It is not Labor that you will see, in a budget, ripping and cutting away at family tax benefits and pensions, and trying to impoverish young Australians who cannot find a job. That is the way of that mob over there, who are leaderless, who are rudderless, who are the worst government that we have seen in this country for decades. They are a government with no direction. They simply come together when they are attacking ordinary Australian families, the workers and the workers' unions. This is a government that is an absolute rabble. They will not last long. They are too busy fighting each other. They should start looking after workers at Griffin Coal and other places where workers are exploited. (Time expired)

Environment

Senator RICE (Victoria) (13:09): As we head into summer, many people are sitting at work or at home, picturing what exciting things they might get up to in their holidays. If you are like me, you are going to want to spend as much time as possible with friends and family, and then get out to the many natural wonders that we have in Australia. The possibilities are endless, but we just need to realise the potential that we have.

Imagine crystal-clear streams, majestic towering trees, and ferns and flowers in the undergrowth. Imagine a place where our most threatened species are protected: critically endangered Leadbeater’s possums and swift parrots; endangered koalas, long-footed potoroos, greater gliders and giant freshwater crayfish; birds like Carnaby’s cockatoos and wedge-tailed eagles soaring overhead. Imagine forests soaking up and storing carbon in the most dense form known biologically, and keeping it there for hundreds of years, helping to combat global warming. Imagine these forests purifying water and maximising its production without the need for expensive desalination plants. Imagine reducing the risk of wildfire without the need for extensive fuel reduction burns. Imagine beekeepers, custodians of some of the healthiest
bee populations in the world, producing the finest honey in the world. Imagine walking tracks, horse trails and cycling routes through, and connecting, towns and forests.

We do not have to imagine; this could be a reality. All we need to do is stop the destruction of our precious forests by logging, I use the word 'destruction' knowingly and advisedly. Native forest logging advocates like to say 'harvesting'. They say it regrows. Let us unpack that. First up, let us remember that this matters. Our forests are one of the fundamental building blocks of life on our one and only planet. Our lives depend upon their lives and the services they provide to us, whether that be soaking up carbon dioxide, pumping out oxygen or providing clean water.

For most of the forests logged in Australia, 'harvesting' means 'clear-felling', where 95 per cent of the trees, of all types, are cut down, whether they are wanted for their wood products or not. Animals asleep in those trees crash to the ground or scramble for their lives to try to find new homes where there almost certainly are none. The understorey is crushed, or ripped out of the ground by machinery. Roads, bridges and log landings spread out across the land. There are narrow strips of forest left along creeks, and random habitat trees left as lonesome sentinels. And then it is burnt. More often than not, the habitat trees die in the fire. Any understorey which survives the logging is burnt to a crisp. If the fire does not get the habitat trees, then being exposed to the strong winds usually does. Then, on this blackened moonscape, re-seeding is usually necessary, with a seed mix that favours a small number of tree species that are valued for their wood production, but sometimes even that re-seeding fails. The streams gradually settle, but siltation from the logging is often enough to destroy its value for species like freshwater crayfish, which cannot cope with sand filling up all the cracks between the pebbles and rocks where they live. And the plan is to do it all over again when the forest is 50 to 70 years old—no time for hollows to reform, which usually need over a hundred years. Funnily enough, the animals that need these hollows are not able to hang around for a hundred years! So, yes, I use the word 'destruction' advisedly.

As for the wood, about 20 per cent of the timber-yielding trees end up as sawlogs. Eighty per cent goes straight to the chip mill to be turned into paper pulp, either here or overseas. Of those 20 per cent sawlogs, only a fifth end up as long-lasting wood products, storing carbon as the floors, doors and window frames so promoted by the native forest logging industry. Yes, that is just 4 per cent of the timber removed. That is how they try to justify this destruction. And every hectare of forest that is logged is subsidised by us, the taxpayers. We get less money for the wood removed than it costs to log it. It is not an economically viable operation.

The other telling fact about logging in our native forests is that not one logging operation of public native forest in Australia meets the standards of the international certification system—the Forest Stewardship Council Certification system, known as FSC—not one. Forestry Tasmania and VicForests have applied for certification but have not succeeded, because they are still logging high-conservation-value forest and forest that is home to threatened and endangered species. All they commit to is the much weaker Australian Forestry Standard where they need to monitor operations and 'take action to address threatening processes'—but success of those actions is not required—and to 'minimize any adverse impacts of forest operations on significant biodiversity values', monitoring and minimising, in the case of Leadbeater's possums and swift parrots, from endangered to critically endangered.
It is a complete furphy that logging native forests is good for our climate. The evidence is unequivocal. The most comprehensive science about this is summarised in a paper by Heather Keith that was published last year, where she concludes:

… the greatest mitigation benefit from native forest management, over the critical decades within the next 50 years, is achieved by protecting existing native forests.

'But we need wood,' I hear you say. 'We love wood. Wood is natural.' Yes, yes and yes! Here is the good news story: we do not need to log our precious forests to supply wood. Eighty-five per cent of wood and paper products produced in Australia and the majority of jobs in the industry are in plantations. They produce reliable, high-quality and uniform timber and paper pulp.

The Greens want to end the forest wars. There is an easy way of doing this: commit to shifting all logging out of native forests, plan the transition, set a timeline for each region, work out what additional plantation resource is needed—if any—do the research to maximise the value from plantations and work out the sawing technologies for sawn timber from eucalypt plantations. We can also make much better use of recycled paper. Australian made, 100 per cent recycled paper ticks all the boxes as being ecologically sustainable and good for local jobs, but it is hard to fully support it when the company making it is also logging our precious mountain ash forests. The time is now. The legal framework that has enabled the destruction over the last 20 years is the federal-state Regional Forest Agreements. The first of these, the East Gippsland RFA, expires on 3 February, before we return to this place next year. It and the other agreements must not be renewed or rolled over. They do not protect threatened species. In fact, the controls of the Environment Protection and Biodiversity Conservation Act 1999 do not apply to logging undertaken under an RFA. All that is required is preparation of threatened-species recovery plans, which provide no legal protection for some of the most endangered species in the country.

I call upon the government to see some sense, to halt the rollover and to start the planning to protect, not destroy, our native forests. I can tell you something: the community will cheer. We recently commissioned a survey of residents of the suburbs of Brunswick, Northcote and Richmond in Melbourne. Over 90 per cent supported the protection of our magnificent mountain ash forests in the Great Forest National Park, and 96 per cent said that we have a moral obligation to protect Victoria's native forests for future generations. Until we move to a new future for forestry where the Regional Forest Agreements are consigned to the dustbin of history, where they belong, having failed to protect both native forests and jobs, we are destined to continue the conflict that is as destructive to our society as clear-fell logging is to our forests.

After 35 years of working on this, I am so frustrated that we are still warring over forestry. It would be so straightforward to transition out of native forest. Forestry could stop being controversial and we could have a real, true and sustainable industry for the future. (Time expired)

Disability Services

Senator REYNOLDS (Western Australia) (13:20): As we all prepare in this place to return home to spend Christmas with our family and friends, I ask all in this chamber and, in fact, all Australians to consider the plight of over 6,200 younger Australians who will spend
this Christmas living in an aged-care facility and not at home with their loved ones—a distressing situation which, shockingly, need not be this way.

The facts are this: today, over 6,200 younger Australians between 18 years of age and 65 live permanently in residential aged-care homes. Forty-six per cent of these residents are under the age of 59 and, sadly, many are as young as 18 and in their 20s and 30s. In my home state of Western Australia alone, more than 500 Western Australians are inappropriately housed in these facilities.

Australia's aged-care facilities, as good as many are, are designed to deliver the acute gerontology requirements of older Australians with an average age today of over 85. These facilities are not designed or equipped to house long term and support the very specific requirements of younger people who have, and should have, their whole lives ahead of them. While these facilities do provide basic shelter and care, they cannot and are not equipped to provide the individualised multidisciplinary health and rehabilitation support required for these younger Australians with complex requirements, never mind providing them with the quality of life that all younger Australians should rightly aspire to. Research into the matter is very, very clear: young people who live long term in aged-care facilities with the dying experience declining emotional, physical and mental health. But none of us in this place really needed the research to tell us this.

This is why I sponsored my first inquiry as a senator into the plight of younger Australians with physical and mental disabilities residing in aged care. It came about because two wonderful women, Bronwyn Morkham, the national director of the Young People in Nursing Homes National Alliance, and Dr Di Winkler, from the Summer Foundation, separately brought this situation to my attention. Initially, I found it almost impossible to believe that as a nation we could consign so many of our young people indefinitely to residential aged care. But, sadly, my research quickly demonstrated that this is, in fact, the situation in Australia.

After an exhaustive national inquiry in November 2014, the Senate inquiry reported back to the Senate in June 2015. The committee made a wide-ranging series of recommendations, which it believed would provide an interim solution for the next few years as the NDIS rolled out, nationally, to ensure that all those who wanted and needed to relocate out of these aged-care facilities could do so—so they could finally receive the health rehabilitation and disability support they so badly require and so they could move out into the home of their choice, which is something almost all other Australians take for granted.

We have a choice about where we live and what we do with our lives, which, sadly, is denied to these 6,200 Australians. A stroke, a car accident, a degenerative disease—and there, but for the grace of God, go any of us in this chamber and our families and friends. It is that simple. It could be any of us who find ourselves in this situation. There is also a financial burden placed on young people and their families. Many have children themselves and they have extended family members who find it challenging to visit their mother, father, brother or sister in such a facility.

Young people in nursing homes, sadly, are subject to the same income and assets assessments, relating to government assistance, as elderly residents of aged-care facilities. This can mean that a young person today is up to $1,000 worse off per fortnight than if they were already part of the National Disability Insurance Scheme. Sadly, some individuals decide, as a consequence, that the only way forward for them to afford the care they need is to
divorce their partner. Others decide they have to sell their family home or, because of their circumstances, they lose their home, job and family. Even if they can find a way to get themselves out of residential aged care, they have no home to return to. Consequently, many end up living the rest of their lives in aged care.

The NDIS was created to solve problems exactly like this by better meeting the long-term requirements of people with a disability, their families and carers. This government has already put an additional $10 billion per year into the scheme to support, exactly, groups of people like this. Despite this, young people in nursing homes are not yet prioritised by state or territory governments in the NDIS rollout. This is a completely unacceptable situation given that there are now enough places in the NDIS to allow all young people in aged care to enter the scheme.

The Summer Foundation’s work with young people in nursing homes in NSW and Victoria showed that 98 per cent of the young people they worked with were eligible for the NDIS. Yet after two years of the NDIS being available in the trial sites, hardly any young people in aged care had entered it. Today I have written to ministers Porter and Prentice seeking a speedy government response to this inquiry and also recommending an additional five-point course of action on how to get these people out so that they do not have to spend another Christmas, next year, living in residential aged care.

The first recommendation is that we must reduce the bureaucratic hurdles required to enter the NDIS. They are very identifiable and eminently solvable. The second recommendation is that we must also commit to young people in nursing homes being among the first participants in the NDIS rollout. Again, it is very doable. The positions are available. States and territories simply have to prioritise this particular group in their individual states and territories. The third recommendation is that aged-care providers must be better prepared to move their young residents into the NDIS, which can be done through a campaign and provider workshops and a series of information. Again, it is very doable, and we can do it now. The fourth recommendation is that there needs to be a one-off initiative to fully connect all young people in nursing homes to the NDIS. The evidence is that many of them are still largely unaware of the NDIS and their eligibility and how they access the scheme. Again, it is something that is eminently doable with the desire and the will to do it.

The fifth and final recommendation the government—governments at all levels—must do is stop the pipeline of young Australians entering residential aged care, largely from hospitals or other facilities, where they complete rehabilitation for things like acquired brain injuries and degenerative diseases. At the state and territory level there are simply insufficient rehabilitation facilities. The only option is residential aged care, because they are not able to be taken care of, for their medical requirements, at home. This is very solvable, but to stop this we have to intervene now and stop people going into residential aged care.

Over the course of this inquiry and my advocacy in this area, I keep getting the feeling, from federal and state departments, that this is all too hard. The easiest option for them is to make everybody else and all these young people in Australia just sit back and wait, for another few years, while the full rollout occurs. Well, I am sorry, but it is not too hard and it is simply the wrong thing to do. We know who these 6,200 Australians are, we know what their needs are, we know what needs to be done and we know that over 98 per cent will eventually
be eligible anyway under the NDIS. Why should they have to wait for bureaucrats to get their act together?

It is time for the NDIA, state and federal governments to act and prioritise this very discrete and very needy group of Australians. I will leave the Senate with this thought. What better present could we all provide than the certainty for these 6,200 younger Australians that they will not have to spend another Christmas in a nursing home? This will certainly be my New Year’s Eve wish this year, that we can work together to make this happen.

International Day of People with Disability

Senator CAROL BROWN (Tasmania) (13:29): This Saturday, 3 December marks International Day of People with Disability. Now in its 24th year, International Day of People with Disability has been celebrated on 3 December every year since 1992. The day is set aside to celebrate and promote the participation and inclusion of people with disability in society. It is a great opportunity to raise awareness of people living with disability and the barriers they face within our communities. It is also a chance to celebrate the achievements and contributions of people with disability. Across the country, events will be held to educate, celebrate and break down barriers. I congratulate all those schools, workplaces, businesses and community groups that have already held and are holding barbecues, street stalls, workshops, talent shows and other community events to celebrate the day. I encourage everyone to get online and find an event near them this weekend. These events provide us all with an opportunity to think and talk about and to acknowledge people with disability in a positive way. They also give us the chance to reflect on the work still ahead of us to increase the participation and inclusion of people with disability.

Each year, the United Nations identify a theme for International Day of People with Disability to provide a focus for consideration of barriers that exclude people with disability from inclusion and participation in our communities. The theme for 2016 is ‘Achieving 17 goals for the future we want’, which draws attention to the 17 Sustainable Development Goals and how these goals can create a more inclusive and equitable world for people with disability. The Sustainable Development Goals were developed to succeed the Millennium Development Goals, whose achievement period concluded in 2015. The SDGs address all three dimensions of sustainable development—environmental, economic and social. In announcing the theme, Secretary-General Ban Ki-moon said:

We mark this year’s International Day of Persons with Disabilities in the wake of the adoption of the ambitious 2030 Agenda for Sustainable Development. This global blueprint for action summons us to "leave no one behind".

The theme is about considering the role these goals will play in building a more inclusive and equitable world for people with disability. More broadly, the theme is about an inclusive future for people with disability and how this can be achieved. Disability is specifically mentioned in several of the goals, particularly in relation to education, growth and employment, inequality and the accessibility of human settlements, as well as data collection and the monitoring of the SDGs.

Goal 4, on an inclusive and equitable quality education and the promotion of life-long learning opportunities for all, includes a focus on eliminating gender disparities in education and ensuring equal access to all levels of education and vocational training for vulnerable people, including people with disability. This goal also calls for building and upgrading
education facilities that are child-, disability- and gender-sensitive, and providing safe, nonviolent, inclusive and effective learning environments for all. We know that, even in Australia right now, too many students with disability are not getting the support they need to achieve their best at school. They are not getting the support they need to reach their potential and succeed at school. In fact, the Gonski review of school funding concluded that inadequate support for students with disability limits their achievements not only at school but also later in life. These students are less likely to graduate, go on to further training or be able to find a job.

Goal 8 of the SDGs outlines a vision for sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Specifically, it sets out the aim of achieving full and productive employment, decent work for all women and men—including for young people and persons with disabilities—and equal pay for work of equal value by 2030. Here in Australia, too many people with disability are still excluded from workforce participation. They are not given the opportunity to contribute and to engage in work. Australia has one of the lowest rates of employment for people with disability in the developed world. The OECD ranks Australia 21st out of 29 OECD countries for the employment participation of people with disability. ABS data shows that the workplace participation rate in Australia for people with disability is 53 per cent, compared to 83 per cent for people without disability. In 2015, the unemployment rate for people with disability was 10 per cent—significantly higher than that for people without disability at 5.3 per cent. People with disability deserve the same opportunities as any other Australian to participate in our economy. However, achieving this requires a real plan and a commitment to overcoming barriers for people with disability, including bias and discrimination.

Closely linked to the objective of goal 8 is goal 10, which strives to reduce inequality within and among countries by empowering and promoting the social, economic and political inclusion of all, including persons with disabilities. Again, in Australia people with disability continue to experience unacceptable restrictions on inclusion and participation in economic, cultural, social, civil and political life. In 2015, around two in five people of working age with disability reported that their main source of cash income was a government pension or allowance. Around 45 per cent of people with disability in Australia live near or below the poverty line. This means that Australia currently ranks 26th out of 27 OECD countries for the percentage of people with disability living in poverty.

The exclusion of people with disability in Australia reaches beyond the mere economic. The objective of goal 11 is to make cities and human settlements inclusive, safe and sustainable. Countries are called upon to provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of vulnerable people, such as persons with disabilities.

Further to this, the goal calls for the provision of universal access to safe, inclusive and accessible green and public spaces, particularly for persons with disabilities. Improving accessibility is critical to transforming the experiences and lives of people with disability and creating more inclusive communities. I am pleased that this issue will be examined by the Community Affairs References Committee, following the Senate’s adoption of my reference on progress made under the National Disability Strategy to build inclusive and accessible
communities. It is timely to initiate an inquiry into the efforts to address barriers to the inclusion and participation of people with disability, in the lead-up to International Day for People with Disability.

I would finally note goal 17, which stresses the need for accurate data collection to progress sustainable development. This includes the need for reliable data that is also broken down by disability. Often when we talk about sustainable development in Australia, we look at our role in assisting developing countries, especially within our region—and rightly so. However, we do not have to look too far to see people who are being excluded and left behind; people with disability within our own community are among them.

In spite of the bleak picture I have just outlined, there is much to celebrate on this International Day of People with Disability. So this weekend I encourage everyone to reflect on the work ahead and celebrate the abilities and achievements of people with disability. And I cannot miss the opportunity of putting on record my congratulations to Dylan Alcott, who this week became the first wheelchair star to win the Newcombe Medal, the highest honour in Australian tennis. Alcott is an exceptional athlete by any standard: world No.1 and triple Olympic gold medalist for wheelchair basketball and tennis. Alcott has had the kind of year an athlete dreams of. He successfully defended his Australian Open title, won singles and doubles gold in Rio and was crowned as Australia's Paralympian of the Year—collecting titles not just in Australia but also South Africa, Japan, France and Britain.

And while we might not all be capable of Olympic gold, everyone has abilities that should be celebrated. So this weekend get involved and celebrate ability. And every day that follows, recognise and value the contributions of people with disability. Start a conversation, challenge misconceptions and break down barriers.

Senator LEYONHJELM (New South Wales) (13:39): If we can think of Australia's federation of states being like a family, there is one family member that needs more than a good talking to—it needs an intervention. South Australia needs intervention because its problems are self-inflicted and because too many South Australian politicians have developed a monstrous sense of entitlement. If the South Australia government were a person, it would be an obese 40-year-old man with awful body odour who lives with his mother, refuses to work and plays Xbox all day. He pauses only to demand more Cheezels and iced coffee, or to complain when the lights go out. It really is that bad.

Over the last five years, every category of private investment in South Australia has fallen. While population and employment growth in other states have risen steadily, the graph for both indicators in South Australia is as flat as the Nullarbor Plain. And it is heading for a cliff, as thousands of young South Australians follow the jobs interstate. Unless its course changes, South Australia risks becoming one big barren candle-lit retirement village. The economy of Western Australia left South Australia far behind years ago, and now it appears the tiny ACT could overtake South Australia within 20 years. And the ACT can achieve this despite its primary products being bulldust and hot air. The only economic competition left open to South Australia will be the race with Tasmania to the bottom. Sadly, the lone positive influence that South Australian politicians are having on Australia right now is to make politicians from other states feel better about themselves.

It is hard to say exactly why South Australian legislators are so consistently terrible. But there seems to be a sizeable voting bloc of whingeing wendys and doctors' wives who like to
be represented either by doe-eyed Greens who have never grown up or shameless populists and protectionists. They are professional virtue signallers. They might fly economy and wear cheap suits, but they are costing us billions with the most irresponsible approach to governance imaginable. They claim to be servants of the people, but they are every bit as dodgy with 'other people's money' as the shonkiest crony capitalist. Even the most reasonable South Australian politicians these days seem to believe their constituents will be unable to stand unless propped up by elaborate government schemes. They insult them with their low expectations.

**The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson):** A point of order, Senator Sterle?

**Senator Sterle:** I have not got the standing order in front of me, but someone will remind me. Senator Leyonhjelm, as amusing as he can be, is casting aspersions on members of another parliament within Australia. I would ask if you could remind the senator of the standing order—which I have forgotten.

**The ACTING DEPUTY PRESIDENT:** Senator Leyonhjelm?

**Senator LEYONHJELM:** I do not believe there is such a standing order, Mr Acting Deputy President.

**The ACTING DEPUTY PRESIDENT:** I will get some advice on standing order 193 from the clerk. But it would assist the chair if you did not cast any aspersions towards members from another place.

**Senator LEYONHJELM:** If all they did was turn their own state into an economic basket case, perhaps we could live with it. But the dysfunction of the state now affects us all.

This week, I was visited by Louise Burge, who is still counting the cost of floods on her property near Deniliquin in southern New South Wales. The damage was greatly exacerbated by releases from the Hume Dam as part of the Murray-Darling Basin Plan. You can understand why she is so outraged by suggestions from South Australia that yet more water should be sent down the river. As chair of the recent Senate inquiry into the Basin Plan, I heard testimony from dozens of people in Queensland, New South Wales and Victoria who have suffered greatly, losing their jobs, businesses and regional communities because of water buybacks in their area, turning productive irrigation farms into dryland farms. And yet the primary concern of some South Australian politicians appears to be that people visiting holiday houses in Goolwa might miss out on watching gigalitres of fresh water flow into the ocean every day.

Likewise, the submarine contract is no joke to the rest of us. While we need submarines, it will cost every Australian thousands of dollars to let South Australians have a crack at making them, despite the sorry history of the Air Warfare Destroyers. If you recall, in 2007 we ordered three such ships to be built in South Australia. Even now, not one ship has been delivered and costs have blown out by more than $1 billion.

I should at least acknowledge the South Australian Premier, Jay Weatherill, for recognising that something has to be done about his economy and opening up the debate about nuclear technology. Initiatives in the nuclear field could pull the state out of its malaise. A large-scale waste repository alone, by itself, could attract billions for the state, with little or no risk. Thousands of my constituents in southern Sydney currently live within a few kilometres of
nuclear waste that is held temporarily in a shed at Lucas Heights. Because of the laws of physics, there is no increase in radiation beyond the gates of the facility. However, creating a permanent repository in South Australia, much further away from people than the deposit in Sydney is, sends South Australians and their representatives into paroxysms of rejection. With the recent backtracking from the South Australian opposition leader on the issue, I can confidently predict that a large-scale permanent nuclear waste repository will not happen in South Australia.

If South Australia is to become a useful member of the federation, it needs to change. Like other Australians, South Australians would be better off concentrating on areas in which we have natural advantages, such as agriculture, mining and tourism. No taxpayers' money is needed to support these. Simply reducing red tape would go a long way towards encouraging more investment. The potential expansion of Olympic Dam should have South Australian politicians bending over backwards to help the project proponents make the necessary cuts to their costs. And they should be bending over backwards to ensure that future approval processes will be less arduous than the processes of the past. But instead we have South Australian politicians promising that approval processes will be more arduous and costly.

Allowing farmers to grow genetically modified crops, like in WA and Victoria, would also be important. Genetic modification can help us feed the world's poor. Pandering to thoroughly debunked, antiscientific fearmongering about genetic modification is a luxury that South Australia, and indeed the rest of Australia and the world, cannot afford. South Australia desperately needs to reform its electricity industry. Poor electricity policy burdens its citizens, has made manufacturing in the state unsustainable, raises the operating costs of all businesses, including tourism, and leaves the state dependent on others.

It should allow all forms of power generation, including nuclear power, on equal terms and without subsidy, so that the lowest-cost suppliers succeed. The South Australian government should cut its spending, such as by abolishing the wide range of subsidies it irresponsibly doles out to home owning pensioners. These subsidies just reinforce South Australia's status as the world's biggest retirement home.

The South Australian government should reduce taxes so as to make South Australia a place where at least some people want to live and do business, and it should make it easier to establish and operate a business in South Australia than in any other state. Meanwhile, the best thing we can do to help South Australia get over its addiction to other people's money is to stop giving it to them. The federal government should provide fewer transfers and special payments to all states and tax them less but allow them to raise their own taxes. It would concentrate the minds of South Australians wonderfully if we started to return GST revenues to states based on what they generate, or at least if we doled revenue out on an equal per capita basis. But currently, when an average Australian gets $1 of GST revenue, each South Australian gets $1.42. We should respond less to all of their bleatings—their bleatings for money, for water, for power, and for anything else—until such time as they can demonstrate that they can behave like responsible adults in the federation.

Coal-Fired Power Stations

Senator ROBERTS (Queensland) (13:49): As a servant to the people of Queensland and Australia, I rise to speak in response to the tabling of the report of the Environment and Communications References Committee and its ludicrous recommendations to abolish coal-
fired power stations. Realistically, these are less a serious set of recommendations than an economic train wreck in slow motion. Before continuing, I want to acknowledge and thank Senator Macdonald for his comments earlier this week in which he acknowledged that there has never been a debate on climate in this parliament and that I have started that debate—and I will continue it.

Let us be crystal clear: coal is Australia's best source of cheap and reliable power. Nothing else comes even close. If we want to enjoy the benefits of modern society—the heat, the lighting, the jobs, the prosperity, the wonderful medical care and scientific advancements, the beautiful modern buildings of steel and glass, our cars—and if we want our children to enjoy these things and much, much more, for now our only viable option is coal-fired power stations. That a Labor Party should be responsible for this jobs-destroying, industry-crippling proposal beggars belief. Surely Ben Chifley and John Curtin are turning in their graves. What happened to the Labor Party championing the jobs of mining and energy industry workers, fighting to protect these jobs from cafe-latte-sipping leftists who infect the Greens? Only neo-Marxist, tree-hugging nitwits like the Greens could imagine that a vastly more expensive and totally unreliable power source is an alternative to energy. Senator Waters, the Greens chair of this waste-of-space committee, needs to trade in her koala suit for a straightjacket.

But for the Labor Party to fall into line with Greens anticivilisation activists is surely the ultimate betrayal and the ultimate expression of its ideological corruption and industrial degeneracy. Now, of course, the Greens and their antiworker Labor allies will try to claim that alleged global warming—caused by humans, supposedly—is going to flood the moon and boil our brains. They will say that we need to cripple our industries, slash our jobs, reduce our living standards and go back to using tallow candles for lighting, because the alternative is some mythical Tim Flannery environmental catastrophe. In fact, nothing could be further from the truth. Claimed global warming by humans is about as real as fairies at the bottom of the garden. Where is the empirical evidence that Australian coal-fired power stations have any significant impact on the environment, Mr Acting Deputy President, much less that there is any global warming to which we might be contributing—not the bogus models and shrill appeals to irrelevant authority which usually characterise the so-called evidence given by the apologists of climate change, but actual, irrefutable, empirical evidence. It is my hope today that Senator McAllister starts to listen and to take note, because all she has tendered so far—claiming it to be empirical evidence—is a list of papers, none of which contain empirical evidence. Empirical evidence is not a list of papers or an appeal to authority; it is hard measurements and physical observations, wrapped in a structure of logic that proves causation.

Let me explain it to you, Mr Acting Deputy President Whish-Wilson. We need to justify the claim. To do that, we need to show that temperatures are rising unusually and are continuing to rise. We need to prove that they are driven by carbon dioxide levels in the atmosphere. We need to prove that we control those levels, and we need to prove that that is dangerous.

Let us look at the first of these criteria: temperature. The longest temperature trend in the last 160 years was 40 years of cooling, at a time when the global human production of carbon dioxide increased. The last 20 years reveal a flat temperature—no temperature rise whatsoever; no ongoing temperature rise. The warmest period in the last 140 years was in the
1880s to 1890s in Australia—and that is why the Bureau of Meteorology, taxpayer-funded, only presents us with temperatures from 1910 onwards. In the last 350 years—as shown by numerous long-term temperature records, such as the Central England Temperature record—we have seen nothing more than global warming, cooling, warming, cooling, warming, cooling, warming, stasis: nothing unusual. That is the end of it. But let us look at the second criterion anyway, even though we know there is nothing happening with temperatures. Rather than carbon dioxide changing in the atmosphere—driving temperature changes—in fact, we see the reverse. Temperature changes precede changes in the levels of carbon dioxide. Carbon dioxide levels are a consequence of temperature. Occasionally, carbon dioxide and temperature are synchronous, but carbon dioxide never leads and never drives temperature. Temperature drives carbon dioxide levels. We see that in the seasonal records, we see that in the long-term records, we see that in the ice-core analysis for the last 800 years—it is a fact. So that addresses the second criterion. Temperature is not caused by carbon dioxide levels, it is the reverse.

Let us have a look at the third criterion, which says that human production of carbon dioxide determines the level of carbon dioxide in the atmosphere. That is completely bogus. The empirical evidence and the physical observations and facts show that the level of carbon dioxide in the atmosphere is controlled by temperature and by the oceans, and has nothing to do with human activity. We can see that in the actual data that is shown to us by the Intergovernmental Panel on Climate Change and by the CSIRO. And we can see it when we look at the use of hydrocarbons—and in fact, after the global financial crisis in 2009, the use of hydrocarbons dipped yet the levels of carbon dioxide in the atmosphere continued increasing, because nature drives that, thanks to temperature and the oceans. So we have the complete opposite of all three basic criteria in the logical structure necessary to prove the claim that we are affecting global temperatures.

The fourth criterion is that we need to do something about it because it is, supposedly, dangerous. The fact is that all of Earth's far warmer periods have actually been known and labelled scientifically as 'climate optimums'. Why? Because warmer temperatures are highly beneficial for humans, for plants, for animals; for the biosphere. Warm is good. If we controlled the Earth's thermostat, we would raise the temperature. Unfortunately, we cannot. If we could control the level of carbon dioxide in the atmosphere, we would raise it. But we cannot, because nature controls it—so the whole thing is a complete sham. And that is the basis on which we are now going to destroy our states and our Commonwealth.

Carbon dioxide is not a pollutant. How can it be when it is a completely natural product that is odourless, colourless, tasteless and essential for all life on this planet? Secondly, coal is not some nasty dirty pollutant; it is a miracle resource which, over the last couple of centuries, has lifted billions of people out of poverty in the West, and freed them from dependence on the capricious whim of the natural world. Coal has kept us warm, lighted our homes, powered our factories, built our machines, driven our scientific and medical triumphs, erected our wondrous cities—and it will do the same for the poor in emerging countries such as India today, if only the anti-civilisation, anti-human, green activists will stop trying to prevent it. I draw attention to 1836, when Sydney celebrated the start of the first streetlight network in this country. It was powered by whale oil. The most beneficial factor that has protected the whales
in the last 100 years has been the advent of the use of coal. Thirdly, the poor are highly vulnerable to rises in energy prices; for them, it is a highly regressive tax.

Let us be clear, Mr President: the end of coal-fired power in Australia is not a step towards a renewable and sustainable future; it is simply a mindless, job-destroying lurch towards an energy apocalypse. We need to restore governance, restore science, start doing cost-benefit analysis and, above all, tell the truth. Pauline Hanson’s One Nation Party is about accountability, speaking out and serving the people. We care about people. We are friendly towards people. We are fiercely pro-human. That is why we have the courage to debate to ensure security for the people of Queensland and Australia.

South Korea: Transport Industry

Senator STERLE (Western Australia) (13:59): I want to talk about the disgraceful behaviour of the South Korean government and the way they are screwing the absolute most out of South Korean truck drivers. They are beating them, they are locking them up, they are throwing them in jail—and all South Korean truck drivers want is a safe remuneration rate. They want to go home to their family safe. They do not want to be locked up just because they want to be sustainable. I seek leave to continue my remarks on this disgraceful behaviour by a country that Australia has just signed a free trade agreement with.

The PRESIDENT: Thank you, Senator Sterle. Leave cannot be granted for that request. It being 2 pm, we move to questions without notice.

QUESTIONS WITHOUT NOTICE

Murray-Darling Basin

Senator GALLACHER (South Australia) (14:00): My question is to the Minister representing the Minister for Agriculture and Water Resources, Senator Canavan. I refer to the Prime Minister, who yesterday wrote to the Premier of South Australia to convey his government’s commitment to implementing the Murray-Darling Basin Plan in full and on time. On the very same day, the Deputy Prime Minister refused to back away from his statement that the delivery of 450 gigalitres of upwater, key to the plan, did not have a ‘hope in hades of being delivered’. Who is correct, the Prime Minister or the Deputy Prime Minister?

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (14:00): I thank Senator Gallacher for his question. We will deliver the plan on time and in full consistent with the plan as put in place. I do feel like we are running a few repeats here as we get to the end of the year because we have gone over this before this week. But the plan has in its place a number of conditions around the delivery of the 450 gigalitres that Senator Gallacher mentioned, and we are committed to ensuring that those caveats and those conditions are upheld because that is what is in the agreement—that is what is in the plan—and what is in the plan must be honoured.

As I have also expressed in this place before, some of those conditions—some of those caveats in section 7.17 of the Basin Plan act—go to the fact that, to deliver additional water, we must make sure that it does not deliver additional detriment or socio-economic harm to those communities that rely on water. What we want is to make sure there is a balanced outcome here for all of those people who live in the Murray-Darling Basin and all of those people who rely on the Murray-Darling Basin. All Australians deserve to be respected here,
and we need to make sure we do not trade off some Australians against others—that is not our approach. Our approach is to make sure we deliver a plan that is balanced and that is delivered in full and on time.

We have seen the substantial economic harm that has been imposed on those who live in often small country towns from the ad hoc and uncoordinated buybacks. Unfortunately, they were buybacks that were put in place under a government that Senator Gallacher was involved in. They led to the total destruction of some of these towns—their employment base—and we will not subscribe to that and we will not sign up to that. By doing that, we will be acting consistent with the Basin Plan.

The PRESIDENT: Senator Gallacher, a supplementary question?

Senator GALLACHER (South Australia) (14:02): I refer to Senator Birmingham, who this morning said, in relation to the Prime Minister's deal with Senator Xenophon, that Minister Joyce would still be involved. He said, 'Nothing's changed.' Minister, isn't it clear that Senator Xenophon's deal has delivered words and not water?

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (14:03): What we do need here, obviously, is the agreement among basin states and stakeholders to proceed forward with the Basin Plan. So, when we have discussions about the additional 450 gigalitres or the overall implementation of the plan, including environmental works and measures and other projects, we need to make sure that basin states are on side.

As it stands, there are disagreements among some of those basin states. There is a Victorian Labor government who is opposing additional delivery of water through the Murray-Darling Basin. It is strange that we do not hear questions from Victorian Labor senators here on these types of questions. I know some of them, like Senator Marshall, have great interest in some regional community towns in Victoria, like Ballarat. He is very interested in Ballarat right now, so I am sure he would be interested in keeping the McCain potato factory going in Ballarat. But we need to make sure we have a balance here, and that is why we have committed to more discussions at COAG—to elevate it to that level. That is what is needed and that is what a responsible government does to deliver the plan.

The PRESIDENT: Senator Gallacher, a final supplementary question?

Senator GALLACHER (South Australia) (14:04): My second supplementary question is: does the minister agree that the delivery of the plan in full and on time, including the 450 gigalitres of upwater, is essential to ensuring the future health of the Murray-Darling Basin?

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (14:04): What I have said is we are committed to delivering the Basin Plan. We do think that delivering that Basin Plan will improve the environmental health of the basin, but it will also make sure that we deliver balanced economic and social outcomes for the basin as well. And I am sorry to have to continue to repeat this point, but maybe we do need to read section 7.17 of the Basin Plan for the senator. It says:

If, after calculating the total supply and efficiency contributions under—

other certain sections—

... is not satisfied that a determination of proposed adjustments based on those amounts can be made under this Division that satisfies the criteria below, the Authority may reduce the total supply
contribution, or the efficiency contribution for any affected unit, to a level at which such a
determination can be made.

That is the 450 gigalitres. And then below that there is the point 'the applicable criteria are the
following', and it includes including adjustments achieved and 'neutral or improved socio-
economic outcomes'. That is what is in the plan. That is what we are doing, and we are
committed to doing it and we will deliver it in full.

**Working Holiday Maker Program**

**Senator BUSHBY** (Tasmania—Chief Government Whip in the Senate) (14:05): My
question is to the Minister for Finance and the Minister representing the Treasurer, Senator
Cormann. Will the minister update the Senate on the importance of a fair and competitive tax
rate for working holiday-makers in Australia?

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the
Government in the Senate) (14:06): I thank Senator Bushby for that question. It is, of course,
very important for Australia to have an internationally competitive tax rate for working
holiday-makers, and the Turnbull government is absolutely committed to delivering an
internationally competitive income tax rate for working holiday-makers.

The choice, of course, that the parliament has is not a choice between 10.5 per cent and 15
per cent. The choice the parliament has is a choice between 15 per cent and 32.5 per cent,
because 32.5 per cent is the internationally non-competitive tax rate which has been in place
since 2012-13, when the former Treasurer, Wayne Swan, put it in place. Of course, non-
resident foreign workers in Australia have paid tax from the first dollar earned in Australia
since 1983-84. Initially, the tax rate was 29 per cent. Wayne Swan increased it to the
internationally non-competitive rate of 32.5 per cent. The government, having consulted
with stakeholders—and Liberal-National Party senators, having consulted with stakeholders—and
having worked closely in particular with the farming organisations, has said we are prepared
to ensure that our tax rate for working holiday-makers is genuinely competitive
internationally, and so we are prepared to bring it down.

The tax rate would be competitive internationally at 19 per cent. It is definitely competitive
at 15 per cent. Now, why is the government not prepared to go any further? Because we do
have a responsibility to the Australian people not to impose further unnecessary burdens on
them when it comes to repairing the budget. The policy the Labor Party is pushing would
blow a $240 million hole into the budget. But they do not care about wasting money and not
figuring out how they can pay for it. We are saying that we do not want to increase taxes on
Australians to pay for lower tax rates for foreign workers.

**The PRESIDENT:** Senator Bushby, a supplementary question?

**Senator BUSHBY** (Tasmania—Chief Government Whip in the Senate) (14:08): Can the
minister advise how Australia's tax rates for working holiday-makers compare with the tax
rates in comparable countries?

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the
Government in the Senate) (14:08): I thank Senator Bushby for that supplementary. At a 15
per cent tax rate backpackers working in Australia would have higher after-tax incomes than
their counterparts in New Zealand, taking into account higher minimum wages in Australia,
the tax rates, the exchange rates and cost of living arrangements in those various countries—
for example, New Zealand's minimum wage of $13.74 is much lower than Australia's minimum wage of $17.70 per hour.

Our package for working holiday-makers is also fully funded, whereas Labor has a $240 million hole in their budget plans. Our package also includes other attractive measures: lowering the application charge for working holiday-maker visas; allowing those visitors up to 12 months with one employer; better protection from exploitation by registering employers; and a global advertising campaign to tell the world how good we have it here. People will continue to want to come to Australia because of what a fantastic country we are, and the tax rate the government is proposing is internationally competitive. (Time expired)

The PRESIDENT: Senator Bushby, a final supplementary question?

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:09): I do have a further supplementary. Is the minister aware of any alternative policies?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:09): The alternative policy of the alternative government of Australia is to impose a 32.5 per cent tax rate on any working holiday-maker coming to Australia, because that is the effect of what Labor is promoting. They know that there is no choice between a tax rate of 10.5 per cent and a tax rate of 15 per cent. The choice is between a tax rate of 15 per cent or 32.5 per cent. If Labor genuinely wants a lower tax rate for foreign workers, Labor can have 15 per cent today; the Senate can have 15 per cent today. You can have 15 per cent tomorrow; you can have 15 per cent at any other point in time. But until such time as the Senate accepts 15 per cent, it will be 32.5 per cent—the tax rate put in place by none other than the Labor Treasurer, Wayne Swan. That is the law of the land today. If Labor wants to go out and explain why they want a 32.5 per cent tax rate, that is up to them. (Time expired)

Employment

Senator CAMERON (New South Wales) (14:10): My question is to the Minister for Employment, Senator Cash. I refer to the instrument signed by the minister on 6 November 2014, in her former capacity as the Assistant Minister for Immigration and Border Protection, which removed labour market testing under four bilateral free trade deals. Last week the minister told the Senate:

The policy of the government is very clear ... where there is an Australian ready, willing and able to undertake work, that Australian should be employed.

Can the minister explain how her statement is consistent with the removal of labour market testing?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:11): I thank Senator Cameron for the question. You know when Senator Cameron has had a bad day, don't you? He must be hurting over the imposition of law and order on the building and construction industry, which occurred today—a significant economic reform for this government. In relation to the question, I do remember at the time, in relation in particular to the China free trade agreement, which was one of the agreements that this government signed, the opposition from those opposite in relation to ensuring that businesses in Australia are as competitive as this government can make them. But I also, Senator Cameron, remember the irony of the time
in relation to the CFMEU. Colleagues, if you recall, we had a cap that CFMEU members proudly wear—

**The PRESIDENT:** Order! Pause the clock. Senator Cameron, on a point of order?

**Senator Cameron:** Mr President, this is on relevance. The question I have asked is: can the minister explain how her statement is consistent with the removal of labour market testing? She has not gone anywhere near that question, and her attention should be drawn to the question.

**The PRESIDENT:** I will remind the minister of the question. Minister, you have a minute and nine seconds.

**Senator CASH:** As I was saying, just by way of the free trade agreements that Senator Cameron is referring to, the irony of Labor and the CFMEU’s opposition was that the caps that the CFMEU wear are made in China—

**The PRESIDENT:** Order! Pause the clock. Senator Wong, on a point of order?

**Senator Wong:** My point of order is relevance. We did not ask about the CFMEU’s headwear. We asked a very straightforward question about this minister’s removal of labour market testing under four free trade agreements in her portfolio and her statement subsequently as to government policy. You have done her the courtesy, Mr President, of reminding her of the question. I would ask that she not ask for the extension of such a courtesy unnecessarily.

**The PRESIDENT:** Again, I will remind the minister of the question.

**Senator CASH:** Those opposite would know that, in relation to foreign labour and access to it, our free trade agreements are consistent with world trade obligations. But they are also similar, if not identical, to free trade agreements that the Labor Party signed when they were in office. Can I also remind the Senate that in relation to free trade agreements, if you want to start ticking of success in signing up—

**The PRESIDENT:** Order! Pause the clock.

**Senator Cameron:** Again, on relevance; there is one clear and unequivocal question here: can the minister explain how her statement is consistent with her removal of labour market testing? She again has not gone anywhere near that question.

**The PRESIDENT:** I disagree with you that she has not gone near the question, because she is now addressing matters to the question but has not specifically answered the detail of your question; however, the minister is certainly addressing the question.

**Senator CASH:** As I was saying, in relation to ensuring that Australian businesses do have opportunities under free trade agreements, it is this side of the chamber that has ensured that those free trade agreements are signed up. And, in relation to access to foreign labour under free trade agreements, what we do is ensure that those clauses are consistent with our other international obligations.

**Senator Ian Macdonald interjecting**—
Senator Cameron, supplementary question.

Senator Cameron: Minister, the Prime Minister has consistently attacked the Labor opposition leader for fighting for Australian jobseekers. Given the Senate last night amended the ABCC bill to protect Australian job seekers in the construction sector, will the minister confirm that the Prime Minister has had a change of heart and will accept the Senate's amendment and that the opposition leader was right to stand up for Australian jobs?

Senator Cash: As I said when I was addressing that amendment last night, those of us on this side of the chamber and the Turnbull government firmly believe Australians first. We have always maintained that, when there is an Australian ready, willing and able to undertake a job, they should always be looked to first. But we also believe that, where a business needs to access labour and they are unable to, unlike those on the other side, we are not prepared to stand by and let that business close down.

The President: Order. Senator Cameron, a point of order.

Senator Cameron: Again, on relevance. The question was: has the Prime Minister had a change of heart and will he accept the Senate's amendment and that the opposition leader was right to stand up for Australian jobs. Again this minister goes nowhere near these questions.

The President: Again, Senator Cameron, the minister has not addressed your direct question, but she has certainly gone near the question. She is being relevant. I remind the minister that she has 28 seconds in which to respond to the question.

Senator Cash: As I was saying, those of us on this side of the chamber believe that, where a business is unable to access labour, the last thing we want to see is that business close down, because a business that closes down employs no-one. But the Prime Minister and all of us on this side of the chamber have always been consistent in our comments; we do believe that you should look locally first. (Time expired)

The President: Senator Cameron, final supplementary question.

Senator Cameron: Why is the Turnbull government intent on making it harder for Australians who are ready, willing and able to undertake work to get a job?

Senator Cash: Well, Senator Cameron, we are not. And the passage this morning of the Australian building and construction legislation shows that we are committed to ensuring that we grow our economy. We support our third-largest industry in Australia that employs over 1 million Australians and in which over 300,000 small businesses rely on this industry for their own success. The fact that we have stood up for those businesses and for those industries whilst those opposite did exactly what Michael O'Connor and his CFMEU mates told them to shows that we are committed to standing up for Australians and to ensuring that we have an economy that
On this side of the chamber we understand economies that grow create jobs, and that is what we are all about.

**Great Barrier Reef**

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (14:19):
My question is to Senator Brandis, the Minister representing the Prime Minister. I refer to reports released yesterday by the ARC Centre of Excellence for Coral Reef Studies which show that 67 per cent of the corals in the northern section of the Great Barrier Reef have died after the worst coral bleaching episode, earlier this year, that the reef has ever faced. My question is: when will this government accept that coral bleaching en masse is driven by human induced global warming, and when will you stand up for the 70,000 people whose jobs rely on the reef remaining healthy?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:19): Thank you very much indeed, Senator Waters. It is a very important question you ask, and I acknowledge your deep interest in the issue. We know that the two biggest threats to the Barrier Reef are climate change and water quality. Reefs around the world have been impacted in recent months by a global coral bleaching event of unprecedented magnitude. The impacts of this event are of deep concern to the Australian government just as they are to the governments responsible for other World Heritage sites impacted by the coral bleaching event.

The reef, however, is also showing resilience. The Great Barrier Reef is one of the best managed, most resilient coral reef ecosystems on the earth.

**Senator Ian Macdonald:** Here! Here!

**Senator BRANDIS:** I hear Senator Macdonald associating himself with that remark; nobody in this chamber today has had more to do with the Great Barrier Reef over his career in public life than Senator Ian Macdonald. A recent Australian Institute of Marine Science study found that the coral cover increased by 19 per cent across the marine park between 2012 and 2015, nearly doubling in the southern sector due to good early recovery from cyclones and floods. For visitors, the recent surveys show that there are still many reefs throughout the marine park that have abundant living coral, particularly in popular tourism locations such as the Whitsundays, Cairns and Port Douglas, and even further north. The Reef 2050 Long-Term Sustainability Plan needs a strong bipartisan approach to achieve the goals we set ourselves. In the plan, the Australian government and the Queensland government have jointly committed to invest a projected $2 billion over the next 10 years, and the Commonwealth government welcomes the cooperation of the Queensland Labor government. *(Time expired)*

**The PRESIDENT:** Senator Waters, supplementary question.

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (14:22): I note that the Attorney conveniently avoided my question about the 2016 bleaching event, which was the worst on record. But there are reports today that the draft government response to the World Heritage Committee includes a northern Great Barrier Reef response plan which has no new actions and no new money associated with it. Not only that, but the water quality targets are underfunded by $8 billion. Where are you getting your advice from that this will fix the reef?
Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:22): Senator Waters, I just told you about the 2050 plan. I just told you that the Australian coalition government and the Queensland government, a Labor government, have jointly committed to investing $2 billion over the next 10 years.

The PRESIDENT: Senator Waters, a point of order?

Senator Waters: Yes, thanks, Mr President. I just told the Attorney that it is $8 billion short on water quality alone and that no new funds have been dedicated in the northern coral reef response plan. That is my specific question.

The PRESIDENT: That is a debating point. There is no point of order.

Senator BRANDIS: I suppose $8 billion is just small change for the Greens! But, nevertheless, this is the investment that we have made jointly with a partner government of $2 billion, which is a very, very substantial sum of money, Senator Waters.

The Commonwealth has backed its commitment with over $460 million in additional program funding through the Department of the Environment and Energy which has been allocated since 2014-15. Of this, nearly $136 million is now with projects that will specifically improve water quality. (Time expired)

The PRESIDENT: Senator Waters, a final supplementary question?

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (14:24): Yes, thanks, Mr President. When will the Prime Minister stand up to the climate dinosaurs within his own party and in One Nation and finally take meaningful action on climate change to save the reef?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:24): Truly, Senator Waters, as I said to you in my response to your initial question, the Australian government accepts that one of the great challenges to the Great Barrier Reef is climate change. I said that to you. That is the Australian government's position. There are some in the government ranks who have a variety of views about climate change, but the position I have outlined to you is the position of the Prime Minister, it is my position, it is the position of the Minister for the Environment and Energy, and it is the position of the Australian government.

I was in the course of telling you what we are doing about the challenges posed to the Great Barrier Reef by the twin issues of climate change and water quality. In addition to the $136 million I just mentioned in relation to programs specifically directed at water quality, there is another $199 million for future Commonwealth projects to protect the reef. (Time expired)

DISTINGUISHED VISITORS

The PRESIDENT (14:25): I acknowledge in the gallery the presence of former Senator Natasha Stott Despoja. Welcome to the Senate.

Honourable senators: Hear, hear!
QUESTIONs Without Notice

Education

Senator DUNIAM (Tasmania) (14:25): My question is to the Minister for Education and Training, Senator Birmingham. Can the minister advise the Senate what the international mathematics and science report says about the performance of Australia's year 4 and year 8 students in the areas of maths and science?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:25): I thank Senator Duniam for his question and his interest in this important subject. The Trends in International Mathematics and Science Study—or TIMSS, as it is known—is an international sample assessment of year 4 and year 8 student achievement in maths and science released every four years by the International Association for the Evaluation of Educational Attainment.

Unfortunately, since 2011, Australia has fallen 10 places for year 4 mathematics performance, five places for year 8 mathematics performance and five places for year 8 science. Australia has fallen in place rankings and unfortunately we have also seen poorer performances by our students in advanced levels. Further, between one-quarter and one-third of Australian students did not achieve the national proficient standard in maths and science. These are deeply disappointing results. We have been overtaken in some areas by countries such as Hungary and the Czech Republic that were on par with us in 2011. Kazakhstan, which has a GDP per capita of just AU$14,000 compared to our GDP per capita of more than $73,000 and which was significantly behind us in maths and science in 2011 has now overtaken us.

As many educational researchers, experts and commentators have noted, these results coming on top of poor NAPLAN performances and poor performances in other international benchmarks are a wake-up call to Australia. They demonstrate that, despite decades of growing investment in our schools and despite record levels of funding, at present we are not getting the outcomes that we should expect and want from our school system. It is essential that we better direct our resources and focus not just on how much money there is but on how we can most effectively invest it to get the best possible outcomes for Australian schoolchildren and the Australian economy. (Time expired)

The PRESIDENT: Senator Duniam, a supplementary question?

Senator DUNIAM (Tasmania) (14:27): Yes, thanks, Mr President. I thank the minister for his answer. Can the minister inform the Senate on Australia's performance over the last decade and how this compares with funding over the same period?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:28): We have seen sustained growth in school funding in Australia. Since 1988, there has been a doubling in real terms. Since 2003, there has been a 50 per cent increase in funding in real terms. We have seen under this government spending between 2014 and 2017 increasing by 38 per cent. This year we will invest around $16 billion into supporting Australian schools. That will grow to more than $20 billion by 2020. That is growth above inflation, above enrolment. It is real growth at record levels.

We need to heed the advice of people such as Geoff Masters, the chief executive of the Australian Council for Educational Research, who says this 20-year slide in maths and
science learning is a national challenge. The answer is not to do more of the same. The answer is not to continue the arguments of those opposite, who say, 'Simply pump more money in, but never focus on how you can get the best result and how you can best invest it.' That is what we are committed to doing. *(Time expired)*

The PRESIDENT: Senator Duniam, a final supplementary question.

Senator DUNIAM (Tasmania) (14:29): Finally, can the minister update the Senate on what the government is doing to improve student outcomes?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:29): Over the last couple of years we have taken a range of actions to improve the quality of teaching for initial teacher education and training in our universities, to ensure minimum standards of those exiting university in terms of their personal literacy and numeracy skills. We are driving the states to make sure that in future primary school teachers undertake subject specialisations so that we can have more specialist maths or science teachers or other specialist teachers in our primary schools in the future complementing the hard work of other teachers throughout the schooling system. We have applied and are working to deliver more than a dozen initiatives outlined in our Quality Schools, Quality Outcomes plan, which we released at the time of the budget earlier this year, including: further emphasis on specialisation; ensuring that students must complete, if they are going onto university, a maths or science subject; setting minimum literacy and numeracy standards for year 12 students; and raising the benchmark of ambition in our schools so that we know that will have an impact right through the years of schooling, to increase the focus on maths and science, as is essential to succeed. *(Time expired)*

Health Care

Senator GRIFF (South Australia) (14:30): My question is to Senator Nash, representing the Minister for Health and Aged Care. The government will soon receive the second report from the Medicare Benefits Schedule Review Taskforce, outlining its recommendations on which of the 5,700 items of the $21 billion MBS—including the 12 different items relating to chemotherapy procedures—should stay or be axed. Like any surgical procedure, each of these 12 MBS items is linked to a rebate item for the associated in hospital care through which private health insurers pay the bed and nursing costs incurred by patients, mostly at no gap rates. Is the minister aware that axing any one of these items, and thus breaking the link to the rebate item for insurers, will leave cancer patients thousands of dollars out of pocket for in hospital costs, risking delays in time sensitive treatment. If so, will the minister commit to not axing any of these 12 crucial items from the MBS?

Senator NASH (New South Wales—Deputy Leader of The Nationals, Minister for Regional Development, Minister for Local Government and Territories and Minister for Regional Communications) (14:31): I thank the senator for his question and for some notice of it. I note his very genuine concern in this area. As the senator has indicated, the minister is yet to receive the information as a result of the ongoing review of the MBS. The review was initiated in April 2015 by the Minister for Health and Aged Care, Sussan Ley. I think she needs to be congratulated for doing that. We have 5,700 items on the MBS. There was a very widely held view that a number of those were outdated and perhaps unsafe, unproven or overused. So I think it was very timely indeed that the minister initiated this review at that point in time.
What we have seen since then is the work of the MBS review committee, led by Professor Bruce Robinson, do a significant body of work in relation to the determination of the appropriateness of those items. That being the case, the minister is yet to receive that information. So it would not be appropriate to preempt the findings of that committee or indeed try and hazard a guess as to what might be the outcome put forward. The clinical committees and working groups that have been put in place to do this work are eminently qualified to do that. I think it appropriate that we allow them to do their work and make their recommendations in due course.

The PRESIDENT: Senator Griff, a supplementary question.

Senator GRIFF (South Australia) (14:33): Some chemotherapy treatments can now be administered through subcutaneous injection; however, this is not specifically covered in the MBS, so some funds are refusing to reimburse in-hospital costs for this kind of treatment. As a result, many patients are electing to have intravenous chemo to avoid out-of-pocket costs. Given the lower risks associated with subcutaneous injection, will the minister add this form of treatment to the MBS?

Senator NASH (New South Wales—Deputy Leader of The Nationals, Minister for Regional Development, Minister for Local Government and Territories and Minister for Regional Communications) (14:33): I think Senator Griff raises a very good point here, actually, indicating why it has been so appropriate to do the review of these MBS items. He, of course, indicates that those injections can now be subcutaneous, which I think reflects a lot of the changes we have seen over recent times when it comes to those items that are on the MBS. So the task force, of course, will carefully consider all of the evidence and all of the input gathered from the consultations, before finalising any recommendations to the government. I am very confident that that has been a very thorough process. Indeed the consultation has been very widespread, and I am sure that the recommendations will be very well informed. But I again indicate to the senator that we do need to wait for the process to conclude.

The PRESIDENT: Senator Griff, a final supplementary question.

Senator GRIFF (South Australia) (14:34): If the task force recommends payments for an entire course of treatment rather than individual services, will the minister confirm that these changes will not be introduced without first consulting oncologists to ensure that the reimbursements reflect the complex task of coordinating cancer care for the very sick and vulnerable patients?

Senator NASH (New South Wales—Deputy Leader of The Nationals, Minister for Regional Development, Minister for Local Government and Territories and Minister for Regional Communications) (14:34): Consultation with expert clinicians, with those across the medical sector that do have the expertise in these areas has been absolutely at the forefront, so I can certainly assure the senator that that consultation with that high-level clinical expertise has indeed been integral to the ongoing nature of this process. I can indeed indicate to the senator that that high-level consultation will, of course, be presented through the recommendations to the minister in due course. While I seem at risk of repeating myself, it is not appropriate to the preempt the outcome of that review. We need to let it take its course, let it be well-informed, let the consultation happen with the experts and with the clinicians, and await those final recommendations from the MBS Review Taskforce.
Dairy Industry

Senator McKENZIE (Victoria) (14:35): My question is to the Minister for Resources and Northern Australia representing the Minister for Agriculture and Water Resources, Senator Canavan. Noting the difficult year it has been for the dairy industry, particularly in my home state of Victoria, Minister, can you update the Senate on the health of the sector and outline what actions the government is taking to help the dairy industry through these challenging times?

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (14:36): I thank Senator McKenzie for her question and note her longstanding interest and advocacy for what is an incredibly important sector for our country. It is in fact the third-largest rural industry in our nation. There are more than 6,000 dairy farmers across Australia and a majority of them do reside in Senator McKenzie's home state of Victoria—more than 4,000 are in Victoria. It is also a sector that makes money for us as a country. Its exports are $3 billion a year and, we think, growing, and we think there is great promise for growth in exports going forward.

But, as Senator McKenzie has outlined, it has been a difficult and challenging year for the sector. Earlier this year, as most senators would know, Murray Goulburn and Fonterra announced retrospective price cuts to farmgate milk prices. They are up to $2 a kilogram of milk solids for the sector, and more than 65 per cent of dairy farmers face a cut of more than 80c per kilogram. On a farm basis, to give a notion of this at a farmgate level, at an individual household level, this meant that an average farm producing 150,000 kilograms a year was facing a drop in revenue, a drop in income, of $15,000 to $90,000—a devastating impact for any family farming business in this country, one that was felt very hard and was very concentrated in a part of Victoria.

Those decisions are why we announced in May a $579 million assistance package for the dairy industry in Victoria, including $555 million in concessional loans, $900,000 for Dairy Australia's Tactics for Tight Times advice program, a $20 million investment in the Macalister irrigation district, and additional rural financial counsellors for affected farmers. It is a very important industry to our country. It does have a bright future, although it has had a tough time, and the government stands with it through these challenging times.

The PRESIDENT: Senator McKenzie, a supplementary question.

Senator McKENZIE (Victoria) (14:38): Can the minister advise what further measures the government is taking to assist the dairy industry?

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (14:38): In August this year, the Deputy Prime Minister convened a symposium with farmers, processors and retailers to discuss industry-led solutions to this issue. Off the back of that symposium, Australian Dairy Farmers and the Australian Dairy Products Federation have agreed to conduct workshops to begin a process of improving contractual arrangements and discovering improvements within the supply chain as well. Milk processors have also agreed to develop a code of conduct to ensure transparent and unambiguous contracts in the future. The government has also asked the ACCC to undertake a market inquiry into the national dairy industry. This inquiry has commenced and will begin taking public submissions soon. I note Senator McKenzie's interest in that inquiry; next week, she herself will be conducting
roundtables around Victoria, in places like Tangambilanga, Congupna and Gippsland and in the Camperdown sports bar. She is a well-credentialed senator, defending the interests—

(Time expired)

The PRESIDENT: Senator McKenzie, a final supplementary question.

Senator McKENZIE (Victoria) (14:39): Can the minister outline what these measures will mean for jobs and investment in the sector?

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (14:39): Again, I thank the senator for her question. It has been a tough time, and it is good to see representatives of Victoria, like Senator McKenzie, getting around the countryside and making sure that what we are doing matches the needs of the dairy sector—so that things like the ACCC inquiry can properly feed into what is happening on the ground in Victoria and make sure we can make the appropriate policy changes, if any, here in Canberra.

But, as I said, we have great hopes for the future of the dairy industry. It is already a strong performer for us in terms of exports. Notwithstanding this difficult year, we think next year and the years beyond will be very positive for the dairy sector, not least because of the trade agreements we as a government have signed and the trade access we have got for the sector—historic agreements with China, with Japan and with Korea. China will remove all dairy tariffs from products there. There is enormous growth in these markets, enormous promise for our dairy sector, and we will have a brighter future once past this very difficult year for the sector.

Regulation of Therapeutic Goods

Senator LEYONHJELM (New South Wales) (14:40): My question is to Senator Nash, the Minister representing the Minister for Health. A friend of mine is trying to quit smoking, but after a while without a cigarette he gets terrible headaches. Pretty soon, he is smoking again. He would love to try e-cigarettes, as he could if he were in Britain. Public Health England say they are 95 per cent less harmful to health than cigarettes, but your Poisons Standard does not allow e-cigarettes, even though it allows cigarettes. Can you explain this without relying on the story of the never-ending in-house review; and can you explain why companies that make nicotine patches are invited to the biennial meetings of the Framework Convention on Tobacco Control, but companies that make e-cigarettes are not?

Senator NASH (New South Wales—Deputy Leader of The Nationals, Minister for Regional Development, Minister for Local Government and Territories and Minister for Regional Communications) (14:41): I thank Senator Leyonhjelm for his question and for the advance notice of it, and I note his ongoing interest in this area. The senator is indeed correct that currently e-cigarettes containing nicotine are not available for commercial sale in Australia. This is as a result of the current national and state and territory laws.

The TGA Act, as I am sure the senator knows very well, and its associated regulations provide the national regulatory controls to ensure the timely availability of the therapeutic goods that have been assessed for quality, safety and efficacy to help people quit smoking. I can advise the chamber that e-cigarettes have yet to be approved through this process. As I understand it, the TGA is currently considering an application. I note the senator's reference to 'ongoing review', but I think even he would understand that the TGA processes are there for a reason—to ensure the safety and efficacy of these products, medicines and medical devices.
That application is currently before the TGA. I think people across this country do expect a level of robustness when it comes to determining the safety and efficacy of products such as these.

In relation to the attendance of companies involved in e-cigarettes at the framework, the invitations, as I understand it, are a matter for the secretariat of the FCTC.

**The PRESIDENT:** A supplementary question, Senator Leyonhjelm.

**Senator LEYONHJELM** (New South Wales) (14:43): When my friend gets a headache, like millions of Australians he finds headache tablets that include codeine are most effective. But he understands that moves are afoot to reschedule codeine as a prescription-only medicine under the Poisons Standard. That means he will need to get a prescription if he wants to continue taking tablets containing codeine for his headaches in future. Can you advise whether this is the case?

**Senator NASH** (New South Wales—Deputy Leader of The Nationals, Minister for Regional Development, Minister for Local Government and Territories and Minister for Regional Communications) (14:43): The decisions made in relation to medicines such as codeine are not made by politicians, and I expect people across Australia are very happy that they are not. They are made by independent experts in these types of areas.

My understanding is that the TGA have received many submissions in relation to this issue of codeine moving to being prescription only, and that they have deferred a final decision on this while they are awaiting further information so they can consider it and take further advice. The Pharmacy Guild of Australia, I understand, is involved in this process, in providing information to the TGA when it comes to MedAssist. I think it is very appropriate that those companies and those health professionals are involved in advising the TGA in terms of this process.

**The PRESIDENT:** Senator Leyonhjelm, a final supplementary question.

**Senator LEYONHJELM** (New South Wales) (14:44): When this friend of mine is suffering a headache, he finds an ice-cold can of Coca-Cola extremely refreshing.

**Honourable senators interjecting—**

**Senator LEYONHJELM:** They're not a donor yet either! But there is a proposal to tax sugary drinks based on the silly idea that if my friend gets fat and ends up working less and paying less tax then he is doing the rest of us a disservice. Can you confirm that this government will never introduce a sugar tax?

**Senator NASH** (New South Wales—Deputy Leader of The Nationals, Minister for Regional Development, Minister for Local Government and Territories and Minister for Regional Communications) (14:45): I am sure that Senator Leyonhjelm's friend—

**The PRESIDENT:** Order! Order Minister. Senator Dastyari on a point of order.

**Senator Dastyari:** I think this is unparliamentary. Could the senator please refer to his friend by his proper title: Senator Leyonhjelm!

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

**Senator NASH:** Unlike those opposite, I am not going to make any assumptions about Senator Leyonhjelm's friend, but I do note that I am sure his friend will be very happy that Senator Leyonhjelm is speaking on his behalf.
I can indicate to the chamber that a sugar tax is not government policy. On this side of the chamber, we absolutely believe that people need to be well informed when it comes to making their decisions about appropriate food and appropriate diet. That is why we put in place the Health Star Rating system, which is incredibly successful in informing people about making healthy food choices, and also the Healthy Food Partnership, which, I am pleased to say, I was involved in setting up to give better information to people. A sugar tax is not government policy. We certainly believe that people should take responsibility for their actions and for eating in a healthy way, but we do not support a simplistic reaction to a complex problem.

**Attorney-General**

**Senator GALLAGHER** (Australian Capital Territory—Manager of Opposition Business in the Senate) (14:46): My question is to the Attorney-General, Senator Brandis. I refer to the Attorney-General's statement to the Senate regarding the Bell Group matter in which he referenced the summary briefing and slide show provided to the Minister for Social Services by the Western Australian government. At any point have you seen the slide show or any part of it?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:47): I have not seen the slide show as a matter of fact. But I can tell you, Senator Gallagher, that the documents given to Mr Porter contain material that was protected by the legal professional privilege of the Western Australian State Solicitor. Neither Mr Porter nor I are at liberty to waive the privilege of the Western Australian State Solicitor without his authority and we do not have his authority to do so.

**The PRESIDENT:** Senator Gallagher, a supplementary question.

**Senator GALLAGHER** (Australian Capital Territory—Manager of Opposition Business in the Senate) (14:47): How did you become aware of the existence of the slide show?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:47): As I said in my statement, Mr Porter referred to it during our meeting in my office on 3 March.

**The PRESIDENT:** Senator Gallagher, a final supplementary question.

**Senator GALLAGHER** (Australian Capital Territory—Manager of Opposition Business in the Senate) (14:47): Given that the briefing and the slide show were so convincing that the Minister for Social Services lobbied his colleagues on behalf of the Western Australian government to do Australian taxpayers out of $300 million, will the Attorney-General undertake to table the briefing and the slide show and to seek approval from the Western Australian government to do so?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:48): Senator, just bear with me and I will find the reference in my statement to the document to which you refer. What I told the Senate and what I can repeat is that Mr Porter visited me on 3 March this year. It was in the early evening. He told me that on 2 March 2016 his office had received an email from the Western Australian State Solicitor containing a summary briefing and slide show of the
history of the matter as well as copies of the exchange of letters between Dr Nahan and Mr Hockey.

**International Development Assistance**

**Senator BACK** (Western Australia) (14:49): My question is to the Minister for International Development and the Pacific, Senator Fierravanti-Wells. Can the minister advise the Senate how the government's overseas development assistance is improving the lives of people with disabilities in our region?

**Senator FIERRAVANTI-WELLS** (New South Wales—Minister for International Development and the Pacific) (14:49): I thank Senator Back for the question. December 3 is International Day of People with a Disability. It provides us with a very good opportunity to look at the way that this government is delivering in a disability-inclusive overseas development assistance program.

One in seven people globally has a disability. That equates to about one billion people. It is not just one billion people; it is actually one billion people and their families who are disproportionately affected by poverty and who often live in countries where there is little infrastructure and little support for people with disabilities. We have an overseas development assistance disability strategy called Development for All 2015-20. This supports people with disabilities to improve the quality of their lives across a range of different areas: in the health sector, in the skills development sector, in the empowerment sector, in terms of assisting advocacy of people with disabilities and, most importantly, in education.

It was a pleasure today to attend the Australian Disability & Development Consortium launch of a series of videos which celebrate the achievements of our Development for All strategy and highlight some of the very, very positive things that we are doing as part of this strategy. For example, in Vanuatu we have a skills development program that in 2014-15 saw more than half the trainees in that development program increase their income over six to eight months after doing the program. This is a concrete way that we are delivering assistance to people with disabilities.

(Time expired)

**The PRESIDENT:** Senator Back, a supplementary question.

**Senator BACK** (Western Australia) (14:51): I thank the minister for that comprehensive answer and ask if the minister can explain why it is important that Australia helps people with disabilities in our region.

**Senator FIERRAVANTI-WELLS** (New South Wales—Minister for International Development and the Pacific) (14:51): The stability of our region depends on strong economic growth and poverty reduction. By supporting people with a disability to enjoy fruitful and productive lives, we are assisting them to make an economic contribution to their country. And by making an economic contribution to their country they are assisting the economic stability of that country and in turn contributing to the economic stability of our region. For Australia, the economic stability of our region is paramount. Therefore, the work that we do in the overseas development area and assisting people with disabilities to empower them to assist them in having a strong voice in the international development space is ultimately contributing to the stability and security of our region.

**The PRESIDENT:** Senator Back, a final supplementary question.
Senator BACK (Western Australia) (14:52): Mr President, I ask if the minister can explain how we here in Australia benefit directly from providing assistance to people with disabilities in our region.

Senator FIERRAVANTI-WELLS (New South Wales—Minister for International Development and the Pacific) (14:53): It is estimated that national economies lose around five to seven per cent of GDP when people with disabilities do not have equal access to economic opportunities and are left behind. Therefore, investing in the disability sector is beneficial not just to that country and to the people in that country but it is of benefit, as I have indicated, to the security and stability of our region and, ultimately, to Australia.

Our economic stability is furthered if every person, irrespective of their ability or disability, can make a concrete contribution so that they can have access to education and employment opportunities so that they can enjoy fruitful lives and make a good contribution so that they can overcome their difficulties and participate fully in their communities.

Attorney-General

Senator DASTYARI (New South Wales) (14:54): Mr President, my question is to the Attorney-General, Senator Brandis. I refer to the Attorney-General who yesterday, in relation to the High Court hearing on 8 February this year, said: 'The council who appeared in the matter in the High Court on behalf of the only relevant party, Mr Gleeson, was, as I understand the matter, at that time acting on instructions of the Australian Taxation Office not on my instructions.' Given Mr Gleeson did not appear, the ATO was not represented and Mr Watson sought leave to appear at the hearing on 8 February on behalf of the Commonwealth and not the Australian Tax Office, can the Attorney-General confirm his answer was incorrect?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:55): I will check the transcript of the hearing.

The DEPUTY PRESIDENT: Senator Dastyari, a supplementary question.

Senator DASTYARI (New South Wales) (14:55): I refer to Mr Watson who, on 8 February, told the High Court that he appeared for the Commonwealth, and I quote: 'The Commonwealth attorney has not yet made the decision to intervene.' Can the Attorney-General confirm that on 8 February, when Mr Watson appeared on the Commonwealth's behalf, the Attorney-General was already aware of the matter and was considering whether the Commonwealth should intervene?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:55): I cannot confirm that, Senator Dastyari, as a matter of fact. The proceedings in the High Court on 8 February were a directions hearing. I believe they were—but I will check this—a first directions hearing. One of the directions that was given in the court on that day was that the Commonwealth of Australia and I as the person representing the Commonwealth of Australia should decide by 30 March whether the Commonwealth would intervene. I did decide that the Commonwealth would intervene on or before 30 March.

The DEPUTY PRESIDENT: Senator Dastyari, a final supplementary question.
Senator DASTYARI (New South Wales) (14:56): What was the cause of the more than seven-week delay between the hearing and the Attorney-General's decision to finally intervene on 30 March?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:56): Senator Dastyari, you say there was a delay. That was the time limited by the court for the Commonwealth to decide.

Business

Senator PATERSON (Victoria) (14:57): My question is to the cabinet secretary representing the Minister for Trade, Tourism and Investment, Senator Sinodinos. Can the cabinet secretary outline what the Turnbull government is doing to open new markets for Australian businesses, particularly small- and medium-sized enterprises?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:57): I thank Senator Paterson for his question and for his interest in free trade. He is a convinced free-trader. We need more of them in this place! From the day we took office in 2013 the government has worked hard to gain preferential market access with our largest trading partners to benefit Australian businesses. At their core, the free trade agreements are designed to open up new markets or make us more competitive in the existing ones.

Exports have played a crucial role in Australia's 25 years record of unbroken economic growth and the Liberal-National coalition's free trade agreements have ensured our exports continue to grow. The Japan-Australia Economic Partnership Agreement has provided real benefit for a lot of great Australian businesses who will now have preferential market access secured under the Japan agreement and has taken our relationship with Japan to a new level.

The China-Australia Free Trade Agreement tells a similar story for Australian businesses, with entire industries increasing their exports by 200 per cent. In the first six months of the China agreement coming into force we have seen lobster and crayfish exports up 218 per cent, milk powder up 196 per cent, mangoes up 165 per cent, fresh grapes up 118 per cent and fresh cherries up 127 per cent. It sounds like a day at the markets!

The benefits of the China-Australia Free Trade Agreement are undeniable. And that is not to mention the Korea-Australia Free Trade Agreement, which covers more than $34 billion of trade annually between our two nations, and this number is set to grow with tariffs to come off 99.8 per cent of all Australian exports to Korea, Senator Sterle. The coalition government has a proud record when it comes to free trade.

The PRESIDENT: Senator Paterson, a supplementary question.

Senator PATERSON (Victoria) (14:59): I thank the Cabinet Secretary for his kind words and for sharing that encouraging news. Can the Cabinet Secretary update the Senate on how the government is continuing to build on this positive record on trade?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:59): Yes, the work goes on, Senator Patterson. You are absolutely correct, through you, Mr President. The Turnbull coalition government—for it is a coalition government, and the National Party have benefited greatly from those free trade agreements, solid free traders—are working towards agreements with the European Union and Indonesia, and engaging with the United Kingdom post Brexit. We will continue to build support for an Australia-EU free trade agreement and reinforce the strength of Australia's relationship with the EU and its member states. The
Minister for Trade, Tourism and Investment met with the European Commissioner for Trade, Cecilia Malmstrom, and joined the Minister for Foreign Affairs in addressing the European parliament. The EU is our second-largest trading partner and our largest source of foreign investment. It is our largest two-way trade-in-services partner. A free trade agreement will drive economic growth and create jobs as European businesses look to Australia as a gateway to Asia. *(Time expired)*

**The PRESIDENT:** Senator Paterson, a final supplementary question.

**Senator PATERSON** (Victoria) (15:00): Is the Cabinet Secretary aware of any threats to Australian exporters and the Australian economy?

**Senator SINODINOS** (New South Wales—Cabinet Secretary) (15:00): The threat is from those who believe that increased protection somehow creates jobs. It does not create jobs. When we oppose free trade agreements we are cutting off our nose to spite our face. We are a great trading nation. We can feed a large part of the world. We can do great things with our advanced manufacturing industries, building on our naval shipbuilding plan, and there are—

**Senator Wong:** You'd better talk to the National Party!

**Senator SINODINOS:** The National Party are great supporters—I will take that interjection—of free trade because they know the benefits to our rural and regional areas and to the Australian bush, and they are doing a great job of prosecuting them.

One thing that does stand in the way are people like the CFMEU and others who have sought to wind-up the Labor Party on things like ChAFTA and stop those agreements coming into force. We will continue to prosecute the case for free trade. It is in our interest to do so.

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

**QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS**

**Disability Support Pension**

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (15:02): I have some further information in relation to a question I took on notice from Senator Siewert on Monday. Senator Siewert asked, in her primary question, if there had been an increase in the number of disability support pension cases at the Administrative Appeals Tribunal over the past two years. I can inform the senator that in 2014-15, prior to its amalgamation, the Social Security Appeals Tribunal received 6,138 lodgements for first-tier review of disability support pension matters. In the same year, the AAT received 1,253 lodgements for second-tier review. In 2015-16, the amalgamated AAT's Social Services and Child Support Division received 6,138 lodgements for first-tier review, and its general division received 1,427 lodgements for second-tier review. Senator, as you will see, there was a slight increase in the number of disability support pension cases lodged with the AAT or its predecessor, the equivalent tribunal, over that period.

In your first supplementary question, Senator Siewert, you asked how many cases have been reviewed by the AAT and how many have been successfully repealed. In 2014-15, the Social Security Appeals Tribunal finalised 5,554 first-tier reviews. In 16 per cent of those reviews the original decision was varied or set aside. In the same year, the AAT finalised
1,108 second-tier reviews. In 18 per cent of those reviews the original decision was varied or set aside. As you will see, Senator Siewert, the successful appeal rate in that year was a little over 16 per cent. In 2015-16, the AAT finalised 6,310 first-tier reviews. In 17 per cent of those reviews the original decision was varied or set aside. In the same year, the AAT finalised 1,265 second-tier reviews. In 19 per cent of these reviews the original decision was varied or set aside. In that year the successful appeal rate was about 18 per cent.

Finally, Senator Siewert, you asked how many people have had to appear before the AAT without legal aid advice due to a lack of resources or access. I can inform you that the majority of applicants seeking review of DSP decisions are self-represented and that this is consistent with the deliberately informal and accessible nature of the AAT. In other words, most commonly parties before the AAT do represent themselves—that is the way the AAT was set up, to promote the informal administration of administrative review.

The AAT holds statistical information regarding applicants who appear unrepresented on review; however, those figures do not include persons who may have had an appointment with a legal aid solicitor as part of legal advice schemes that operate in the Social Security Appeals Tribunal and the Administrative Appeals Tribunal. It may well be that among that number of people there were some who had sought advice from legal aid before they appeared for themselves, but the AAT does not collect those figures.

In 2014-15, 4,473 or 81 per cent of applicants who appeared before the AAT on first-tier review of DSP matters were recorded as not having a legal representative for the review. In the same year, 87 per cent of applicants who appeared before the AAT on second-tier review of DSP matters were recorded as not having a legal representative for the review. In 2015-16, 4,890 or 77 per cent of applicants who appeared before the AAT on first-tier review of DSP matters were recorded as not having a legal representative for the review. In the same year, 89 per cent of applicants who appeared before the AAT on second-tier review of DSP matters were recorded as not having a legal representative for the review.

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

**Murray-Darling Basin Plan**

**Employment**

**Senator Farrell** (South Australia—Deputy Leader of the Opposition in the Senate) (15:06): I move:

That the Senate take note of the answers given by the Minister for Resources and Northern Australia (Senator Canavan) and the Minister for Employment (Senator Cash) to questions without notice asked by Senators Gallacher and Cameron today relating to the Murray-Darling Basin Plan and to labour market testing.

I do this reluctantly, Madam Deputy President, particularly after hearing the comments of Senator Leyonhjelm about South Australian politicians and the gratuitous attack that he launched on my home state of South Australia. But I feel I must talk on the issue and that I must respond to some of the things that have occurred in the last few hours in respect of legislative changes in this place.

This morning we saw the Nick Xenophon Team supposedly put water ahead of workers' rights by supporting the so-called ABCC legislation. Of course, as you would know, Madam
Deputy President, they have made life very much harder for people who work in the building industry in this country.

But I do not want to focus specifically on that issue, rather on the so-called deal that the Xenophon group got in exchange for voting for this legislation. What the deal seems to be is that it will reduce working conditions for building workers by supporting the ABCC in return for a better deal on water in South Australia. Of course, being a South Australian, I am all for a better deal on water for South Australia—particularly for the Murray-Darling Basin. But let's look at the deal that Senator Xenophon got.

What did he get? Well, the deal is that water will now be discussed at future meetings of COAG. I will repeat that: water will now be discussed at future meetings of COAG. That is the deal that Senator Xenophon and his team got in return for reducing the conditions of building workers in this country. What I think South Australians actually wanted from Senator Xenophon and the other members of the Australian parliament was water, not words. They wanted more water, not more words. I am afraid that what we have from Senator Xenophon and his team is simply words and not water.

What sorts of things could you have got if you were in the position of Senator Xenophon and his team to negotiate this? You could have got an agreement on when the 450 gigalitres of environmental water was going to start flowing down the River Murray. You could have got some sort of agreement on the time frames for improving irrigation and water retention strategies along the River Murray. But what did Senator Xenophon and his team get? They got a promise of discussion on water at COAG. No practical results, no implementation of the Murray-Darling Basin Plan and no real and effective outcomes in all of the discussions that Senator Xenophon had.

We asked the question of Senator Canavan today—through Senator Gallacher, a great South Australian senator—and referred to comments made this morning by Senator Birmingham, in particular in relation to the role of Minister Joyce. Has he been sidelined in all of this process—this fantastic discussion that is going to take place at COAG meetings? The answer that Senator Birmingham gave this morning was, 'Nothing has changed'. And that is exactly right! As a result of Senator Xenophon and his team's agreement to reduce the working conditions of building workers as a result of the ABCC legislation, nothing has changed in respect of water.

Former Senator Barnaby Joyce and now Deputy Prime Minister Joyce will continue his role as water minister, he will continue his attacks on South Australians getting a fair share of the water system and he will continue to ensure that the Murray-Darling Basin Plan is not implemented. (Time expired)

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (15:12): It is indeed the festive season, so I would like to begin by extending my congratulations and, indeed, the congratulations of all coalition senators getting a fair share of the water system and he will continue to ensure that the Murray-Darling Basin Plan is not implemented. (Time expired)

Senator SMITH: (15:12) A very good point!

Senator SMITH: Thank you, Senator Macdonald. There is still one more question time, but it is revealing that at a time when there is no shortage of issues confronting our nation that Labor senators on that side seek to confuse and whip up a bit of a fear campaign. Indeed, they
try to trawl over an issue such as the Bell Group litigation, only to end up with it all over their faces.

What we have seen this week is the modern Labor Party in bed with big unions. We only have to go back to the Bell Group litigation and the scandalous affairs that rocked the WA Labor government in the eighties to see the danger that arises when big Labor gets into bed with big unions. If there is some time available to me I will come to that point and the findings of that royal commission, which fired a shot across the bow of the modern Labor Party in the late 1980s and in the 1990s.

But let me get to the issue—let me get to the suggestion from Senator Cameron this afternoon that somehow there was this grand conspiracy on the part of the coalition to let foreign workers run amok in our country. It is just a boldfaced lie.

Opposition senators interjecting—

Senator SMITH: And why is that? Why is it a lie? You could have read in The Daily Telegraph, Senator Dastyari, Senator Carr and Senator Bilyk, exactly why that is a lie.

Senator Dastyari interjecting—

Senator Dastyari, I know that you know what I am about to say. You know that I am about to talk about McDonald's. You know that I am about to talk about Clive Palmer—

Senator Dastyari: Stop bringing McDonald's in here!

Senator SMITH: You do, don't you? So let me talk about McDonald's and let me talk about Clive Palmer. The Daily Telegraph article of 29 November makes it crystal clear. I am reading exclusively from page 4 of The Daily Telegraph. It says:

The former Labor government approved more than 800 visas for Chinese workers to fly into Australia and work at a mine linked to magnate Clive Palmer.

Senator Ian Macdonald: What? This is the Labor government?

Senator SMITH: It is, and there is more, Senator Macdonald. It is hard to believe, but there is more:

The Daily Telegraph can reveal more than 850 Chinese nationals were given the green light to work at the Sino Iron Project on 457 visas between 2008 and 2013.

At its peak there were 374 people on 457 visas working on the mine with 372 of them Chinese.

MCC Mining (WA) Pty Ltd … was contracted by CITIC Pacific to undertake the procurement for the site.

Opposition Leader Bill Shorten was employment minister during a portion of the period when the 457 visas were approved—at the expense of Australian workers. If you were generous, Senator Macdonald, you might well think that is an isolated incident—a one-off. If you were being generous, you would have been too generous because only the day before in The Daily Telegraph it says under the heading, 'Shorten's foreign visa policy is fried', that Shorten—that is, the Leader of the Opposition, Mr Bill Shorten—is attempting to whip up some kind of foreign worker backlash by acting tough on people arriving here on 457 visas. It goes on to say that it emerges that Labor's previous Gillard government, in which Shorten was workplace minister, oversaw a huge increase in the number of foreign workers' 457 visas which were extended even to those working at the likes of McDonald's, KFC and Hungry Jack's.
It is not my place to lecture the modern Labor Party about its industrial relations history, but what is shameful is that the modern Labor Party has drifted so far away—I do not mind; I am big enough to say this—from its foundations and its legacy of genuinely looking after workers' interests and rights. They should be ashamed of themselves.

Senator KIM CARR (Victoria) (15:17): We were greeted today with yet another example of how this government says one thing and does another. This was the result of a question Senator Cameron asked Senator Cash about the contradictions in her statements about the approach this government was taking to 457 visas and the statements that she had made as the Assistant Minister for Immigration and Border Protection. She actually moved an instrument to remove labour market testing with regard to 457 visas as a result of four free trade agreements.

So we have a situation. We have the Prime Minister today making some statements in response to some amendments that were moved last night in the Senate with regard to 457 visas. The Prime Minister has made, I think, two important contributions today. The first was that he has failed to rule out that Senator Brandis will be appointed overseas for a diplomatic post. The urgers, the cheer squads and the apologists within the right-wing press might in fact applaud that move. What they will not applaud is the Prime Minister's second statement today, which was to support a Labor Party amendment which was carried in the Senate last night with regard to 457 visas. The amendment that was moved by Senator Cameron made the observation, in terms of a proposition with regard to the Building Code, that a person should not be employed in undertaking building work unless:

(a) the position is first advertised in Australia; and

(b) the advertising was targeted in such a way that a significant proportion of suitably qualified and experienced Australian citizens and Australian permanent residents (within the meaning of the Migration Act 1958) would be likely to be informed about the position; and

(c) any skills or experience requirements set out in the advertising were appropriate to the position; and

(d) the employer demonstrates that no Australian citizen or Australian permanent resident is suitable for the job.

This is an extraordinary, sweeping amendment which the Senate has agreed to and which the government has accepted.

Of course, that is part of a pattern that has been established in recent times with this government. It is prepared to maintain a position with regard to its economic program, but is now prepared to entirely abandon that if it thinks it can get a vote through the Senate on a bill which essentially been so hollowed out that it bears no real resemblance to the position of the ABCC bill that has been put to this parliament over the last three years. We now have a situation where we essentially have a bill that has the same title but a very different proposition. I think that this is particularly the case with regard to what we see with the procurement question. Nearly $60 billion worth of government procurement right across the whole of government is now being fundamentally rewritten as a result of the interventions in this Senate on this particular matter that I think are very worthwhile.

What has surprised me is that the extreme right-wing elements in the Liberal Party clearly do not understand what they have been drawn into. The cheer squad from the IPA has not got a clue what the implications of these measures are. Of course, the right-wing Murdoch press
will froth at the mouth when they understand the full scope of the changes. It is all in the interests of getting a vote in this chamber to smash building workers. This is the Faustian pact which, very disappointingly, from my point of view, has been accepted. Their people are prepared to trade off important questions with regard to manufacturing with the human rights and civil rights of building workers. That is a disappointment to me even if the policy objectives with regard to that I would fully support. It might shock some people on the other side of the chamber that a person like me would support that, but it goes to tell them how far they have gone in their desperate measures to secure a majority here.

So we have a situation now with regard to 457 visas and procurement that this government has essentially accepted a Labor Party agenda in a desperate bid to secure a majority across these benches so they can find the necessary numbers to belt up building workers. There is a tragedy in the fact that the government feels there is some political advantage in undermining the working conditions of building workers, but it is an irony that a government so conservative and so right wing has been obliged to accept such a far-reaching interventionist agenda in a desperate bid to secure its program. (Time expired)

Senator IAN MACDONALD (Queensland) (15:22): Before I address the substantive part of the motion, could I just say in response to Senator Carr that the Senate in its wisdom last night adopted a bill that will help workers in the construction industry. It will attack some people in that industry, and they are the union thugs, the bosses who control the ACTU, who do nothing for the workers. Some of the sanctimonious claptrap I heard last night in the debate—particularly from Greens senators, who for some reason filibustered all the way through the night—was that the bill was about a reduction in safety standards. It has nothing to do with safety standards; it has everything to do with returning law and order to the building and construction industry and getting a fair deal for workers in the industry.

I will move on to the subjects of today, which deal with 457 visas in one case and the Murray-Darling Basin in the other. In relation to 457 visas, Labor should never raise this. As Senator Smith said before me, there were 850 Chinese workers in Australia on 457 visas under Labor's watch and another 374 the next day. The list goes on and on. There are, in fact, fewer workers under 457 visas in Australia now than there were in the days of the 'workers party'—the Australian Labor Party. The most outrageous and well-known of the 457 workers arrived during the time of the Labor government when Ms Gillard was the then Labor Prime Minister of Australia. She imported a 457 worker from Scotland into Australia to run her office. I do not think she did any market testing at the time. I do not think she offered the position to Australian supporters of the Labor Party. She was so bereft of any loyalty or competence in the Labor Party that she had to import someone on a 457 visa to run her office. This just demonstrates that, under the legislation, which was introduced by the former Labor government in 2013, the range of exemptions to labour market testing effectively allowed for anything to happen. It is a fact that, under the Labor Party's labour market testing provisions, an independent review on the integrity of 457 visas found that labour market testing was completely ineffective. This legislation was introduced by Mr Shorten and the Labor government. So anything the Labor Party says about 457 visas can only be taken as a comedy contribution to the Senate.

On the Murray-Darling Basin question, Labor Mouths the words about problems there, but unfortunately they never listen to the answers given here. They never listen to the truth about
the matter. They never even read the documents and the written answers to questions on
notice by the government about the Murray-Darling Basin Plan. The government has said
time and time again that it is committed to the delivery of the plan. Senator Canavan in
question time today reiterated that on several occasions, as he has done several times during
question time this week. In spite of the government's assurances, in spite of the government
explaining in detail what it is all about, the Labor Party continue, as is their norm these days,
to make allegations that are patently false in the hope that some lazy journalist will pick them
up and run with them as a factual story. This government, unlike the Labor government
before it, has nothing to be embarrassed about on its administration of 457 visas or the
Murray-Darling Basin Plan.

Senator DASTYARI (New South Wales) (15:27): I rise to take note of the answers to
questions that were asked today in question time, particularly the first two questions asked by
Labor senators. I want to touch on issues regarding the use and misuse of 457 visas,
particularly the issue of market labour market testing. The answer that was provided by the
minister was largely around the notion that says: 'It's all going to be okay, even though labour
market testing has been removed, because you can trust me; you can take my word for it.' I
think that is a very worrying trend and a very worrying direction for us to be
heading in with this policy. We have seen time and time again in recent debates in this chamber the
misinformation, incorrect information, spin and slant being placed on what is being said. I
worry very much that when we start removing protections like labour market testing it ends
up becoming a race to the bottom, and that is not a good place for any of us to be.

I specifically want to draw the attention of this chamber to the concerns that we need to
have when the minister tells us that we can take her word for it when looking at the situation
with the ABCC and the unintended consequences that may or may not now result from the
passing of that legislation. We heard from Senator Carr how deal after deal was cut and
concession after concession was made in a desperate bid to get this legislation through. We
read in the papers that there were random negotiations on matters that had nothing to do with
the ABCC legislation, yet those deals were done.

I want to draw the attention of the Senate to the work of the Australian Services Union and
the United Services Union, in particular, in trying to limit the scope of what was already a bad
piece of legislation. The ABCC bill should not have been passed on its own merits, but the
bill itself was made even worse by the minister's failure to clarify the scope of this legislation
and what this legislation would mean—to clarify the scope of who would and would not be
included. I draw the attention of the chamber to a letter sent on 30 May this year from Mr
Robert Potter, at the time Acting National Secretary of the ASU, to Minister Cash,
specifically asking whether or not employees in the construction industry in local government
would be included and whether or not employees not in construction but in local
government—we are talking about librarians, council workers—would be captured by the
ABCC. There was no response from the minister, no response at all—not even the courtesy of
sending a letter back. We have strong, powerful, important unions—that have been going out
of their way to stand up for the rights of their members—unable to get any type of
clarification on what the consequences of this legislation would be. The reality is that,
perhaps, the government does not even know how far this legislation will reach.
I acknowledge the work of the National Secretary of the ASU, Dave Smith; the Acting Assistant National Secretary, Robert Potter; and the New South Wales Secretary, Graeme Kelly, as well as the many other ASU and USU officials across the country. I hope that when clarification is finally provided on the scope of this legislation we do not find a situation where council employees are being dragged into this. It is bad enough that construction workers are going to be treated as second class citizens; it would be even worse if that were extended to council employees as well. Frankly, when we look at the Building Code and the opportunities for review we need clarification. Unfortunately, the opportunity was not taken by the government to do it at this point. But, certainly, at a minimum, they need to remove the potential for council employees to be dragged into this mess.

Question agreed to.

Great Barrier Reef

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (15:32):  I move:

That the Senate take note of the answer given by the Attorney-General (Senator Brandis) to a question without notice asked by Senator Waters today relating to the Great Barrier Reef.

I assume that people saw the reports this week from one of our eminent science bodies in Far North Queensland, saying that, sadly, 67 per cent of the northern reef corals have died. Coral bleaching is different from coral death, as I hope people realise. Corals can bleach and then, thankfully, they can recover. If they bleach so badly they die, then that recovery process takes an awful lot longer—you have to start from scratch. What we have seen is that the northern reef has lost two-thirds of its corals. They have permanently died after this year's worst ever coral bleaching event on the reef.

I asked the Attorney when the government would accept those facts, rather than, as they did yesterday, stand with One Nation to support discussion for an hour in this chamber—with all of the costs that go along with that and all of the precious time—and argue about whether this bleaching is even real and whether global warming is even real. Of course, true to form, I got no meaningful response from the Attorney—one learns to accept that it is called 'question time' and not 'answer time' for a reason.

I next raised that this morning's papers have a report regarding the government's response to the World Heritage Committee, which is due tomorrow. The reports indicate that a draft has been leaked, and that the government's response to the northern Great Barrier Reef bleaching event has no new money and no new actions. It seems like a pretty tepid response to me, and I asked the Attorney, 'Who on earth are you consulting when you are writing these documents? Have you actually spoken with any of the scientists, who would beg you to do more on global warming and on a whole raft of matters to try to safeguard corals from further bleaching?' Again, unfortunately, Senator Brandis referred simply to previous bleaching and completely ignored that my question referred to this year's bleaching and this year's coral deaths, and he talked about the small amount of money that the government has committed under the reef plan.

As people who are watching this closely know, the reef plan is toothless. It is not statutory; it is just a plan. It does not have any enforceability and it is underfunded. One of the biggest criticisms that has been made of the reef plan by coral reef scientists is that not only is it $8
billion short on funding its water quality objectives—those objectives will not be met, because the money is not there—but it ignores global warming. That means we have two plans that are meant to deal with the health of the reef that ignore global warming. Hello, the Great Barrier Reef Marine Park Authority and just about every other scientist on the planet acknowledges that global warming is the biggest threat to the reef. They also acknowledge that it is human induced, but that message does not seem to have reached everyone in this chamber. And yet, the government has these plans which do not deal with the key problem, and then underfunds the plans to boot.

The problem with this is that the World Heritage Committee can still put our reef on the List of World Heritage in Danger. If this government intends to give them a substandard response to the worst mass coral bleaching event in the reef's long, ancient history, then I am worried that we will be back there fighting that battle again. We know that the reef is in danger from global warming, terrible water quality, the crown of thorns and storms, but, if it is put on the List of World Heritage in Danger, I am really worried about what that will do to our tourism industry. I think the government should be doing everything it can to avoid going on that list of shame—funding activities to protect the reef and to protect those 70,000 jobs, and doing something meaningful on climate change.

Instead, they have their heads in the sand. They are now cosying up to One Nation, who do not even think climate change is real, let alone human induced, and our reef is left to suffer. When 22 per cent of the reef's coral has just died and this government is still asleep at the wheel, you have to ask yourself, 'What more needs to happen before the message gets through to these people? Do they really not care about this amazing organism or the jobs of the 70,000 people who rely on it?' They claim to care about the jobs. Occasionally they bail out companies that fall over. Where is the bailout package for the reef? Where is the acknowledgement of the clear science that says the reef is in peril and that we have to do something to avert that. Many scientists think it is already too late, and we know that if we limit global warming to two degrees we will still lose 100 per cent of global reefs. If we manage to stick to 1½ degrees, the scientists tell us we will still lose 90 per cent of coral reefs. This is life or death for our coral reefs, and this government is too busy cosying up to One Nation to give a damn and do anything about it.

Question agreed to.

NOTICES

Presentation

The PRESIDENT (15:37): I give notice that, on the next day of sitting, I shall move:

That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposal for work in the Parliamentary Zone, namely, Parliament House Security Upgrade Works—Perimeter Security Enhancements.

I table supporting documentation.

Presentation

Senators Smith, Pratt and Rice to move:

That the Senate—

(a) notes that:
(i) 1 December 2016 is World AIDS Day, which is held every year to raise awareness about the issues surrounding HIV and AIDS, and is a day for people to show their support for people living with HIV and to remember those who have died,

(ii) the aim of World AIDS Day 2016 is to encourage Australians to educate themselves and others about HIV, to take action to reduce the transmission of HIV by promoting prevention strategies and to ensure that people living with HIV can participate fully in the life of the community, free from stigma and discrimination,

(iii) while significant advancements in treatment and diagnosis have been made, 30 years after the discovery of the HIV virus the HIV epidemic remains one of the greatest public health challenges facing Australia, its region and the world, and

(iv) Australia's response to HIV and AIDS has always been driven by strong multi-party support and rigorously based on science and evidence;

(b) reaffirms the united support for the Seventh National HIV Strategy in setting the direction for Australia to reverse the increasing trend of new HIV diagnoses and working towards the virtual elimination of HIV transmission by 2020;

(c) welcomes the commitment by all state and territory Governments to work with the Australian Government in the development of the Eighth National HIV Strategy; and

(d) welcomes the pledge by the Australian Government for an additional $220 million to the Global Fund to Fight AIDS, Tuberculosis and Malaria at the Fifth Replenishment meeting in Montreal, Canada.

Senator Whish-Wilson to move:
That the Senate—
(a) notes that:

(i) Australia successfully pursued legal action in the International Court of Justice (ICJ) against the Japanese Southern Ocean whaling program, JARPA II,

(ii) the Federal Court of Australia found the Kyodo whaling company guilty of contempt relating to illegal whaling in the Australian Whale Sanctuary and the company was issued a fine of $1 million,

(iii) Japan has subsequently pulled out of the ICJ jurisdiction in relation to whaling, and has restarted a new whaling program, NEWREP-A,

(iv) the NEWREP-A whaling fleet left port in Japan on 18 November 2016 to hunt 333 minke whales from the Southern Ocean, and

(v) a recent poll found 75 per cent of Australians supported sending a patrol boat to monitor this whaling activity;

(b) calls upon the Government to send a patrol vessel to the Southern Ocean over the coming summer to monitor whaling activity and to collect further evidence for additional international legal action; and

(c) condemns the Japanese Government for flouting international law by recommencing illegal whaling activity in the Southern Ocean.

Senators O'Sullivan, Williams and McKenzie to move:
That the Senate—
(a) supports the 44 000 workers directly employed by the coal industry;

(b) recognises that the forced closure of coal–fired power stations would increase the living expenses of Australian families through increased electricity prices;
(c) acknowledges that the forced closure of coal-fired power stations would jeopardise Australia's energy security and put thousands of jobs at risk in our manufacturing sector which relies on access to cheap and affordable power;

(d) acknowledges that coal is an affordable, abundant and increasingly clean domestic energy resource that is vital to providing reliable low-cost electricity, and that it will continue to be integral to Australia; and

(e) supports technology neutral policies that deliver emission reduction targets.

Senator Gallagher to move:

That the following matter be referred to the Economics References Committee for inquiry and report by 22 March 2017:

The impact of non-payment of the Superannuation Guarantee (SG), with particular reference to:

(a) the economic impact on:

(i) workers, their superannuation balances, and retirement incomes,

(ii) competitive neutrality among employers, and

(iii) government revenue, including forgone superannuation contributions, earnings taxes, and SG charge penalties, over both the forward estimates and the medium term;

(b) the accuracy and adequacy of:

(i) information and data collected by the Australian Taxation Office (ATO), the Australian Prudential Regulation Authority and the Australian Securities and Investments Commission on SG non-payment,

(ii) information and data collected by other agencies, such as the Fair Work Ombudsman, on SG non-payment, and

(iii) any legislative, privacy, or other reporting barriers preventing the collection of accurate information and data on SG non-payment;

(c) the role and effectiveness of:

(i) the ATO monitoring, investigations, and recovery of unpaid SG, including technology and data collection to predict and prevent non-payment,

(ii) resources and coordination between government agencies and other stakeholders to prevent non-payment,

(iii) legislation and penalties to ensure timely and fair payment of SG,

(iv) superannuation funds in detecting and recovering unpaid SG,

(v) employment and contracting arrangements, including remedies to recoup SG in the event of company insolvency and collapse, including last resort employee entitlement schemes, and

(vi) measures to improve compliance with the payment of SG;

(d) the appropriateness of responses by:

(i) the ATO receiving complaints and ‘tip-offs’ about SG non-payment,

(ii) members of Parliament asked to assist and support constituents who have been impacted by SG non-payment, and

(iii) accountants, auditors, creditors and financial institutions who become aware of SG non-payment; and

(e) any other related matters.

Senator Di Natale to move:
That the Senate—

(a) notes the many pieces of legislation arising from the 2014-15 and 2015-16 Budgets that would create greater income inequality in Australia that have been previously rejected, and will not secure passage through this Senate;

(b) requests the Government to withdraw these previously rejected Budget measures from the Mid-Year Economic and Fiscal Outlook so as to more accurately represent the true fiscal position of the Commonwealth; and

(c) instructs the Government that, in its preparations for the 2017-18 Budget, this Senate resolves that, for the duration of the 45th Parliament, any proposed measures which further attack the most vulnerable Australians, increase their disadvantage or social exclusion, or disproportionately benefit the highest income Australians, will not pass into law.

Senator Kakoschke-Moore to move:

That the Senate—

(a) congratulates the Honourable Justice Kiefel on her appointment as Chief Justice of the High Court of Australia;

(b) notes that:

(i) Justice Kiefel became the first woman in Queensland to be appointed Queen's Counsel in 1987,
(ii) Justice Kiefel is the first female appointed to the highest judicial office in Australia,
(iii) Justice Kiefel's legal career serves as an inspiration to aspiring women lawyers across Australia,
(iv) the gender profile of the legal profession is becoming more gender balanced with female solicitors making up 48.5 per cent of the profession on the most recent figures from the National Profile of Solicitors 2014,
(v) more females are entering the profession with an increase of 19.3 per cent on previous 2011 figures,

(vi) whilst women are entering the profession in greater numbers than men, the gender profile of the profession overall remains weighted towards male lawyers, particularly in senior positions, and

(vii) data from the Australian Bureau of Statistics, from August 2015, reveals that women are under-represented in the judiciary with 65.4 per cent of Commonwealth judges and magistrates being men; and

(c) calls on the Government to continue to develop strategies to promote women in leadership roles, including the legal profession.

Senator McKim to move:

That the Senate—

(a) notes that a recent poll in The Mercury newspaper found strong public support for light rail in Hobart;

(b) notes the significant benefits of light rail in Hobart, including:

(i) the reduction in greenhouse gas and particulate emissions,

(ii) the reduction in traffic congestion and associated improvements in amenity and productivity,

(iii) the increase in value of property along and around the rail corridor,

(iv) the opportunities for business growth along and around the rail corridor,

(v) incentivising infill developments to limit urban sprawl, and
(vi) the benefit to Tasmania’s tourism industry of a direct rail link between Hobart and MONA; and

(c) supports light rail for Hobart.

Senator Di Natale to move:

That the Senate—

(a) notes that:

(i) 1 December is West Papuan National Flag Day, commemorating the day in 1961 when the New Guinea Council – West Papua’s Parliament under Dutch colonial rule – raised the Morning Star flag for the first time, signalling the Netherlands’ recognition of West Papua’s statehood,

(ii) since Indonesia formally annexed West Papua in 1969, West Papuans have been waiting for the opportunity to determine their own future, having been denied the right to self-determination,

(iii) the human rights situation in West Papua continues to be deeply troubling, with 4 000 arrests of non-armed citizens in 2016 alone, and

(iv) Indonesian Defence Minister, Mr Ryamizard Ryacudu, recently stated that Indonesia had asked Australia to urge our Pacific Island neighbours to withdraw support for West Papuan membership of the Melanesian Spearhead Group; and

(b) urges the Australian Government to:

(i) encourage the Indonesian President, Mr Joko Widodo, to fulfil the commitments he has made in relation to West Papua since his election, including his commitment to releasing all political prisoners, and his promise to seek justice for the five young people shot dead on 8 December 2014 in the town of Enarotai while peacefully protesting,

(ii) call for the removal of untenable barriers to media access and academic research in West Papua, including lengthy waits for visas,

(iii) clarify that the recent improvement in bilateral relations between Australia and Indonesia is not predicated on Australian support for Indonesia’s position on West Papua, including Australia’s silence on human rights violations committed there, and

(iv) confirm that the Government has not agreed to encourage members of the Melanesian Spearhead Group, particularly current Chair Solomon Islands, to withdraw support for West Papuan membership of that Group.

Senators McAllister, Wong, Farrell and Gallacher to move:

That the Senate—

(a) recognises the achievement of the Murray-Darling Basin Plan as a historically unprecedented way forward to deliver a healthy, working river system;

(b) notes the importance of the Basin Plan in supporting the economic and social needs of river communities, and maintaining the health of important ecosystems requiring water flows; and

(c) condemns attempts to undermine the Basin Plan for political gain.

Senator Hinch to move:

That the Senate notes that—

(a) seventeen children in the care of the Department of Health and Human Services in Victoria died between July and September this year;

(b) six children who were Department of Health and Human Services clients in Victoria were killed by ‘non-accidental trauma’ last year; and

(c) outsourcing the care and welfare of our most vulnerable children should be reviewed.
**Senator Rice** to move:

That the Senate—

(a) notes that:

(i) Regional Forest Agreements (RFAs) have been in place as 20-year agreements, designed to manage the conservation and forestry industry considerations for key areas of Australia's public native forests,

(ii) the first Regional Forest Agreement (RFA), the East Gippsland RFA, expires in February 2017,

(iii) the existing RFAs are now out of date and need to be reconsidered to support conservation goals and the impacts and mitigation of climate change – RFAs have exemptions from the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act), and these exemptions need to be reviewed in light of key threatened and endangered species living within the designated areas,

(iv) the required RFA reviews have not been completed, or not completed on time, for the RFAs in place – the review process was designed to improve the operation of RFAs but significant delays and deficiencies in reviews have hampered such improvements, and

(v) during the period since the establishment of the RFAs, the context and conditions informing each has changed significantly – these factors include climate change, bushfire, and markets for wood products; and

(b) calls on the Government to adopt forest management policies which ensure that the social, environmental and economic values of forests are effectively protected and managed for future generations.

**Senator Xenophon** to move:

(1) That a joint select committee, to be known as the Joint Select Committee on Government Procurement, be established to inquire and report by 31 May 2017 on the following matters:

(a) the Commonwealth procurement framework;

(b) consideration of the Commonwealth Procurement Rules to come into force on 1 March 2017 (CPR17) and, in particular:

(i) clauses 10.10, 10.18, 10.30, 10.31 and 10.37 (the 'new clauses'),

(ii) how the new clauses can most effectively be implemented,

(iii) weighting and other mechanisms that should apply to any Commonwealth procurement decision making, taking into account CPR17, and

(iv) its interaction with any other Government policies and programs (including grants), instruments, guidelines and documents relating to procurement, including the Department of Finance's Resource Management Guide No. 415;

(c) the extent to which CPR17 and any related instrument and rules can be affected by trade agreements and other World Trade Organisation (WTO) agreements, including:

(i) existing trade agreements Australia has entered into, and

(ii) trade agreements that the Commonwealth Government is currently negotiating, including the WTO Agreement on Government Procurement; and

(d) any related matters.

(2) That the committee consist of 10 members, 2 members of the House of Representatives to be nominated by the Government Whip or Whips, 2 members of the House of Representatives to be nominated by the Opposition Whip or Whips, 1 member of the House of Representatives to be nominated by any minority party or independent member, 2 senators to be nominated by the Leader of
the Government in the Senate, 2 senators to be nominated by the Leader of the Opposition in the Senate and 1 senator to be nominated by any minority party or independent senator.

(3) That participating members may be appointed to the committee, may participate in hearings of evidence and deliberations of the committee, and have all the rights of a member of the committee, but may not vote on any questions before the committee.

(4) That every nomination of a member of the committee be notified in writing to the President of the Senate and the Speaker of the House of Representatives.

(5) That the members of the committee hold office as a joint standing committee until the House of Representatives is dissolved or expires by effluxion of time.

(6) That the committee elect as its chair a member nominated by the Leader of the Government in the Senate.

(7) That the committee elect a non-Government member as its deputy chair who shall act as chair of the committee at any time when the chair is not present at a meeting of the committee, and at any time when the chair and deputy chair are not present at a meeting of the committee the members present shall elect another member to act as chair at that meeting.

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

(9) That 3 members of the committee constitute a quorum of the committee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(10) That the committee have power to appoint subcommittees consisting of 3 or more of its members, and to refer to any subcommittee any matter which the committee is empowered to examine.

(11) That the committee appoint the chair of each subcommittee who shall have a casting vote only, and at any time when the chair of a subcommittee is not present at a meeting of the subcommittee the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting.

(12) That 2 members of a subcommittee constitute a quorum of that subcommittee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

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

(14) That the committee or any subcommittee have power to call for witnesses to attend and for documents to be produced.

(15) That the committee or any subcommittee may conduct proceedings at any place it sees fit and sit in public or private.

(16) That the committee or any subcommittee have power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives.

(17) That the committee may report from time to time, but that it present its final report no later than 31 May 2017.

(18) That the provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

(19) That a message be sent to the House of Representatives seeking its concurrence in this resolution.

**Senators Culleton and Lambie** to move:

That—
(a) the Senate notes that:

(i) on 25 November 2016, solicitors on behalf of the Commonwealth Attorney-General filed a Statement of Agreed Facts in the High Court sitting as the Court of Disputed Returns in the matter of Re Rodney Culleton,

(ii) paragraph 1 of the Statement of Agreed Facts includes the following statement: the Magistrate in convicting Senator Culleton as an absent offender was precluded by section 25 of the Crimes (Sentencing Procedure) Act 1999 (NSW) from making an order for a sentence of imprisonment, and

(iii) the facts set out above and agreed by solicitors acting on behalf of the Commonwealth Attorney-General were not before the Senate on Monday 7 November 2016 when it considered the motion moved by Senator Brandis to refer the matter to the High Court under section 378 of the Commonwealth Electoral Act 1908;

(b) the Senate calls on the Attorney-General (Senator Brandis) to attend the chamber and clarify this matter; and

(c) at the conclusion of the explanation any senator may move to take note of the explanation.

Senator Siewert to move:
That the Senate—

(a) notes that people with disability face many barriers to finding and maintaining secure work and are poorly represented in the workforce;

(b) acknowledges that the report of the Australian Council of Social Service, Poverty in Australia 2016, reported 510,900 adults with a disability were living below the poverty line in 2013-14, not including people with disability with core activity limitation, and that, in 2014, 36.2 per cent of Disability Support Pension recipients were living below the poverty line; and

(c) calls on the Government to abandon its attacks on supports for people with disability, including moving people with disability off the Disability Support Pension and making access to the Mobility Allowance tougher.

Senator McKim to move:
That the Senate—

(a) supports the right to peaceful protest in Australia;

(b) congratulates and thanks the protestors who, on 30 November 2016, expressed their views in the gallery of the House of Representatives, otherwise known as the People's House; and

(c) calls on the Government to close the immigration camps on Manus Island and Nauru.

Senator Siewert to move:
That the following matter be referred to the Community Affairs References Committee for inquiry and report by 10 May 2017:

Inquiry into the complaints mechanism administered under the Health Practitioner Regulation National Law, with particular reference to:

(a) the implementation of the current complaints system under the National Law, including the role of the Australian Health Practitioner Regulation Authority (AHPRA) and the National Boards;

(b) whether the existing regulatory framework, established by the National Law, contains adequate provision for addressing medical complaints;

(c) the roles of AHPRA, the National Boards and professional organisations, such as the various Colleges, in addressing concerns within the medical profession with the complaints process;

(d) the adequacy of the relationships between those bodies responsible for handling complaints;
(e) whether amendments to the National Law, in relation to the complaints handling process, are required; and

(f) other improvements that could assist in a fairer, quicker and more effective medical complaints process.

**Senators Lambie, Hinch, Hanson, Roberts and Burston** to move:

That—

1. The Senate notes in relation to the 'Jedi Council' sex scandal:

   (a) in a secret New South Wales Police report, prepared by Detective Sergeant Mark Carter, Strike Force CIVET found that the actions of a number of Australian Defence Force Investigative Service (ADFIS) staff and other sections of the Australian Defence Force (ADF) to deliberately lie, withhold evidence, fabricate information... [mean] the conduct of future investigations [by NSW police] into and with the ADF as [a] whole and ADFIS as a body must be viewed with caution and concern;

   (b) the personal information of many innocent ADF members, including retired Lieutenant Colonel Dubsky, was provided to the media, in breach of their right to privacy and other fundamental human rights, and without regard for their mental and physical wellbeing;

   (c) the original ADFIS investigation into the alleged actions of the 'Jedi Council' was limited and was conducted without direct contact with any alleged members of the 'Jedi Council';

   (d) the ADFIS investigation was limited in scope and did not include appropriate follow-up regarding some of the allegations;

   (e) the ADFIS investigation did not include interviews with alleged victims of material created or distributed by the 'Jedi Council'; and

   (f) a number of the conclusions reached by the ADFIS were not consistent with the evidence presented to the ADFIS as part of the investigation.

2. The matters raised by New South Wales Police Strike Force CIVET, and other related matters, be referred to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 7 February 2017.

**Senator Whish-Wilson** to move:

That the following matter be referred to the Economics References Committee for inquiry and report by 10 May 2017:

The tax and royalties collected from the extraction and sale of Australia’s oil and gas resources, with particular reference to:

   (a) the adequacy and integrity of the existing Petroleum Resource Rent Tax (PRRT) and Commonwealth royalty regime;

   (b) compliance with the PRRT and Commonwealth royalty regime;

   (c) responsibilities and effectiveness of state and Federal Government departments in administering the existing PRRT and Commonwealth royalty regime;

   (d) the suitability of the PRRT and Commonwealth royalty regime in the modern global economy;

   (e) the comparison of tax and royalty regimes with other oil and gas producing countries that export to the Asia-Pacific region;

   (f) principles for modification of the PRRT as it applies to gas;

   (g) principles for an extended Commonwealth royalty regime covering offshore oil and gas projects in Commonwealth waters; and

   (h) any other related matters.
Senator McAllister to move:
That the following matter be referred to the Finance and Public Administration References Committee for inquiry and report by 24 February 2017:
The operation of the Administrative Arrangements Order, the effectiveness of the division and performance of responsibilities under it, and any other related matters.

Senators Moore and Watt to move:
That the Senate—
(a) acknowledges and congratulates the Honourable Justice Susan Mary Kiefel, AC on her appointment as the next Chief Justice of the High Court of Australia;
(b) recognises the Honourable Justice Susan Mary Kiefel, AC was Queensland's first female Queen's Counsel;
(c) notes this as a landmark moment for Australia's legal system and the nation as she will be the first woman appointed to the role, and according to the Law Council of Australia's 2014 report:
   (i) 46 per cent of those practising law today are women,
   (ii) 19 per cent of senior positions in law firms are held by women,
   (iii) 19 per cent of the Australian Bar are women, and
   (iv) just 6 per cent of Queen's Councils and senior counsel are women; and
(d) acknowledges the exemplary work over the past eight years of Chief Justice French who leaves a legacy of important contributions to the law, notably in his commitment to Indigenous justice.

Postponement
Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (15:38): by leave—I move:
That business of the Senate notice of motion no. 4 standing in the name of Senator Waters for today, relating to the reference of a matter to the Environment and Communications References Committee, be postponed until 8 February 2017.
Question agreed to.

Postponement
The Clerk: Postponement notifications have been lodged as follows:
General business notice of motion no. 145 standing in the names of Senators Gallagher and Cullerton for today, relating to a Royal Commission into the banking and financial services industry, postponed till 1 December 2016.
General business notice of motion no. 150 standing in the names of Senators Cullerton and Lambie for today, relating to judicial processes, postponed till 1 December 2016.

COMMITTEES
Environment and Communications References Committee
Reference
Senator SIEWERT (Western Australia—Australian Greens Whip) (15:39): I, and also on behalf of Senator Waters, move:
That the following matter be referred to the Environment and Communications References Committee for inquiry and report by 21 March 2017:
The Commonwealth’s responsibility under the *Environment Protection and Biodiversity Conservation Act 1999* to protect the globally significant and National Heritage listed Aboriginal rock art of the Burrup Peninsula in Western Australia, with particular reference to:

(a) the total industrial pollution load from existing industrial activities and port zone on the Burrup Peninsula in Western Australia, and its existing impacts on Aboriginal rock art;

(b) the projected additional pollution load from the Yara Pilbara Fertilisers Pty Ltd ammonium nitrate plant, including the likely impacts on the Aboriginal rock art, human health and the environment;

(c) the accuracy and adequacy of reports used by the Western Australian and Commonwealth governments when setting the relevant technical, environmental and cultural conditions regulating the construction and operation of the Yara Pilbara Fertilisers Pty Ltd ammonium nitrate plant in an area of highly significant Aboriginal rock art;

(d) the rigour and adequacy of the monitoring, analysis, compliance and enforcement performed by the Western Australian and Commonwealth government agencies in carrying out their legislated responsibilities in overseeing industries on the Burrup Peninsula;

(e) the projected level of fugitive gas and nitric acid leaks from the Yara Pilbara fertiliser and ammonium nitrate plants, their effects on human health, likely effects on rock art and the general environment, and the adequacy of the company responses;

(f) the failure by Yara Pilbara Fertilisers Pty Ltd, the Western Australian Government or the Federal Government to include risk analysis of establishing an ammonium nitrate plant in close proximity to the rock art, a gas hub and major port and in a cyclone surge zone;

(g) the adequacy of the Yara Pilbara plans to protect the communities of Dampier and Karratha and the rock art sites from the consequences of any explosion caused by ‘sympathetic detonation’ or other factors, including the ability to douse the nitrate stores with sufficient water to prevent a spontaneous explosion; and

(h) any related matters.

Senator McGRATH (Queensland—Assistant Minister to the Prime Minister) (15:39): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator McGRATH: The department investigates potential breaches of the Environment Protection and Biodiversity Conservation Act 1999 and takes compliance action where an action has had, will have or is likely to have a significant impact on national heritage places. The department works cooperatively with the Western Australian government to investigate actions impacting on national heritage places.

Question agreed to.

Environment and Communications References Committee

Reference

Senator WHISH-WILSON (Tasmania) (15:40): I seek leave to amend business of the Senate notice of motion No. 2, standing in my name for today, proposing a reference for the Environment and Communications References Committee relating to shark mitigation and deterrent measures.

Leave granted.

Senator WHISH-WILSON: I move the motion as amended:
That the following matters be referred to the Environment and Communications References Committee for inquiry and report by 30 June 2017:

The efficacy and regulation of shark mitigation and deterrent measures, with particular reference to:
(a) research into shark numbers, behaviour and habitat;
(b) the regulation of mitigation and deterrent measures under the Environment Protection and Biodiversity Conservation Act 1999, including exemptions from a controlled action under section 158;
(c) the range of mitigation and deterrent measures currently in use;
(d) emerging mitigation and deterrent measures;
(e) bycatch from mitigation and deterrent measures;
(f) alternatives to currently employed mitigation and deterrent measures, including education;
(g) the impact of shark attacks on tourism and related industries; and
(h) any other relevant matters.

Question agreed to.

MOTIONS

Great Barrier Reef

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (15:41): I seek leave to amend general business notice of motion No. 141 in the terms circulated in the chamber.

Leave granted.

Senator WATERS: I move the motion as amended:

That the Senate—
(a) notes that:
(i) the study by the ARC Centre of Excellence for Coral Reef Studies published this week shows that 67 per cent of corals in a 700 km swathe of reefs in the northern region of the Great Barrier Reef have died after the Reef's worst ever mass bleaching event,
(ii) mass coral bleaching is worsened by human-induced global warming,
(iii) Climate Action Tracker has assessed Australia's climate pollution reduction targets and clean energy policies as 'inadequate' to meet our fair share of action to stop dangerous global warming, and
(iv) the latest government figures show that Australia's climate pollution is increasing rather than decreasing; and
(b) calls on the Government to save the Great Barrier Reef, and the communities and workers which rely on its health, and help stop dangerous global warming by taking rapid action to cut pollution and build clean energy.

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (15:42): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator McGrath: The coalition government is taking strong action on climate change. We have ratified the Paris Agreement and committed to reduce emissions by 26 to 28 per cent compared to 2005 levels by 2030. This ambitious target is in line with the actions of other countries. Our landmark Reef 2050 plan is a 35-year plan to ensure the reef is protected for future generations. The Australian and Queensland governments are jointly investing $2
million over 10 years to improve reef health. The coalition government is taking leadership in managing the transition to a lower emissions economy including through COAG.

Question agreed to.

**Dental Services**

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (15:43): I move:

That the Senate—

(a) recognises that:

(i) the cost of visiting a dentist has been consistently shown to create a significant barrier for Australians seeking dental care, particularly for those experiencing the greatest disadvantage, and

(ii) poor oral health has significant health impacts, including increasing the risk of heart disease and stroke;

(b) notes the:

(i) impending expiry, on 31 December 2016, of funding to the states and territories for public dental services via the National Partnership Agreement on Adult Public Dental Services (the NPA), and

(ii) Government's failure to outline an alternative plan to ensure that this funding does not dry up – putting patients at risk; and

(c) calls on the Government to:

(i) urgently put in place arrangements to ensure that the crucial funding to states and territories for public dental services is maintained beyond 31 December 2016, and

(ii) end its attack on public dental services by finally giving up on its failed plan to cut the Child Dental Benefits Schedule which provides Medicare-funded dental care to children in lower income families.

Question agreed to.

**Chemical Contamination: Firefighting Foams**

**Senator RHIANNON** (New South Wales) (15:44): I seek leave to amend general business notice of motion No. 144 standing in my name for today relating to contamination by firefighting foams, by omitting in subparagraph (a)(i) the words 'public health'.

Leave granted.

**Senator RHIANNON**: I move the motion as amended:

That the Senate—

(a) notes that:

(i) the chemical contamination on and around Defence, airport and firefighter training sites across Australia of per and poly-fluoroalkyl substances (PFAS), resulting from the use of legacy firefighting foams, is a national environmental, economic and workplace safety issue,

(ii) preliminary tests conducted at 12 investigation sites around the country detected PFAS at every site, and PFAS levels exceeding interim standards at three sites,

(iii) it has been three weeks since the Department of Defence released the preliminary investigation report, and

(iv) the Turnbull Government has not yet commented on the report; and

(b) calls on the Government to:

(i) urgently consult with all residents living in and around every investigation site, and
(ii) urgently consult with all workers, including former workers, who have been exposed to PFAS through the use of firefighting foams.

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (15:45): I seek leave to make a short statement.

The President: Leave is granted for one minute.

Senator McGrath: Defence is continuing with a very proactive approach to identifying PFAS contamination across its estate through an extensive program of investigations. This program is one of the largest environmental investigations ever undertaken in this country. Community engagement has already occurred at RAAF Base Tindal, RAAF Base Darwin, Robertson Barracks and RAAF Base Townsville, with further community engagement planned in other communities in the coming weeks. A range of state and Commonwealth agencies have participated, given the whole-of-government focus on managing this issue. The government understands the concerns of those in affected communities and will continue to engage with them throughout these investigations.

Question agreed to.

COMMITTEES
Select Committee on the Exposure Draft of the Marriage Amendment (Same-Sex Marriage) Bill
Appointment

Senator Pratt (Western Australia) (15:46): I, and also on behalf of Senators Rice, Kakoschke-Moore and Hinch, move:

(1) That a select committee, to be known as the Select Committee on the Exposure Draft of the Marriage Amendment (Same-Sex Marriage) Bill, be established to inquire into and report on by 13 February 2017, on the Commonwealth Government's exposure draft of the Marriage Amendment (Same-Sex Marriage) Bill, with particular reference to:

(a) the nature and effect of proposed exemptions for ministers of religion, marriage celebrants and religious bodies and organisations, the extent to which those exemptions prevent encroachment upon religious freedoms, and the Commonwealth Government's justification for the proposed exemptions;

(b) the nature and effect of the proposed amendment to the Sex Discrimination Act 1984 and the Commonwealth Government's justification for it;

(c) potential amendments to improve the effect of the bill and the likelihood of achieving the support of the Senate; and

(d) whether there are to be any consequential amendments, and, if so, the nature and effect of those consequential amendments, and the Commonwealth Government's justification for them.

(2) That the committee consist of 8 senators, as follows:

(a) 4 nominated by the Leader of the Government in the Senate;

(b) 2 nominated by the Leader of the Opposition in the Senate;

(c) 1 nominated by the Leader of the Australian Greens; and

(d) 1 nominated by the Nick Xenophon Team.

(3) That:
(a) participating members may be appointed to the committee on the nomination of the Leader of the Government in the Senate, the Leader of the Opposition in the Senate or any minority party or independent senator; and

(b) participating members may participate in hearings of evidence and deliberations of the committee, and have all the rights of members of the committee, but may not vote on any questions before the committee.

(4) That 4 members of the committee constitute a quorum of the committee where at least one member present was appointed to the committee on the nomination of the Leader of the Government in the Senate and at least one member present was appointed to the committee on the nomination of the Leader of the Opposition in the Senate.

(5) That the committee may proceed to the dispatch of business notwithstanding that not all members have been duly nominated and appointed and notwithstanding any vacancy.

(6) That the committee elect as chair one of the members nominated by the Leader of the Government in the Senate and, as deputy chair, one of the members nominated by the Leader of the Opposition in the Senate.

(7) That the deputy chair shall act as chair when the chair is absent from a meeting of the committee or the position of chair is temporarily vacant.

(8) That, in the event of an equality of voting, the chair, or the deputy chair when acting as chair, have a casting vote.

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

(10) That the committee have power to appoint subcommittees consisting of 3 or more of its members, and to refer to any such subcommittee any of the matters which the committee is empowered to consider.

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

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

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (15:46): I seek leave to make a short statement.

The President: Leave is granted to one minute.

Senator McGrath: The government took a policy to the last election that the issue of same-sex marriage would be determined by a plebiscite. This remains the government’s policy. We introduced legislation for a plebiscite and released an exposure draft of amendments to the Marriage Act 1961. This was the first time an Australian government had put forward amendments to achieve same-sex marriage. On 7 November 2016, the Senate voted against the plebiscite legislation.

Question agreed to.
Corporations and Financial Services Committee
Reference

Senator XENOPHON (South Australia) (15:47): I, and also on behalf of Senator Hinch, move:

That the following matters be referred to the Parliamentary Joint Committee on Corporations and Financial Services for inquiry and report by 30 June 2017:

(a) the development and implementation in the corporate, public and not-for-profit sectors of whistleblower protections, taking into account the substance and detail of that contained in the Registered Organisation Commission (ROC) legislation passed by the Parliament in November 2016;

(b) the types of wrongdoing to which a comprehensive whistleblower protection regime for the corporate, public and not-for-profit sectors should apply;

(c) the most effective ways of integrating whistleblower protection requirements for the corporate, public and not-for-profit sectors into Commonwealth law;

(d) compensation arrangements in whistleblower legislation across different jurisdictions, including the bounty systems used in the United States of America;

(e) measures needed to ensure effective access to justice, including legal services, for persons who make or may make disclosures and require access to protection as a whistleblower;

(f) the definition of detrimental action and reprisal, and the interaction between and, if necessary, separation of criminal and civil liability;

(g) the obligations on corporate, not-for-profit and public sector organisations to prepare, publish and apply procedures to support and protect persons who make or may make disclosures, and their liability if they fail to do so or fail to ensure the procedures are followed;

(h) the obligations on independent regulatory and law enforcement agencies to ensure the proper protection of whistleblowers and investigation of whistleblower disclosures;

(i) the circumstances in which public interest disclosures to third parties or the media should attract protection;

(j) any other matters relating to the enhancement of protections and the type and availability of remedies for whistleblowers in the corporate, not-for-profit and public sectors; and

(k) any related matters.

Question agreed to.

MOTIONS
Parliament House: Catering

Senator URQUHART (Tasmania—Opposition Whip in the Senate) (15:47): At the request of Senators Moore and Fifield, I move:

That the Senate—

(a) records the sincere gratitude of senators for the dedicated service given by all staff in the Senators' and Members' Dining Room and Parliament House functions employed by the Intercontinental Hotels Group (IHG); and

(b) acknowledges Mr Timothy Stephens as Manager, Members' Guests Dining Room, whose significant contribution was consistent over his 14 years of service along with his professional dedication, his courtesy, high level of hospitality, and sometimes his music taste.

Question agreed to.
Australian Ambassador for Women and Girls

Senator URQUHART (Tasmania—Opposition Whip in the Senate) (15:48): At the request of Senator Moore, I move:

That the Senate—

(a) notes:

(i) the important role of the Australian Ambassador for Women and Girls, which was introduced by Labor in 2011,

(ii) the valuable work provided by our first Ambassador, Ms Penny Williams, and

(iii) that our second Ambassador, Ms Natasha Stott Despoja, has just finalised her term;

(b) recognises and thanks Ms Natasha Stott Despoja for her work during her role as Australian Ambassador for Women and Girls from 16 December 2013 to December 2016;

(c) acknowledges the tremendous achievements by Ms Natasha Stott Despoja during her tenure, including:

(i) her commitment to her work which built our relationship internationally with a clear focus on women and girls,

(ii) her extensive travel in the Indo-Pacific region to advocate for women's equal participation in political, economic and social affairs,

(iii) representation of Australia at international meetings and forums working to promote women's leadership, economic empowerment and gender equality,

(iv) strong advocacy to change the attitudes and behaviours across the community that condone or support gender inequality and sexism including victim-blaming, and

(v) steering Australia's foreign policy and aid programs towards women's economic empowerment, and the fight to end violence against women and girls; and

(d) congratulates Dr Sharman Stone on her appointment as the new Ambassador for Women and Girls, commencing January 2017, and looks forward to her work continuing the important role.

Question agreed to.

Parliament House: Security

Senator DI NATALE (Victoria—Leader of the Australian Greens) (15:49): I move:

That the Senate—

(a) notes:

(i) that Australian Parliament House is the most significant monument that represents our democracy, owned by its citizens, to be enjoyed by thousands of Australians and visiting tourists alike,

(ii) that Parliament House was designed to reflect Australia's egalitarian traditions where politicians are subservient to the Australian people, and

(iii) the significant expanse of security in and around Parliament House in recent years which has already impacted on the amenity and utility enjoyed by previous visitors; and

(b) rejects further restrictions on the freedom for visitors to enjoy this building and freely participate in their democracy.

Question negatived.
DOCUMENTS
Attorney-General

Order for the Production of Documents

Senator URQUHART (Tasmania—Opposition Whip in the Senate) (15:49): At the request of Senator Watt, I move:

That—

(a) the following documents relating to the Bell Group liquidation and the Western Australian Bell Group Companies (Finalisation of Matters and Distribution of Proceeds) legislation be provided to the Legal and Constitutional Affairs References Committee by the Attorney-General:

(i) correspondence, including but not limited to, briefings, letters, memoranda and aides memoire between the Attorney-General and:

(A) the Treasurer of Western Australia,
(B) the Attorney-General of Western Australia, and
(C) the Solicitor-General,

(ii) any file notes held of any meetings between the Attorney-General and:

(A) the Treasurer of Western Australia,
(B) the Attorney-General of Western Australia, and
(C) the Solicitor-General,

(iii) briefings to the Attorney-General from the Solicitor-General, Australian Government Solicitor and Attorney-General's Department, and

(iv) correspondence between the Australian Government Solicitor and the Attorney-General's Department and the Western Australian Department of the Attorney-General, or the Western Australian State Solicitor's Office;

(b) the time frame for the documents covered by this motion is 1 November 2015 to 30 March 2016; and

(c) the documents be provided by no later than 14 December 2016.

Senator McGRATH (Queensland—Assistant Minister to the Prime Minister) (15:50): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator McGRATH: The government opposes the motion. The terms of the motion are extremely broad. It requires the production of several categories of documents from a number of different sources, including the Attorney-General, the Attorney-General's Department and the Australian Government Solicitor. The motion covers a period of time of some six months. Taken with the other issue, the scope of the motion can only be described as oppressive. The motion also covers documents which would undoubtedly be subject to legal professional privilege. It has long been the practice of governments of both political persuasions not to release legal advice or documents that are the subject of legal professional privilege. There are good reasons for that practice, and this motion proposes to disturb it.

The PRESIDENT: The question is that the motion No. 151 moved by Senator Watt be agreed to.

The Senate divided. [15:55]
(The President—Senator Parry)

Ayes ...................... 35
Noes ...................... 28
Majority ............... 7

**AYES**

| Bilyk, CL              | Cameron, DN |
| Bisholm, A            | Collins, JMA |
| Cullen, RN            | Dastyari, S |
| Di Natale, R          | Dodson, P  |
| Farrell, D            | Gallacher, AM |
| Gallagher, KR         | Griff, S    |
| Hanson-Young, SC      | Hinch, D    |
| Kakoschke-Moore, S    | Ketter, CR  |
| Kitching, K           | Lambie, J   |
| Lines, S              | Marshall, GM |
| McAllister, J         | McCarthy, M |
| McKim, NJ             | O'Neil, DM  |
| Polley, H             | Pratt, LC   |
| Rhiannon, L           | Rice, J     |
| Siewert, R            | Sterle, G   |
| Urquhart, AE (teller) | Waters, LJ  |
| Watt, M               | Whish-Wilson, PS |
| Xenophon, N           |             |

**NOES**

| Abetz, E              | Back, CJ |
| Birmingham, SJ        | Burston, B |
| Bushby, DC (teller)   | Canavan, MJ |
| Cash, MC              | Duniam, J |
| Fawcett, DJ           | Fieravanti-Wells, C |
| Fifield, MP           | Hanson, P |
| Hume, J               | Leyonhjelm, DE |
| Macdonald, ID         | McGrath, J |
| McKenzie, B           | Nash, F    |
| O'Sullivan, B         | Parry, S   |
| Paterson, J           | Reynolds, L |
| Roberts, M            | Ruston, A  |
| Scullion, NG          | Seselja, Z |
| Smith, D              | Williams, JR |

**PAIRS**

| Brown, CL            | Payne, MA |
| Carr, KJ             | Sinodinos, A |
| Ludlam, S            | Cormann, M |
| Moore, CM            | Ryan, SM   |
| Singh, LM            | Bernardi, C |
| Wong, P              | Brandis, GH |

Question agreed to.
Senator WHISH-WILSON (Tasmania) (15:57): I move:

That the following matter be referred to the Economics References Committee for inquiry and report by 14 June 2017:

The tax and royalties collected from the extraction and sale of Australia's oil and gas resources, with particular reference to:

(a) the adequacy and integrity of the existing Petroleum Resource Rent Tax (PRRT) and Commonwealth royalty regime;
(b) compliance with the PRRT and Commonwealth royalty regime;
(c) responsibilities and effectiveness of state and Federal Government departments in administering the existing PRRT and Commonwealth royalty regime;
(d) the suitability of the PRRT and Commonwealth royalty regime in the modern global economy;
(e) the comparison of tax and royalty regimes with other oil and gas producing countries that export to the Asia-Pacific region;
(f) principles for modification of the PRRT as it applies to gas;
(g) principles for an extended Commonwealth royalty regime covering offshore oil and gas projects in Commonwealth waters; and
(h) any other related matters.


The PRESIDENT: Leave is granted for one minute.

Senator GALLAGHER: The opposition will be opposing this motion. The resource royalties regime in Australia is generally robust. The recent ANAO report and commentary in the media has, however, raised some questions about the resource royalty and taxation regime. While noting that the ANAO did not make any adverse findings against resource companies, we are concerned about issues raised in the report regarding the management of the system by the current government. Labor want to see immediate action from the government regarding the important issues the ANAO report raises. We believe the terms of reference of the Senate Economics References Committee—(Time expired)


The PRESIDENT: Leave is granted for one minute.

Senator WHISH-WILSON: It seems as though everybody wants to move to have some kind of inquiry into this. The government has today announced it is going to be appointing an independent consultant, Mr Peter Costello's previous chief of staff. The Labor Party is saying that it is going to have a look at this in the tax avoidance inquiry. The Greens have had advice from the parliament that that is inappropriate given the terms of reference.

We do not understand why Labor will not support this motion. It seems as though it wants to shoehorn gas royalties and the PRRT into the corporate tax inquiry, which will not look at this. These companies pay no tax, not because they are avoiding tax but because the laws we have put in place allow it. Our resources tax regime is completely broken, but it seems as
though Labor does not want to take the opportunity to fix it. Perhaps it is because previous Labor ministers have gone to work for the oil and gas industry. We need to get to the bottom of this. The references committee we are proposing will do that.


The PRESIDENT: I will just indicate that generally it is one speaker per party.

Senator DASTYARI: But you said I could.

The PRESIDENT: Well, I am just telling you what the convention is. So, you run the risk of having leave denied. But leave is granted for 20 seconds.

Senator DASTYARI: The terms of reference that already exist for the Senate Economics Committee inquiry into multinational tax avoidance will give us plenty of opportunity to look at this issue. I could not agree more with the sentiment of what Senator Whish-Wilson has been saying, but the terms of reference of that inquiry give more than enough opportunity. And I will also use this time to wish everybody a merry Christmas.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (16:00): The floodgates have opened! I seek leave to make a short statement.

The PRESIDENT: Leave is granted for 20 seconds.

Senator DI NATALE: For the benefit of Senator Gallagher and Senator Dastyari, we are prepared to table the advice we have received from the Clerk that says that issue cannot be dealt with through the multinational tax avoidance inquiry. That is why it requires a standalone reference, which is what the Greens are prepared to do. It is hard to escape the conclusion that this is anything other than the backing of your corporate donors.

The PRESIDENT: I will just indicate to the Senate that the Procedure Committee has examined this issue and, in relation to the discovery of formal business and formal motions, it has been determined—more by convention, not by want—that short statements of one minute are normally granted to provide an explanation, not to be used for debating points. Also, the convention has been that only one senator per party would ever speak, and I just remind the Senate of that—obviously any senator. And the Senate can grant leave for any course of action. But I just remind the Senate of the purpose of this. This is the discovery of formal motions, where debate is not entertained.

The question is that the motion moved by Senator Whish-Wilson be agreed to.

Question negatived.

Debate adjourned.

MATTERS OF PUBLIC IMPORTANCE

The PRESIDENT (16:02): I inform the Senate that, at 8.30 am today, Senators Gallagher and Siewert each submitted a letter in accordance with standing order 75 proposing a matter of public importance. The question of which proposal would be submitted to the Senate was determined by lot.

As a result, I inform the Senate that a letter has been received from Senator Siewert:

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

The dangers of Australia pursuing the ratification of the Trans-Pacific Partnership.
Is the proposal supported?

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

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

Senator HANSON-YOUNG (South Australia) (16:03): The reason I believed it was important for this chamber to debate the issue of the TPP, the Trans-Pacific Partnership Agreement, in this place today—before we all leave for the end of the parliament this year, and we will not be back until early February—is that despite the fact that Donald Trump, the President-Elect in the United States, has effectively signed the death warrant for the TPP, we now know that our own Prime Minister, Malcolm Turnbull, wishes to continue to forge ahead without acceptance of the deal by the United States. This is just a ridiculous proposition.

The TPP is, of course, an arrangement that has been struck over a number of years—lots of negotiation, but all done behind closed doors and in secret. The Australian people and indeed the citizens of many of the other countries involved in the TPP were not privy to the details of this arrangement until long after it had been signed by the previous heads of state. But of course there were a number of key voices within the room at the negotiating table, and they were some of the CEOs and heads of some of the world's biggest corporations—right there at the table negotiating for their own interests, not the interests of the citizens of the countries that are signatories.

Our own Prime Minister, Malcolm Turnbull, only last week, when he was in Peru, effectively begged the United States and indeed some of the other countries to not give up on this agreement, not give up on this dodgy trade deal and instead continue to forge ahead. Malcolm Turnbull, the Prime Minister of Australia, just cannot let it go. He is flogging a dead horse. He seems to be unaware of the growing opposition to this dodgy trade deal, despite the fact that it has cost an election, at least for the Democrats, in the United States. Despite the fact that Hillary Clinton throughout the campaign did slightly change the Democrats position in relation to the TPP, we know that this happened really only after a massive outcry from the American people and indeed a surge in support for the proposition put forward by Donald Trump to scrap the TPP if he was elected as President. Well, now he has been elected. This trade deal was dodgy from the start, and it is time it was dumped. There has been a clear rejection of the TPP as a way of doing these types of trade deals. They were negotiated behind closed doors. They were negotiated for big business, by big business, with the help of nation states, and they locked out the very voices of the citizens whom governments are meant to represent.

We need to take stock of this failure of an agreement such as the TPP, take stock and realise that there are fundamental reasons that the public and the community have so resoundingly rejected the deal across the region. Here in Australia, there is growing opposition. In the US, of course, and in many other countries who are signatories to the TPP, people do not like it, they want it junked. They want their governments and their heads of state to start thinking about the interests of the people and not just those of the corporations who are out to make big bucks out of those deals. From the ashes of the TPP, other trade deals will rise. We know that this agreement is dead in the water. It cannot go ahead without the US
signing it, despite what the Prime Minister, Malcolm Turnbull, says. The clauses and the underpinning of the TPP mean that unless the United States ratifies it, the whole thing falls over. So why on earth we have a Prime Minister and trade minister in this country continuing to beg, and to flog a dead horse in this regard, is beyond me. It is almost embarrassing, to be honest. We know that the Prime Minister tried pick up the phone to have a hearing with Donald Trump, to beg him to change his mind on the TPP—but no, our Prime Minister did not get that hearing, and he looked just a little bit foolish in attempting to do so.

We know that new trade deals will be and have already started to be discussed, and that they will start to be negotiated out of the ashes of the TPP. We must take this opportunity to learn from the mistakes in what has happened under the previous negotiations. The investor-state dispute settlement—ISDS—clauses, which would allow big business to have incredible power over the rights of citizens and governments, are just atrocious. Those types of clauses must be outlawed in this country in relation to ongoing and future trade arrangements. This debate is not just happening here in Australia, and not just happening in the United States, but it is happening right across Europe as well, as citizens and smart governments are recognising that it is just not worth trading away their rights—under these trade arrangements—to represent their people and to pass laws in the interests of the community.

Giving massive corporations the power to sue governments if they change laws; if they introduce new environmental regulations, or, heavens above, if we actually ended up getting what we desperately need in order to reduce emissions in this country, a moratorium on coal exports! Under the TPP—under a trade deal that includes ISDS clauses—that type of moratorium would most likely be found to be illegal, opening up the Australian government to being sued by some of the world's biggest mining corporations. The TPP itself was only going to lead to a very small increase in GDP growth. It was not about maximising goods and services exports out of Australia; in fact, Australia's trade deficit to date is larger than it has been a long, long time. It is close to $36 billion—that is Australia's current trade deficit. That means we are exporting and making less money out of our exports than we are paying for things coming into our country. The trade deals that have been done by this government, and by previous governments over the last five or six years, have done nothing to close that trade deficit. In fact, it has continued to widen; to get bigger and bigger. We hear the government talking all the time about the budget deficit and about what a crisis we are in in relation to that—yet we never hear them talk about the massive trade deficit that is getting worse, day by day, because of the dodgy trade deals this government continues to enter Australia into.

As these new trade arrangements are negotiated, there is another issue we must make sure of—along with outlawing and stopping ISDS clauses which give corporations more power than the people in a country like Australia. That issue is cracking down on big multinational companies to prevent them from having a monopoly on things like pharmaceutical drugs. Not many people know that under the TPP, big pharmaceutical companies in the US were going to get a boon from having a massive monopoly for years on life-saving cancer drugs. New drugs to combat cancer were going to be more expensive for Australians—for the Australian government under the PBS, and for Australians trying to access those new drugs. Those prices were going to go through the roof under the TPP. Big pharmaceutical companies wanted the TPP but, I tell you what, cancer patients did not. There were going to be poor labour rights and poor labour rights protections under the TPP. We need to make sure that, if we are going
to enter into trade deals—which of course we need to do, because we need to be exporting things to the rest of the world—let us make sure we lift standards, not lower them; let us ensure that we lift workers' rights and protections, not push them down to the lowest common denominator. There are a number of things that we need to take from the ashes of the TPP and implement in any deals going forward. (Time expired)

Senator BACK (Western Australia) (16:13): Acting Deputy President Marshall, I pose a question to the chamber and, through you, to those in the public gallery. In a country that has the population of Greater New York but has the land mass of continental USA with the exception of Alaska, how is it that, per capita, Australia is one of the wealthiest countries in the world? Stop to reflect on the answer. It is or has been twofold. The first reason was cheap energy. Well, that is going now. The great advantage that Australia had in terms of cheap energy has now, largely, dissipated. The best example of that is in Senator Hanson-Young's home state of South Australia, where originally the Liberal Premier—Playford, many years ago—had the realisation that South Australia did not have much going for it, and that therefore he had better create cheap energy. And he did. In so doing, he attracted a car-manufacturing industry and a naval shipbuilding industry, amongst others. There are three things about South Australia today which are due to its increasing reliance on unreliable renewables. First of all, it has had blackouts, and it will have more statewide blackouts. Secondly, it has the most expensive power in Australia. And, thirdly, that power price is going up and up.

I come to the second reason why Australians have been and are so wealthy per capita in this massive landmass where we have 24 million people. The reason is and has been that we always have been an active trading nation. We are the envy of the world, and I will tell you why. In 2016-17 we have the 25th year of uninterrupted economic growth. We are the only country in the world to have a quarter of a century of economic growth. And why has that been? Why is it now? Why must it continue into the future? It is because of our export trade activity and the activity of our trade internationally.

For example, take my own home state of Western Australia. We will harvest somewhere between 16 and 17 million tonnes of grain this year, and 1.6 million of us cannot eat 17 million tonnes of grain. We export 95-plus per cent of it, and grain is of course only one example of our exports. When you have a look at where the wealth of our exports has been, in the 1950s it was wool: Australia grew on the sheep's back. It does so no longer, but nevertheless agricultural produce is still a significant export income earner for our nation. Of course from my home state we export some 600 million tonnes of iron ore each year. That is about 1.3 million or 1.7 million tonnes a day, seven days a week. We are still the world's largest exporter of safe thermal coal—high energy and low sulphur. And, of course, we are the largest exporter of coking coal, which goes into steel manufacture. And why have we been able to do this? Because we have excellent trading relationships.

When you look at the imports and the price that we now enjoy, for example, going back, just have a look at the old video recorders. How much did we pay for them years ago? It was $600 and $700, and of course, as a result of trading arrangements with our neighbours, including our Asian neighbours, we saw a decrease in those costs. You can think of commodities all over the place. When we stopped our horrible long tariff protection, particularly in New South Wales and Victoria, we started to see a freeing up of trade.
Mr Trump and Ms Clinton indicated that they would not be supporting the USA signing up to the Trans-Pacific Partnership, a partnership of some 12 countries that represent 40 per cent of global economic activity and a quarter of all world trade. If you are a small-population country in a big landmass and you have a stack of commodities that you want to sell, why would you not want to be part of what is 40 per cent of world trade and is in our region? But let us have a look at the countries in our own region, countries like Singapore, Malaysia, Brunei, and Vietnam. Some of these countries do not enjoy some of the standards that our country enjoys—industrial relations and occupational health and safety, for example, in their workplaces. So by joining into a TPP we have an influence on other countries of the world to actually improve their standards of occupational safety and health and welfare.

Before I go on to things other than commodities, let me speak to you for a moment about the investor-state dispute system which is so much the subject of concern. You would think from listening to conversation that this is in some way some horrific envelope that sits over the top of us. There has never been a successful case in which Australia has been the adverse subject of an ISDS claim—never, ever. But I speak also as somebody who has done business throughout Asia, India and the Middle East. ISDS, the investor-state dispute system, has protections for us. I was in business in India. We were the subject of unfair contractual obligation imposed on us by the Indian government. There being no ISDS in place, we had no capacity to be able to challenge the government of India when they imposed taxes upon us which we simply could not sustain. So, when you hear about all this ISDS et cetera, it protects Australian industry and business in the same way that it protects others. But of course you will never hear that from Senator Hanson-Young and others. In the carve-out that Mr Robb was able to negotiate, you make sure that you exclude your country from any environmental adverse impacts, for example. You make sure that you exclude your country from anything that might relate, for example, to the health space. We heard about this voracious United States pharmaceutical industry. Let me tell you what actually happened as part of the negotiations. Mr Andrew Robb successfully negotiated that there would be no adverse impact on the Australian pharmaceutical industry. It is funny how the truth hurts, isn't it?

Senator Hanson-Young interjecting—

Senator BACK: Might I be allowed to continue without this prattling that comes from that side? I do not remember interfering in Senator Hanson-Young's contribution—unhelpful and all as it was. But I want to say to you that the Americans turned around and said to Mr Andrew Robb, 'What you have in place in Australia could be to the advantage of the American consumers.' So once again a system is in place in which, by sharing trade around the world, it advantages.

It is the case at the moment that Mr Trump has said that he is not interested in a TPP. It will be of enormous benefit to the United States, but there are other countries—Mexico, Peru and Chile—into which Australia can trade.

Let me give you a quick example. Our vehicle manufacturing industry is coming to a close, but the Mexicans produce three million cars a year, moving up to five million. When I was in Mexico in January last year, they said to me, 'We know about the excellence of your vehicle component manufacturing industry.' That led to consultations in Adelaide and Melbourne by Austrade and the Mexican Embassy. Do you know who they negotiated with? Australian vehicle component manufacturers. There are now opportunities for Australian vehicle
component manufacturers to sell into Mexico. Should we negotiate free trade agreements with Mexico, that would then, of course, be tariff free.

The point that I wish to leave the chamber with is this: services contribute 70 per cent of economic activity in Australia at the moment, but we only earn 17 per cent from services exports. Imagine the benefit to this country, to students, to the economy, to families if, indeed, our services could increase from 17 per cent as a contributor to exports to say 25 or 30 per cent. The sky is the limit. We must participate in free trade and trade activities around the world. Imagine what it would be like if we do not have a TPP.

Senator McALLISTER (New South Wales—Deputy Opposition Whip in the Senate) (16:23): More than a week ago Labor made the public observation that the Trans-Pacific Partnership is dead. We did so on the back of the very public statements by President-elect Trump that he remains opposed to the trade deal. That was more than a week ago, but only today the Greens political party have decided to raise this in the Senate. Nonetheless, it probably is an occasion to again give some indication about how we think about trade going forward.

For the TPP to come into effect it must be ratified by the United States. Given the outcome of this month's US election, Labor had written to the government asking that consideration of the TPP by the Joint Standing Committee on Treaties be suspended. They have refused that request. It really is up to the government now to make clear how the TPP could progress without the participation of the United States government, and they are yet to do so. The events of the US presidential election and the consequent demise of the TPP will, of course, delay any of the trade benefits that that agreement may have delivered. But they also give us an opportunity to achieve further outcomes for Australian workers in our future trade deals.

Labor has a long record of advocacy for global trade because it builds a pathway to a high-skill highway to the future for working Australians. Our region will be home to three billion middle-class consumers by 2030, and it is not hard to see how trade with our neighbours will be essential for the future of Australian jobs. We are now looking, though, to what happens next. Labor wants to ensure that we do have a real but fair plan to engage with our region—a fair way to provide jobs, improve living standards and reduce poverty not just here but overseas, in our region and with our regional neighbours.

The TPP was not without flaws. We have consistently put pressure on the government to resolve the problems of the TPP that was. In this agreement, as with many others, Labor stood firm against the government's decision to allow companies to bring in workers from Canada, Peru, Mexico, Brunei, Malaysia and Vietnam without first checking if there is an Australian worker who can do that job. Our position on the TPP was always that local companies must be compelled to test the labour market before they bring in other workers. Instead, Mr Turnbull traded away those protections. He traded away those protections to six countries. He traded away what could have been many thousands of jobs.

In the course of the negotiations no other country was as generous with their reciprocal visa rights as Australia. The Labor team and I are unable to account for the concessions on this front that are offered in the TPP, unless the government's agenda was to find yet another way to undermine existing arrangements for pay and conditions. We have a consistent position on labour market testing for the TPP and for many other agreements. Our position would have
provided essential support for local Australian jobs, and we will maintain our position on the need for these protections in any agreements in the future.

I want to talk too about the investor-state dispute settlement arrangements. We have consistently expressed our concern about provisions that make Australia vulnerable to legal action by foreign companies. There is a principle here: there are no benefits that flow from trade that could ever override the fundamental need for sovereign governments to uphold their ability to make laws on behalf of their citizens. We believe that parts of the TPP that dealt with ISDS arrangements created a false impression that that mechanism had no potential to affect the sovereign capacity of the Australian government—and we were not alone in this view.

In 2010 the Productivity Commission said that the Australian government should seek to avoid accepting provisions in trade agreements that confer additional substantive or procedural rights on foreign investors over and above those already provided by the Australian legal system. We have had firsthand experience of how those ISDS clauses can frustrate proper government decision making. That was, of course, in the case of tobacco packaging, which followed the enactment of a groundbreaking reform by the Labor government at the time. The case was ultimately found to be unjustified, but not before the government had spent years and literally millions of dollars fighting that case. If the tobacco company had won their case, Australia would have been faced with abandoning the plain packaging, public health initiative, or paying compensation to the complainants.

We are talking a lot in this chamber at the moment about chilling effects. My concern, which I think is a reasonable one, is that there is a very real risk that the ISDS provisions will have a chilling effect on public policy that would arise from foreign governments being able to sue the Australian government should we seek to enact measures that protect the public interest. We are concerned too about the process—not just with this trade agreement, but certainly with the TPP—because there has been significant concern about how those discussions were dealt with and how much visibility this parliament and the Australian public had.

The lack of transparency to us seemed to be excessive, particularly in the context of reports from the US which suggested that much more comprehensive briefings are available there for business and for civil society. Now, we do not call upon the government to provide a copy of every draft. We understand that a negotiation requires some level of confidential dealings between the parties. We recognise that these are practical constraints, but we do call for parliament to be able to have a more complete oversight of the negotiations—a more complete oversight about where the agreement is heading. I would say to the government that this is the way to bring the Australian public along with you. Give people a sense of where we are heading. Take people into your confidence because secret agreements without any clear direction about what is at stake and without an honest conversation about what is at stake are unlikely to gain public support.

I will say that I am a member of the Joint Standing Committee on Treaties and we did hear evidence from business that they feel that they could have had more access to information, that in the United States the approach to consultation is not so formal. It is more informal, but it is more extensive and it is more regular, and it gives business an opportunity to provide real input to government about what measures in the treaty would really benefit them, what things
would really help them in terms of their export arrangements. For anyone who is interested in how we might improve our treaty-making process, I actually commend that evidence that was provided to the committee, because it was actually very interesting.

Where are we going next? I think, following the outcome of the election in the United States, negotiations for the next round of multinational trade deals will likely look very different, but some things will not change. Labor, and the Labor team, will always fight for a fair distribution of trade benefits, and we know that there are many people who feel displaced by changes to the economy that arise, in part, from international trade. The evidence shows that, in aggregate, international trade does deliver benefits, but there is little dispute that those benefits are distributed in very unequal ways. And trade benefits, in the aggregate, often come at the cost of local communities, specific regions and specific industries as well as to individual men and women who are affected by structural change to the economy. And we will always argue for targeted adjustment that ensures that Australians are lifted up and not left behind by economic change, and we will advocate for a social safety net that means that equality in this country stays as it is, improves, that we do not have worsening inequality and increasing disenfranchisement from the political system.

As we move into the next phase of trade deals and negotiations, we will remain steadfast in our view that we will not support trade deals that lack a foundation of widespread consultation, that constrain our public services, that adversely affect international property protections or that weaken the domestic labour market in job availability and core work standards. We will not accept trade agreements that diminish environmental protections and we will not accept trade agreements that fail to take account of social as well as economic impacts. These are the standards that the Australian government ought to meet in the interests of the Australian people so that we can grow our economy in our region and deliver better jobs for Australian working men and women.

Senator XENOPHON (South Australia) (16:33): I commend Senator Hanson-Young for moving this motion. This is an important debate because it seems that, with the election of Donald Trump as President-elect of the United States, the TPP will not be proceeded with by the US, and that was the fulcrum for this trade deal. I think we need to reflect, both in terms of trade deals generally, their importance and the problems we have had with them, and also to reflect on Donald Trump's role in respect of the TPP.

I want to pay tribute to Dr Patricia Ranald, a research associate at the University of Sydney and the Coordinator of the Australian Fair Trade and Investment Network, AFTINET. She makes a point that Donald Trump did not kill the TPP. His opposition was only the final blow which came at the end of more than six years of criticism of the TPP in the US, Australia and other TPP countries by a whole range of community groups.

I think we need to look at the context of the TPP. It was not just about trade issues. It was about sovereignty. It was about the dispute resolution clauses that do take away our sovereignty and, as Senator McAllister made reference to, the Hong Kong case about plain packaging. There was a very worthy health measure moved by this parliament, and yet a multinational tobacco company found this little clause in a trade agreement with Hong Kong to have a case in Hong Kong which was eventually dropped, and that was the end of it. In recent Senate estimates, I asked a very simple question: how much money has the Australian government spent on defending that case? I have been told it is cabinet-in-confidence.
Respectfully, that is nonsense and, if I have to end up in the AAT to fight that case, I am very confident of success. It cannot be cabinet-in-confidence to find out how many taxpayers' dollars were spent in fighting a legal case.

But that goes to the whole issue of secrecy of these deals and the way that they have been negotiated, and the TPP is no exception. One of the problems we have with our trade deals is that there has been enormous secrecy. As Dr Patricia Ranald says, there are precedents for ending secrecy in trade negotiations. The EU has determined that the full text of trade agreements should be made public before the decision to sign them instead of the parliament here been effectively a rubber-stamp or going through a very restricted process. You also have a position where the United States Congress is much more open in its process with the TPP and all trade agreements.

I want to talk more broadly about trade agreements. I know that Paul Kelly from The Australian has called me 'the most dangerous protectionist politician that this parliament has seen for a generation'. I think he secretly likes me because I think that actually helped me amongst my supporters. But he is wrong; I am not a protectionist. I just want to make sure that we have fair trade.

No less than the Productivity Commission has revealed predictions of growth in jobs from free trade agreements have rarely been delivered because the economic models employed exaggerate the benefits, ignore many of the costs and assume away unemployment effects.

The Australian National University's study of the outcomes of the US-Australia free trade agreement after 10 years showed the preferential agreement diverted trade away from other countries. Australia and the United States have reduced their trade with the rest of the world by US$53 billion or AU$71 billion and are worse off than they would have been without the agreement. That study concludes that:

Deals that are struck in haste for primarily political reasons carry risk of substantial economic damage.

We have seen with the FTAs with Japan, South Korea and China the claim that they will lead to tens of thousands of jobs. The government's own economic modelling, by the Canberra based Centre for International Economics, estimates that by 2035 these three FTAs will have produced a total of only 5,400 additional jobs. That is less than 300 jobs a year. Those are not my figures but the figures of the government's own modelling.

It seems that with the crisis in manufacturing in this country we have not negotiated these agreements well. I am not against the expansion of trade or negotiating free trade agreements. Trade is the lifeblood of our economy. But we have been lousy negotiators, and that is why we should move away from the TPP.

**Senator O'SULLIVAN** (Queensland) (16:39): I want to make an observation about a trend that seems to be appearing—

**Senator Dastyari interjecting**—

**Senator O'SULLIVAN**: Senator Dastyari we know, of course, is up for trade. He wants to trade, but only with China! He only wants to trade with China. So we know that we have his support for the China FTA. I know that he is not operating on a large scale—dim sim and spring roll stuff—but nonetheless we do appreciate his contribution. Halal dim sims are going to be the new black in food!
I am seeing a disturbing trend in this Senate. It just so happens that at the moment the Senate seems to have all of the power in government in terms of what will or will not happen. I am seeing a disturbing trend in the exercise of that power by those who sometimes have it—that is particularly Labor and the Greens—with what seems to be a concerted effort to pursue policies and decisions that are impacting negatively on rural Australia, agriculture and those who produce those soft commodities—beef, fibre and food.

I truly want to make a genuine contribution to ask colleagues in the Senate to have regard for some facts. The first fact is that we are a trade exposed nation in agriculture. Well over 70 per cent of what we produce in this country is sold. Given the circumstances of our labour market—and I am not going to reflect on any adjustments required there because the problem with labour market challenges is cheaper labour amongst all of our competitors—

**Senator Lambie:** Cheap power!

**Senator O'SULLIVAN:** Senator Lambie, let's wind you up if that is what we need to do! You showed your hand on what you think of farmers just a couple of hours ago. You have destroyed many, many small businesses in Tasmania.

**The ACTING DEPUTY PRESIDENT (Senator Back):** Order, on my left. Senator O'Sullivan, direct your comments through the chair.

**Senator O'SULLIVAN:** But I am not directing them even to Senator Lambie. I am just indicating that the decision taken in this chamber earlier today has exposed the attitudes of a number of people in this place to farmers and people who live in provincial areas of this country. It alone is going to come back to bite them.

But let me come back to the issue before us—the Trans-Pacific Partnership. The countries involved in the Trans-Pacific Partnership represent around 40 per cent of the GDP, particularly around agriculture, in the world. About 800 million people are within the countries involved in the TPP. Those countries import roughly one-third of the total goods and services exports, worth over $100 billion, from this country.

This has been five years in the drafting and negotiation phase and there had not been one peep about it until we were at the eleventh hour. It amazes me, particularly with the Greens, how they are joining Donald Trump in relation to this question. It was only a week ago that they referred to him as the most dangerous creature on earth. Now what they will do on the national interests of this country is send a clear message to Trump that they join him. On the philosophy of protectionism and not wanting the TPP to occur, they join him. They do not want Australia to engage in this.

For those countries that import around 34 per cent or one-third of the total Australian agricultural exports—and that is based on the most recent figures from 2015—this is going to create the elimination of tariffs, almost 90 per cent of the tariffs involved in trade with these nations. I can tell you that when you get out and about in rural Australia and with the real people on farms who have an interest in this or when you meet with the peak industry bodies—the NFFs and cattle councils of the world, and there are 72 of them who have a real interest up in my home state to do with horticulture and the like—they tell you that they want us to pursue equitable trade agreements as often as we can. They are anxious with this talk that we will pick and choose trade agreements based on two or three issues that are raised in opposition to them.
We all know about sugar. There has really been an argument on recent trade agreements we have done with Korea, Japan and China that sugar has missed out. This particular agreement will give an additional 65,000 tonnes of sugar to the US. So let us just hold the phone on sugar for a moment as I make this contribution. The sugar industry is a major industry in my state of Queensland. It is concentrated almost wholly in the state. Some in this place not only want to prevent that industry from spreading its wings in relation to trade and export opportunities but also want to introduce a sugar tax. I am no economist, but I do not need to be an economist; I am a farmer. I will tell you this: if the TPP does not proceed and if you people are successful in introducing a sugar tax, the sugar industry—which is a fragile industry at the best of times and exposed to world prices—will come to an end. In my home state, 4,500 sugar-farming families, their wives, their husbands, their children, their small communities, their newsgents and their bakers are all going to suffer enormously as a result of the activities of this place in what, it is becoming evident, is anti-agriculture.

Our friends in the Greens come in here in their leather shoes, cotton pants and woollen jumpers, yet they do not want us to run sheep. You would know that, Senator Williams, you are battling it all the time. They do not want us to disturb—

Senator Williams: Absolutely. They produce methane—those naughty sheep!

Senator O'SULLIVAN: You are the only non-Kiwi I know who loves his sheep as much as you do, Senator Williams! The Greens do not want us to disturb a metre of ground to be able to cultivate it for cotton. They do not want us to go down to the river and take another milk bottle full of water out to irrigate the cotton.

Senator Williams: It's got to go straight out to sea!

Senator O'SULLIVAN: That is right. They want that water to go out into the Great Australian Bight, as I understand their current arguments. They do not want us to expend any fuel that might emit some micronism of carbon—I do not quite understand the whole argument there.

Senator Hanson-Young interjecting—

Senator O'SULLIVAN: Senator Hanson-Young is not in her seat, Mr Acting Deputy President, but I will not draw that to your attention. She comes in here in the finest of robes. You are a very well-presented lady, Senator Hanson-Young. Do you know where those robes come from? They do not come out of Myer. They come out of a paddock somewhere near where I live. They come out of a header, they go into a processor, they are processed, and they are turned into that cotton and that wool that you wear. Of course, you think that somehow down at the bottom of the garden there is a little fairy there with a set of knitting needles and that this silk comes from—I do not know where—Nirvana or somewhere and just appears on the end of the knitting needles and makes those beautiful garments that you and your friends in the Greens wear.

We see the resistance. But Senator Williams is one—I am another, and we have many colleagues on this side—who will steadily and continually draw people's attention back to your resistance and to bring their attention back to what you have to say, the decisions you make that are going to impact on our farmers and pastoralists and those in the small communities who support them—those whose entire lives' investments are in these small economies around our country. I intend to make it my life's work to continue to bring to their
attention your attitudes and decisions in matters around agriculture—just like the one you made today, Senator Lambie, through you, Mr Acting Deputy President. Just like your decision today. You are going to pull horticulturalists to their knees. Those great cherries from Tasmania will remain on the trees for this year. *(Time expired)*

**Senator DASTYARI** (New South Wales) (16:48): I want to begin by thanking Senator O'Sullivan for his intriguing contribution. It was a great speech in this debate on the TPP. I have to say, Senator O'Sullivan, that it takes a brave man to rock a pair of suspenders the way that you do!

**Senator O'Sullivan:** You want to get a shot? There they are.

**Senator DASTYARI:** Great. Now he is flashing me in the Senate!

This is an unusual public interest debate to have two days out from the end of parliament, but I think there are going to be important lessons from this debate for us for the new year, when we return. What has already been said, obviously, is that one of the consequences of a Donald Trump presidency is that the Trans-Pacific Partnership is highly unlikely to go ahead. It is effectively dead, buried and cremated, as we say in Australia. It looks as though the TPP itself is not going to progress, but that does not mean we cannot have a broader discussion about the lessons from the TPP debate so far, about the opportunities and about how we need to craft trade deals moving forward.

If anything, the dangers of the TPP are a warning to us all about how we engage the public on free trade agreements if we want to maintain support for these agreements and if we want these agreements to be successful. Australia's response to the TPP also reflects what this government has been prepared to give—the removal of labour market and skills testing, the potential rise in cost of biologic medicine, the inclusion of investor-state dispute settlement provisions, intellectual property clauses, and the lack of any independent assessment of the agreement.

Two of these concerns, the removal of labour market and skills testing as well as the investor state dispute settlement provisions, I think really warrant further investigation. For those who support trade and support the principle of trade, I think it is important to note that not all trade deals are good or bad because they are trade deals; it is the details of the deal that make it either good or bad. Trade deals should be assessed on their merits. Removing labour market testing fundamentally undermines things like the 457 visa program, which we have already spoken about today, and is at odds with community expectations. Insofar as that is concerned, the TPP would have undermined this fundamental right by allowing six countries to be exempt from labour market testing provisions. This would have been a fundamental shift which would have allowed jobs—such as those for mechanics, plumbers, electricians and nurses—to be filled by foreigners even if there were Australians willing to do the job.

Beyond that, I had very serious concerns about the power and the role of investor-state dispute settlement provisions as they were outlined in the draft TPP. The inclusion of investor-state dispute settlement provisions commonly known as ISDS was extremely concerning to the many Labor members on this side of the chamber but also, I know, to the broader community and to many other parliamentarians. Throughout the hearings that were done on this—if you go through the report, you will see the work that the committee did—there was not sufficient evidence that ISDS would benefit Australia. In fact, the evidence

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presented to the committee showed that it would put our nation's sovereignty and reasonable policymaking at risk.

The other 11 TPP nations moved to omit the United States from the agreement. So that it can be enacted, there would have to be a new agreement, and it would all have to be looked at again. But we need to look at these individual agreements based on their own merits, one at a time. So it seems highly unlikely that we are going to have a TPP agreement as was originally outlined. That is not to say that this government is not going to spend the next year working on future and further agreements, and different agreements.

I think in doing so it is very important that we understand that community expectations have to be brought into any action taken, and there cannot be a situation where there are winners and losers—where one group is discriminated against in a trade agreement that favours another group—and expect the community to support it and go along with it. But I do not think that is necessarily a bad thing. It is a wake-up call for politicians—that, when it comes to free trade agreements, some of them are good and some of them are bad, and that they are not inherently either.

I want to say—and I note my very good friend Senator Williams is in the chamber across from me—that there are 11 other members of the TPP, and that we will hopefully be working with these nations to develop our own free trade style agreements, and hopefully it can be a mass agreement which will be beneficial to Australia and to these nations. It may be done at a bilateral level or a multilateral level, and there may be different types of agreements. But, as we are coming to the end of the year, I think it is important to wish our many friends from across the world who are working with us on the TPP a very merry Christmas. I want to wish them a merry Christmas and a happy new year. If you can indulge me for a few moments, Mr Acting Deputy President Back, I intend to offend most of these nations now by saying 'Merry Christmas' to them in their own language in an incredibly botched manner!

To those from Malaysia and Brunei, I say 'slamat hari natal'. To the Vietnamese, I say 'chuc mung giang sinh'. To the Singaporeans and Chinese, I say 'sheng dan kwai loh'. To the Japanese, I say—this is how you say 'Merry Christmas' in Japan—'merii kurisumasu'. Frankly, I think they're not even trying!

Senator Birmingham: 'Chocolate' is 'chokore-to'.

Senator DASTYARI: 'Chocolate' is 'chokore-to'! To our Spanish-speaking friends we say 'feliz navidad'. Now we are all going to have Feliz Navidad stuck in our heads for the rest of the evening! I do want to wish them a merry Christmas and a happy new year. To the New Zealanders, our very close neighbours, who would be part of any future trading bloc, I say, 'Merry Christmas, bro!'

I want to note that there are a few other nations that we are looking at engaging in trade agreements with in the coming years. There is talk of the ASEAN+6 countries, and it looks like the Koreans will be signing up to that. To them, I say 'jeulgaeun krismas doeseyo', which is an incredibly botched way of saying it!

To the Filipinos, I say 'maligayang pasko'; to the Indonesians, 'selamat natal'; to the Thais, 'souksaan wan Christmas'; to the Laotians, 'merry van khrid samad'; to the Burmese, 'Christmas nay hma mue pyaw pa'; to the Cambodians, 'rik reay bon noel'; to the Indians,
'krismas mubarak'; to our Italian friends, 'buon natale'; to the Dutch, 'vrolijk kerstfeest'—these are getting worse and worse, Mr Acting Deputy President!

Senator Williams: You don't have to tell us!

The ACTING DEPUTY PRESIDENT (Senator Back): In Farsi, Senator Dastyari?

Senator DASTYARI: In Farsi, it is 'Christmas-e-shoma mobarak bashad'.

The ACTING DEPUTY PRESIDENT: That is the only one you have come anywhere close to yet, Senator Dastyari!

Senator DASTYARI: I do wish my good friends Senator Lambie, Senator Williams, Senator Birmingham and the other senators here today a very merry Christmas as well. But I digress.

These free trade agreements need to be assessed on their own merits. They need to be looked in their parts, and no individual agreement is good or bad. I strongly urge that, when we have the opportunity to look at these agreements in the new year, we make sure we are bringing the community with us. I think there were a lot of community concerns over the powers and integrity, and what has been given up by people in their bids to reach these types of agreements.

I would suggest to the government, when we are looking at these sorts of agreements, that we cannot do it in the vacuum of parliament, in the vacuum of bureaucrats and others. I think sometimes we are a little bit closed off from the reality of what is going on on the ground. If we want these trade deals to be successful, it is going to be about winning community support, and that is about making sure that powers that people do not want to give up are not given up and that community expectations are rationally and reasonably met in how we deal with these agreements. With that, Mr Acting Deputy President Back, I say to you in Italian, 'Buon natale.'

Senator LAMBIE (Tasmania) (16:58): I rise to contribute to this matter of public importance debate regarding the dangers of pursuing the ratification of the Trans-Pacific Partnership. One of the best outcomes of the recent American presidential election is the fact that the TPP is dead and buried—although there are government members in this place who are acting like the Black Knight in the famous Monty Python skit and pretending that the election of Donald Trump as President of the USA is 'just a flesh wound' to the TPP. President-elect Trump has made it quite clear that the TPP is dead and buried, and yet we have increasingly desperate calls by government members that it is not dead and buried. I struggle to understand those Liberal members' optimism when it comes to the TPP.

The TPP, with its investor-state dispute settlement provisions, fundamentally undermines this parliament's sovereignty. Perhaps it is not Australia's best interests that are driving this unnatural urge to put in place trade deals which dud Australian workers and undermine this parliament's sovereignty. Perhaps it is the Liberal members' best interests after they retire from this place that is really driving them to sign up to a bad trade deal.

We only have to look at where previous Liberal trade members are making their money now in their retired lives after parliament to understand where their true loyalties lay. We should have new rules which prohibit any trade ministers involved in making trade deals from taking up lobbying jobs for foreign counties, especially non-democratic countries, for five
years. That way we will have a guarantee that trade ministers are not trying to line their and their families' pockets rather than doing deals which benefit future generations of Australians.

One of the important elements of a good trade deal is to make sure that Australian businesses are internationally competitive. If Australian businesses are not internationally competitive then we are going to lose jobs and economic growth. So it came really as a surprise to me that this government, which talks about being smart, innovative and internationally competitive, refused to put in place a backpacker tax rate which is internationally competitive. This morning, on the behalf of desperate Tasmanian farmers, I voted to improve the Liberals' backpacker legislation and make it internationally competitive. The Senate had an opportunity to vote against the Liberals' flawed backpacker legislation; however, instead of opposing the legislation, the official record will show it proceeded through the Senate's second reading without any opposition. For Tasmanian Liberal members like Senator Duniam to say that I blocked the backpacker legislation is a desperate lie once again easily disproved by the Senate's official record: *Hansard*. During the committee stage of the backpacker debate, I simply voted to improve the government's own legislation and to make it internationally competitive by lowering the tax rate to 10.5 per cent.

Every Australian farmer and visiting backpacker knows that New Zealand's headline tax rate for backpackers is 10.5 per cent and, if we are going to have a lasting and competitive backpacker tax rate, ours also must be set at 10.5 per cent. The issue is now back in the hands of the government where it has been for the last 18 months. The government now have their own legislation waiting for debate and a vote sitting in the lower house. So much for time sensitive! The government have a decision on whether they will support backpacker tax legislation that is internationally competitive at 10.5 per cent or vote to ensure that the backpacker tax rises from 0 to 32 per cent.

I am calling on the Prime Minister to personally take charge of this matter and bring some honesty, reason and common sense to the problem. If he can take over the South Australian water crisis and cut out the destructive influence of Deputy Prime Minister Joyce's ego then he can do the same for the backpacker crisis. Prime Minister Turnbull, like all Australians, knows that his Deputy Prime Minister Joyce is incapable of swallowing his pride and admitting that he is wrong. The PM knows that we must have an internationally competitive backpacker tax rate at 10.5 per cent to compete with New Zealand. The PM knows that the best hope our farmers have of surviving long term in this global market is to be internationally competitive. So, you know what? Let's do something once, do it right just for once and make our backpacker tax rate internationally competitive.

**The ACTING DEPUTY PRESIDENT (Senator O'Sullivan):** The time for the discussion has expired.

**DOCUMENTS**

**Consideration**

The following document tabled earlier today (see entry no. 2) was considered:

COMMITTEES

Regulations and Ordinances Committee
Report

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (17:03): On behalf of the Chair of the Standing Committee on Regulations and Ordinances, I present the report on delegated legislation monitor No. 10 of 2016.

Ordered that the report be printed.

Joint Standing Committee on Treaties
Report

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (17:04): On behalf of the Chair of the Joint Standing Committee on Treaties, I present the 165th Report on the Trans-Pacific Partnership Agreement and move:

That the Senate take note of the report.

Question agreed to.

Senator SMITH: I seek leave to continue my remarks.

Leave granted; debate adjourned.

Scrubtiny of Bills Committee
Report

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (17:04): On behalf of Senator Polley, Chair of the Senate Standing Committee for the Scrutiny of Bills, I present the 10th report and Alert Digest No. 10 of 2016.

Ordered that the report be printed.

Education and Employment References Committee
Report

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (17:05): On behalf of Senator Marshall, the Chair of the Education and Employment References Committee, I present the report on the government's workplace bargaining policy together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator BILYK: I move:

That the Senate take note of the report.

I seek leave to continue my remarks unless Senator Marshall wants to say anything.

Senator MARSHALL (Victoria) (17:06): I will speak to that motion to take note of the report. It was an amazing experience to conduct our inquiry into the APS bargaining situation. We have called it Siege of attrition, which I think is very fitting given the government's APS bargaining policy. We heard from our public servants how they have been frustrated in the bargaining process by an unrealistic bargaining policy that is being enforced and imposed upon all government departments by the Australian Public Service Commissioner, Mr John Lloyd and by the minister for industrial relations, Senator Michaelia Cash.
This has led to enormous frustration by public servants. It has led to a devaluing of the work that they do for us, for our communities and for our country. It has been incredibly disrespectful of the work that they do and to their ability to have some say and some influence and some control in their workplace on decisions that directly affect them.

It is not only a concern to members who are often under-resourced and work at a very high level in front-line situations where there is often a lot of aggression and hostility, because people are often quite angry by the time they get to our front-line public servants—because they have not had their calls answered, the call centres are too busy or the public servants are understaffed—but also a lot of these people are not highly paid. While sometimes there is a view that public servants across the board are very highly paid and very well-remunerated, for the vast majority of public servants that is simply not the case. They feel, through this process going for more than two years without any wage increase or realistic bargaining happening, that their work, their commitment to their jobs, providing services for our communities, is seriously undervalued.

Part of the problem is that this round of bargaining has had a cap applied, with no provision for any back pay. If you have not had an agreement for the last 2½ years you are unable to negotiate any back pay for that. So you, effectively, have a wage freeze. There is also a process being implemented that is a stripping of terms and conditions. Terms and conditions that are already in your enterprise bargaining agreements have to be stripped away as part of government policy. We think that is a most unfair, uncaring and ideological position being pursued by this government. That sends people backwards. In fact, if you tried to roll over the existing agreements none of them would pass the test that this government has applied. What they are doing is saying you must negotiate for less. You must strip away your conditions if you want to have an agreement in the Australian public sector.

That is why agreement after agreement is being voted down across the public sector. Management strategy for this is to simply, maybe, tinker with a couple of clauses and put the proposed agreement back up for a vote, to have it voted down again. And we have seen some departments now vote down agreements for the third time. Some of them decrease the margins slightly, but mostly the margins have no increases. The few agreements that have been voted up have been voted up by very slim margins.

Our public servants are being treated appallingly by this government, and it is being led by Mr John Lloyd. While I do not like to get very personal in this place, it is worth noting that Mr Lloyd as the Australian Public Service Commissioner was a former commissioner of the Australian Building and Construction Commission or its predecessor. So here we have a government that wants to treat its own workforce the same ideological way it treats the construction industry. It is not about having any real justification for doing things, it is just that they have an ideological wish to strip away as many conditions as they can—these existing conditions—and ensure they have very low and miserable pay rises and there is no ability for back pay.

The siege of attrition is the title—and it is very fitting, because they just want to keep putting the same agreement up, to be voted down and down again, on the basis that 'Until you agree with what we put before you'—a take-it or leave-it situation—'you will not get a pay increase.' That is an appalling way to treat your employees. I am not the only one who thinks so.
Mr Rod Simms, the chairman of the ACCC, made a video to send out to the public servants of his department. I note yesterday's *The Canberra Times* states Mr Simms:

... has pleaded with the 800 public servants in his agencies to forget about the unfair treatment they have received—
This is the head of the department acknowledging up-front that this is unfair treatment—

In an 'unprecedented' video address to his workers, Mr Simms spoke of his confrontation with the government's workplace enforcer, the Australian Public Service Commission—

That is, Commissioner John Lloyd—

and with the office of Employment Minister Michaelia Cash.

In his video address, Mr Simms told his public servants that when he tried to raise the question of back pay with the APSC, he was not allowed to finish his sentence.

'We're faced at the moment with a very unusual situation, we've never had this type of bargaining policy we have now from the government,' Mr Simms said.

'That amount of time without a payrise is unfair so you need that payrise and you need it now. I tried with the Public Service Commission to push back pay, to be honest I never got to finish the sentence.'

The chairman said he:

worked very hard with the APSC and the bargaining representatives to get 'the guts' of the ACCC terms and conditions, which the government wanted stripped-out—

There are existing conditions the government wanted stripped out, and you have the head of the ACCC saying he worked very hard to get at least the guts of that agreement to remain—

back into the enterprise agreement and urged his workers to vote yes when a new ballot opens.

He said this:

The last two-and-half years have been extremely unfortunate.

You have every reason to feel aggrieved, I understand that.

So here we have the head of the ACCC agreeing with everything I have just told you and agreeing with all the recommendations in our report.

I urge senators to read this report and understand what your government policy is doing to the Australian Public Service. It is devaluing their work. It is stripping away their existing terms and conditions. You are effectively giving them wage decreases by not allowing them to get any back pay for the two to three years that they have not had agreements. The longer they stay without agreements, without the ability to get back pay, the more their wages, in real terms, are going backwards.

This is a direct result of this government's bargaining policy. It is an unfair policy, and in this report we mount the arguments for why the government should back away from it and start bargaining with its own people in good faith. Start bargaining with our public servants in good faith. Treat them with the respect that they deserve as valued employees of the Commonwealth and not as ideological fodder for people like Mr John Lloyd, the Australian Public Service Commissioner, to simply strip away their terms and conditions and give them wage freezes.
People ought to take heed of this, because I think we are on the verge of losing the goodwill of these public servants. At the moment, they are angry and they are frustrated, but every day they still come to work and they work their guts out for us in sometimes the most incredibly difficult situations. They are not all high paid, and we owe them bargaining in good faith and proper pay increases.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Joint Standing Committee on Treaties

Report

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (17:16): I would just like to return briefly, if I may, to the 165th report of the Joint Standing Committee on Treaties, Trans-Pacific Partnership Agreement. I seek leave to incorporate the tabling statement in Hansard.

Leave granted.

The statement read as follows—

Mr President, today I present the Joint Standing Committee on Treaties' Report 165 which contains the Committee's review of the Trans-Pacific Partnership Agreement, commonly referred to as the TPP.

Mr President, while it is now unlikely that the TPP will come into effect, the Committee believes that reporting on this Agreement is important. It provides an opportunity for the Committee to make two clear statements on the future of free trade.

First, in a world where protectionism and nationalism are on the rise, the Committee wishes to reiterate the importance of free trade as a bulwark against international economic decline; and

Secondly, the benefits accruing to Australia from the improved access to markets in the agreement and the plurilateral basis of the agreement should not be lost in future free trade negotiations.

Mr President, there are very few people alive today who remember the privations of the Great Depression or the horror of the Second World War. Few people remember that free trade in the modern world is one of the strategic tools developed at the end of the Second World War to prevent another great depression and world war.

Many people, however, realise that international trade is the cornerstone of Australian prosperity.

Mr President, we don't make i-phones or aircraft. If we want those things, we have to sell what we do make to other people. Regardless of whether it is cheese, iron ore, or apps, it is crucial that Australian products have access to other markets on fair terms.

The TPP would have provided access on fair terms to a significant part of the world's economy.

In tabling this report, the Committee means to emphasise how important it is to Australia that we are seen to remain committed to free trade and to oppose protectionism.

Mr President, many participants in the inquiry had genuine concerns about aspects of the TPP. These are discussed in some detail in the Report.

However, the Committee found that, taken as a whole, the TPP would have advanced free trade and provided opportunities for Australians.

Mr President, I would like to draw out some of the aspects of the TPP that allowed the Committee to reach this conclusion.

Probably the most significant benefit of the TPP was its plurilateral nature. This first plurilateral agreement to be successfully negotiated in 20 years provided an opportunity to overcome the increasing
complexity of bi-lateral free trade agreements, evocatively called the 'noodle bowl' effect, and replace it with a standard set of free trade arrangements across many trading partners.

Mr President, the TPP would have reduced the administrative burden on Australian exporters by simplifying arrangements for exporting to all TPP countries. Small and medium sized businesses would have found it much easier to access the benefits of international markets under the TPP.

In addition, the TPP would have given Australia the capacity to address arbitrary and discriminatory non-tariff barriers in a range of Australia's most significant trading partners.

Finally, Mr President, the TPP would have levelled the playing field for Australian companies competing with exporters from other countries across a range of product types, eliminating the advantage of lower tariffs those competitors have benefited from for many years.

In summary, Mr President, the Committee wants to ensure that the outcomes Australia obtained from the TPP negotiations are not lost.

The Committee wants to affirm that it stands by the outcomes in the TPP, and that the Australian Government should work to retain as many of the benefits the TPP offers as it can in future negotiations.

Mr President, the Committee has recommended that binding treaty action be taken.

Mr President, on behalf of the Committee, I commend the Report to the Senate.

Community Affairs References Committee
Report

Senator SIEWERT (Western Australia—Australian Greens Whip) (17:17): I present the report of the Community Affairs References Committee on Lyme-like illness in Australia together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator SIEWERT (Western Australia—Australian Greens Whip) (17:17): I move:

That the Senate take note of the report.

This report consists of three chapters. We talk about the patients and we outline the details of how the inquiry was conducted and the background to Lyme disease. We also talk about testing for infection and treating the illness. I remind the chamber that this is in fact the committee's second report on this inquiry. We tabled an interim report in May, where we articulated some of the details around patient illness, the nature of the illness and the divided nature of the medical profession on this, and that people feel stigmatised, bullied and harassed and that that makes people sicker. We articulated in that report the need for some further inquiry and what the committee would do if, after the election, the Senate were minded to re-refer this issue to us: we would like, or needed, to look at the issues around testing for the infection and treating people.

The first chapter of this report is titled 'Putting patients first'. The reason that we articulated that is that that is what we think needs to happen. For too long it has gone unacknowledged in this country that people are really sick. There have been arguments about whether this is classic Lyme, chronic Lyme or Lyme-like illness. In fact, there is a growing consensus now that we should not call it Lyme at all and that we should be referring to it as something else. A number of other names have been suggested to avoid the stigma that goes with Lyme. It is not just the stigma; it is the fixation on actual Lyme.
What I should articulate here is that we have had a lot of evidence from hundreds and hundreds of submitters and from a number of people that appeared before us. There is continuing disagreement over how you test for the presence of Lyme. There is continued dispute over whether the bacteria is actually in this country or not. I always stuff up the pronunciation of the American version of the bacteria that affects this, *Borrelia burgdorferi*—and there are other types in Europe and Asia. There is continued dispute over whether that actually exists in Australia. But, while that argument has been going on, people have been sick. There is now research—and we heard again of the research that has been done on identifying other pathogens in ticks. At the moment, people are referring to the illness more as a tick-borne illness, because new pathogens are being identified here in Australia. We are yet to identify whether they can be transmitted to humans and what impact those pathogens could have on human health.

We make 12 recommendations, and they address these issues. The 12 recommendations are around testing and around how we can support the patients that are sick. We talk about the need for the Australian government Department of Health to engage with stakeholders following the publication—and this is the only time I am going to attempt to say this; I am looking at Senator Moore, because she knows I cannot pronounce 'serological' very well—of the review by the National Serology Reference Laboratory, which is commonly known as NSRL.

Senator Cameron: I missed that! What was it?

Senator SIEWERT: Yeah, yeah! It is the NSRL, Senator Cameron. They are currently doing a review of the serological assays used to diagnose Lyme disease, because that is in dispute at the moment. So there certainly needs to be discussion and extensive consultation with stakeholders once that review is done, and I am very pleased that review is being done.

The committee recommends that the Australian government increase funding for research into tick-borne pathogens as a matter of urgency. This funding should include funding for research on pathogens which may cause infection, funding for research on whether newly identified pathogens can cause illness in humans and funding for the development of diagnostic tests—that is where a lot of the arguments are—to detect infection by any newly identified pathogens endemic to Australia. It is really important that we have this research to look at these pathogens.

As I articulated, representatives from Murdoch University, including Professor Irwin, presented evidence to our latest hearing, where they identified more pathogens in ticks but in other vectors as well. That research is essential, and we need to make sure that is adequately funded. We make a number of other recommendations about the need to fund more research, in particular, to establish a clinical trial of treatment guidelines, with the aim of determining a safe treatment protocol for patients of tick-borne illness.

While we are doing research to identify possible pathogens, to identify the vector, we need to be treating people who are sick. We need to make sure that people who are sick are no longer stigmatised, no longer told that it is in their head. That is what patients are being told. People who are sick, who have a number of symptoms, are being told it is in their head. I know that if I were really sick and I were being told it was in my head, it would make me even sicker and worry. It may in fact affect my mental health if, when I am suffering, I am being told that it is all in my head. We need to acknowledge that people are sick and we need
to support bringing the groups together. In fact, we recommend that a summit be held to start working out a way forward.

We also recommend that government allocate funding for research into medically appropriate treatment of tick-borne disease and that medical authorities measure the value of treatment in terms of patient recovery and return to health. The best treatment options must then be developed into clinical treatment guidelines. We also recommend that the Australian government Department of Health facilitate, as a matter of urgency, a summit to develop a cooperative framework which can accommodate patient and medical needs, with the objective of establishing a multidisciplinary approach to addressing tick-borne illness across all jurisdictions. By doing that, I think that will help to build confidence and relationships between the stakeholders, who are very deeply divided at the moment. If we are going to address this issue, we cannot afford to continue with the way it is currently being handled.

As I said, we made 12 recommendations, which I know my colleagues will also address when they get up to make their contribution. I would like to take the opportunity to thank all those people who made submissions and all those people who appeared before our inquiry. People shared some of the most personal details of their struggle with this illness and with the way they have been treated, and they were very generous with their time and in sharing that very personal information. So I thank them very much.

I thank our secretariat, who once again has done an outstanding job. As I said yesterday, the Community Affairs References Committee staff go above and beyond the call of duty. They have made a significant contribution with this inquiry. I hope that the work our committee has done will help to start to get this issue addressed very seriously, that people are acknowledged as being sick, that they get the treatment they need and that we put money into research to try to find out just what is going on. Something is going on. The committee are not claiming that we have solved this. We hope our recommendations will help us find a way forward on this very difficult issue.

Senator LAMBIE (Tasmania) (17:27): I rise to speak today on the issue of Australian Lyme disease, more commonly known as the tick-borne disease. I want to thank the committee. A lot of the evidence was really heart-wrenching—it really was. It is right up there with veterans' stories, I can tell you. It was just heartbreaking to see the impact this is having on the people who are affected and their families.

The public hearings opened my eyes to the dysfunction of the medical system we have in this country. I was stunned and ashamed. Our government and the medical system have allowed a great number of people to suffer, simply to debate whether or not Lyme disease exists. You have heard me talk before on medical issues, but, like I said, this one leaves me determined to make things right for the thousands of people who have been bitten by ticks in their own country or in other countries and have been left sick, seriously debilitated, dying and stigmatised by the medical community, who is meant to be there to help them. They are told it is in their heads.

Just like the good senator, Senator Siewert, said, I can tell you I have never seen a child choose to live their life confined to a wheelchair. During my brief time with the committee, I heard heartbreaking stories of neglect, where people have been discharged from hospital to die alone, completely abandoned by our medical system here in our own country. I heard of children whose lives have been ruined due to the disease our medical experts maintain we
cannot possibly have here in Australia. Ticks come in on birds that fly in and on imported livestock; people are mobile and they travel. Many in the medical profession would have us believe that Australia has magical borders that no tick might even pass through, which is absolute rubbish. Yet, in reality, people are being bitten by ticks in their own backyards and they are getting sick. Some develop meat allergy and some have seizures. Many more have a massive list of symptoms that put them in wheelchairs, unable to go to school or to work to earn a living.

We could help them, when they are bitten by a tick, with a simple course of antibiotics, and even if it is for an extended period of time there seems to be 70 per cent success rate by using this method—but not our medical folks, not our Australian medical doctors here. Our medical folks argue about that, too. Just recently they started a new campaign to further stigmatise these people as the creators of 'superbugs' and use this as a justifiable reason to withhold antibiotics that will save their lives. Our medical people and scientists are caught up in a ridiculous game of semantics; they say, We can't find that bug here', but they do not tell you they have not bothered to look for more than 25 years, so it is a self-serving argument, really.

What I want to know is: why won't we prioritise funding to sift through the questions and end the 25 years of suffering? During the inquiry I could not believe what I was hearing from our health department, who had done nothing in the four years since this issue was raised but 'discuss' it. A bunch of highly paid bureaucrats sit by 'discussing' the topic while Australian people suffering from years of illness and medical neglect have taken their own lives due to the lack of treatment and help available. I cannot imagine how appallingly helpless these people must have felt. This is shameful Australia; it is absolutely shameful.

And there are thousands still out there suffering. An internationally renowned expert on Lyme disease who gave evidence at our hearing referred to the 'dysfunctional politics' and the 'political-scientific quagmire' to describe the way in which our health departments and medical system have handled this issue. I am fairly certain that, when Prime Minister Malcolm Turnbull refers to innovation and agility, this is not how he wants the Australian medical and scientific system to be viewed.

This situation must end with the tabling of the Senate inquiry report. It is not acceptable to dismiss these people because the medical system, the pathology system and the bureaucrats who administer the health system that is meant to support them have all colluded to deny a disease that absolutely exists in Australia. I will not be letting this go, and I have a feeling that especially the ladies on the committee will not be letting this go, either. So, this government has no other choice but to acknowledge that there is an issue here, prioritise the funding needed for research and, while that is going on, do something proactive to help those people who are sick with this disease in a way that is neither hostile nor discriminatory and immediately commence an awareness campaign to alert people to the dangers of tick bites and a medical education campaign so that doctors and the medical industry know what to do when faced with a patient who has this illness.

You know, there were some really harrowing stories. As I said before, we need to do something. If you want to talk about time-sensitive—this is now time-sensitive. We have done this inquiry and the recommendations are there, and I do not want to see those recommendations picked up and put on a shelf. These people have been through enough. This is time-sensitive. This is beyond time-sensitive. So, I am asking those across there to please
invest some money in this and do the right thing, do the summit, bring these people to the table and finally bring this out in the open, because there are a lot of sick Australians out there. Turning our backs and saying that we do not have a tick-borne disease here is absolute rubbish. It is time to open our eyes, take it out of the too-hard basket and deal with it once and for all.

Senator MOORE (Queensland) (17:33): Taking up from where Senator Lambie finished in her contribution, I think it is very important that we as a committee and we as a parliament accept that we have come a long way on the discussion of—I am hesitant to use the term 'Lyme'; I think one of the messages of our committee inquiry has been that the concentration on the definition has actually caused movement away from looking at the real issue. And the real issue is acknowledging that there are people in our country who are ill and there are people who are expecting that there will be respect and treatment for the condition that they have. But unfortunately, because so often the terminology is 'Lyme', you find yourself slipping into calling it 'Lyme', 'Lyme-like', 'classic Lyme' or the other terms that have been used.

As Senator Lambie said—and Senator Siewert said it as well—the time to act is now. But I also want to add that I think that if you compare where we were in this discussion six months ago with where we are now, there has been considerable movement, although certainly not at the speed at which many people hoped for. But I remember very clearly at Senate estimates in this place when any issues were raised about this condition there was a blanket refusal by the department and by the medical profession as a whole to even acknowledge that there was indeed a condition that impacted so deeply on people and that was caused by tick-borne infection in Australia. We were subject to long explanations about how this condition started overseas, how the testing regime operated, and acknowledgement that there was indeed a condition called Lyme that had been identified in parts of America and in Europe.

In fact, we sat through extensive conversations about this, and still, at this stage, we have evidence from our committee inquiry that anyone who has exhibited symptoms and had testing when they said they had been bitten by ticks overseas has been given the acknowledgement that they would be suffering from a Lyme or Lyme-like condition. However, of the number of people who came to see our committee, the real point was made by the people who came to tell us about their condition, their pain, their suffering and their frustration when they had never been in the overseas countries but knew that they had been bitten by ticks in Australia. We had so much evidence, all of which is on record, and I really encourage people who are interested in this issue to go and look at the evidence we received and hear the response from very many people who felt not only that they had been dismissed by the medical profession in this country but also that they had been rejected, discriminated against and treated without any respect at all. As Senator Lambie said, that causes shame to all of us.

What we have seen in the I think six month from when we started pushing on this issue recently—although the issue has been around in the Community Affairs space for a couple of years—is that there has been significant movement, which was quite evident in the evidence before this extended committee inquiry and also in the report that we are bringing down today. I want to pay credit to the secretariat of the community affairs committee, who often go unrecognised for the skills that they have; both in handling the range of people who come to
see our committee, and building relationships with them, talking to them and understanding their needs, and also in the presentation of reports such as the one we are presenting today.

I think this report really highlights the areas of difference, and also highlights where we can take some action. These are not monumentally large steps. No-one claims that we have solved the problem by producing this report, but I think there has been a movement towards people at least acknowledging the medical issues and the concerns, and also some movement within the medical profession—although, in this case, I would like to say that this movement has not occurred in the AMA, who have continued not to respond to the questions the committee have put to them. But there has been a movement towards a willingness to at least discuss things, to acknowledge that there are issues there that we can work on, and to give the people who have exhibited horrific symptoms, which they believe are linked to being bitten by ticks, an acknowledgement that their conditions are real, and that they are not hysterical. They need to have some response from our medical and research bodies in Australia.

The recommendations in this report about which I am most pleased are, firstly, the recommendation which talks about clinical trials, finding a clear indication for clinical trials on this condition and for effective treatment protocols, and acknowledging that this is a medical issue; not a psychological issue, not a psychiatric issue, but a medical issue. The recommendation to have those clinical trials raises the issue to another level, and I truly hope that this recommendation will be taken up. Secondly, the ongoing clause that we put in the report for scientific, well-resourced research projects which allow an acknowledgement that there may be—and I think, personally, although not being a professional in this area, are—reasons which link ticks in Australia, and the pathogens found in these ticks, to people's illnesses. There is a range of recommendations, but they are the ones which I am most hopeful will move this discussion to another level.

I am also very pleased that our report was structured starting with the title, 'Patients first'—that is, I am pleased that, in the structure of our report, we have put those people first—the people who have agitated and demanded and made their voices heard about why this issue should be on the agenda—which is indeed where they should be. Those people should be the No. 1 focus of our response.

Senator Lambie and Senator Siewert have both spoken about the bravery, the honesty and the extraordinary courage of the people who came to give us evidence. Their stories of their illnesses, their stories of the impact on their families, their stories of family loss when people have been driven to suicide because of the conditions they had—all of that was shared with the committee. I make the point that these people have raised their voices, and we have no right not to listen. In fact, there should be no question about the fact that there must be action. I am very hopeful with this particular report that we can move forward. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Report

Senator SIEWERT (Western Australia—Australian Greens Whip) (17:41): I present the report of the Community Affairs References Committee on the medical complaints process, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.
Senator SIEWERT: I move:

That the Senate take note of the report.

This committee inquiry has received a significant amount of evidence. We focused on two particular areas. We had quite long terms of reference for the inquiry, but we have specifically—and you will see this in the report, Mr Acting Deputy President O'Sullivan—looked at two key areas. The first of those is the specific issue around bullying and harassment in the medical profession in general—and I will come back to that in a minute. During the inquiry we also found some broader, systemic issues in Australia's medical complaints process, which we have also investigated; that is the second area we have looked at in the report. I know my colleagues will be talking further about this. We received evidence about the use of the complaints process to make vexatious claims and to, in effect, bully and harass others in the medical profession, which is deeply concerning. We heard a great deal of evidence that bullying and harassment remains an issue in the medical profession. We heard, in particular from Australian medical students, evidence which caused me deep concern about the fact that the students continue to be bullied. The evidence we received said that—I think it was half of students surveyed who thought that it was part of the process of learning—they thought it was part of the teaching process, which of course it should not be.

We have made six recommendations. Most of those recommendations go to issues around bullying and harassment in the medical profession. Our sixth recommendation relates to the broader systemic issues, which I am sure my colleagues will touch on in their contributions. Because of that issue—and many of those issues went beyond the scope of the current inquiry, and it has raised broader issues about the whole of the Health Practitioner Regulation National Law process—we believe that in fact another committee inquiry is needed, with narrower terms of reference that specifically relate to the Health Practitioner Regulation National Law process, looking at things like the implementation of the current complaints system under the national law, including the role of AHPRA and the national boards; how the current process is being implemented; and whether the existing regulatory framework established by the national law contains adequate provisions for addressing medical complaints. There are a number of points in the terms of reference, such as the adequacy of the relationship between the bodies that are responsible for handling complaints. There is quite an extensive process that is used for medical complaints. The submitters agree that in general the process is working, but there are enough submissions and concerns raised with us to indicate that there are potentially some issues there that need further investigation.

So the committee has asked that we lodge a motion to refer the Health Practitioner Regulation National Law with the particular points that we feel need further investigation. So I am tabling the motion for a further Senate inquiry by the Community Affairs Reference Committee on that particular issue.

I am aware that we are going to run out of time, so I am going to limit my remarks, but I will take this opportunity to thank those who came forward and shared their personal experiences of bullying and harassment, which is quite personally painful for many people, and the medical practitioners who came forward and shared their concerns. I also send a message out to the individuals who made submissions to the inquiry. They were read. They were taken notice of. This committee was never designed to look at individual cases and come up with an answer, but the submissions have clearly raised issues and made us very deeply
aware that there are a lot of concerns with the process and they require further investigation. I just want to put that on the record.

I would also like to put on the record once again our thanks to our secretariat, who have done outstanding work. For those that pay attention to the Community Affairs References Committee, this is the third report we have tabled this week, and that required a lot of work from not only all of the senators but particularly our secretariat. I cannot praise them highly enough. I will cut my comments short there so that others get a chance to comment on this inquiry.

I give notice that on the next day of sitting I shall move:

That the following matter be referred to the Senate Community Affairs References Committee for inquiry and report by 10 May 2017—

Inquiry into the complaints mechanism administered under the Health Practitioners Regulation National Law, with particular reference to:

(a) the implementation of the current complaints system under the National Law, including role of AHPRA and the National Boards;

(b) whether the existing regulatory framework, established by the National Law, contains adequate provision for addressing medical complaints;

(c) the roles of AHPRA, the National Boards and professional organisations—such as the various Colleges—in addressing concerns within the medical profession with the complaints process;

(d) the adequacy of the relationships between those bodies responsible for handling complaints;

(e) whether amendments to the National Law in relation to the complaints handling process are required; and

(f) other improvements that could assist in a fairer, quicker and more effective medical complaints process.

**Senator WHISH-WILSON** (Tasmania) (17:48): The medical complaints process was set up to investigate and solve issues such as bullying and intimidation in the medical profession. The evidence the committee heard strongly suggests that the medical complaints process itself—the notification of an investigation and the investigative process itself—is actually being used to bully and intimidate some medical professionals.

I came to this committee late. I have heard from a number of medical professionals in Tasmania about complaints under the AHPRA investigative process. One of them in particular really stood out, a local surgeon in my northern home town of Launceston. He is an orthopaedic surgeon who has been there nearly 30 years. He spent that last 30 years cutting people's limbs off because of obesity and diabetes. He thought one day: 'I have to do something about this. I have to be more than a technician. I have to understand why I am confronted with this issue.' And he fully understands the cost to the community and our budget on health care and the impacts of those issues. He started looking into a holistic preventative health-care approach which, of course, involved diet. He spent many years researching that himself. Eventually he came to the conclusion that his obese patients and those with diabetes needed to have the right diet if they were going to tackle this issue. There is an old saying: pioneers get the arrows and settlers get the land. This doctor, Dr Fettke, is a pioneer and he has a lot of arrows sticking out of his back. He has been totally outspoken about this issue, and no doubt he has ruffled a few feathers along the way to get his voice heard around diet.
I became aware of Dr Fettke's situation in Tasmania and an AHPRA investigation. The day I met with Dr Fettke we had a discussion. I then put out a statement about his situation. Launceston had lost seven specialists at our local hospital in six months and, believe me, we have a lot of problems attracting and retaining medical professionals in Tasmania. I was really worried that we were going to lose another good specialist if this issue was not dealt with. I saw Dr Fettke and his wife in the markets, and they came up to me and gave me a hug—let me tell you, in a public place the emotion was very clear—because someone had actually spoken out on their behalf.

I actually had a series of formal meetings with Dr Fettke because I wanted to understand his situation, and it became very clear to me that something was badly wrong with this investigation. His complaint was like what I had heard from other medical professionals. What was becoming evident through witnesses in the inquiry is that these things drag on for way too long, and in some cases years: five or six years of investigation and having their names dragged through the mud. Goalposts keep getting moved. Every time they meet the investigative requirements they are asked to provide new information. It starts being seen as bullying and harassment, which has an impact on their mental health, their work and their ability to do their job.

The committee heard that other surgeons, including brain surgeons, have felt they have been run out of this country by the AHPRA investigative process—a never-ending series of investigations to the point that they just cannot cope any more. This was a consistent theme that the committee picked up on.

Although we had to hear Dr Fettke's case and others, these cases were important to the committee as case studies about systemic issues within the AHPRA investigative process. We absolutely need a good regulator. We need to have confidence in our regulator. We need to come up with better ways to make the investigative process quicker, fairer and more effective. We need to look at potential changes to the investigative process, and I am very glad that the committee has recommended a separate, much more succinct inquiry into AHPRA and how we can improve the process.

AHPRA has been in place for five years now, but it seems to me that the culture within this organisation, from what I have seen, definitely needs a shake-up. 'Who is policing the policeman?' That is what I would say. Who is policing the policeman? Nobody—absolutely nobody. There are a lot of issues that I do not have time to go in to about the transparency of their evidence, the way they operate, the way they function. It definitely needs some light shone on it and some disinfectant. I often do not use this kind of language, but I have really been quite stunned and surprised at some of the evidence that we heard from medical professionals. Sometimes mistakes are made. Sometimes there is definite misconduct. We absolutely have to have a process that stamps that out.

We also need to make sure the young Australians want to go into medicine, nursing or health care and become healthcare practitioners. But when we hear evidence like this of a culture, a hierarchical culture, within the healthcare system, a culture of elitism that starts at university and the bullying and harassment, it is not the kind of thing I would necessarily recommend that my daughter go into. I think there is a much bigger issue at stake here, and it is incumbent on us to solve this problem and make sure that we get to the bottom of it. I will
leave it at that, as I said, because other senators want to talk. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**COMMITTEES**

**Government Response to Report**

**Senator FIERRAVANTI-WELLS** (New South Wales—Minister for International Development and the Pacific) (17:54): I present three government responses to committee reports. In accordance with the usual practice, I seek leave to have the documents incorporated in Hansard.

Leave granted.

The documents read as follows—

Australian Government response to the Foreign Affairs, Defence and Trade References Committee report: Australia's relationship with Mexico

October 2016

**INTRODUCTION**

On 20 August 2015 the Senate referred the matter of Australia’s relationship with Mexico to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 3 December 2015.

The Committee's Terms of Reference required it to report to the Parliament with particular reference to:

a. Mexico's continued elevation in the global geo-political and economic order and its implications for Australia;

b. opportunities for enhanced relations, including the potential for increased bilateral engagement and also through jointly held memberships such as the G20, APEC, OECD and MIKTA;

c. potential opportunities for enhanced trade and investment ties, in particular those emanating from the proposed Trans-Pacific Partnership (TPP);

d. scope for increased collaboration in the education sector and the potential for extending scholarship programs to Mexico;

e. scope for increased trade and commercial exchange in the resources sectors with particular reference to hard rock mining and the Oil & Gas sector in the Gulf of Mexico;

f. scope for cross investment and joint ventures in Australian and Mexican infrastructure projects; and

g. any other related matters.

The Committee delivered its report, containing 13 recommendations, on 2 December 2015.

**AUSTRALIAN GOVERNMENT RESPONSE**

The Australian Government has considered the Committee's report and provides the following response to its recommendations.

**Recommendation 1**

The Committee recommends that the Department of Agriculture and Water Resources and Biosecurity Australia assign high priority to the import risk analyses for Mexican agricultural goods such as avocados, table grapes and limes currently awaiting import risk analysis. If the analyses cannot be concluded before the end of 2016, the committee requests a written explanation outlining the reasons for delay and providing an expected date of completion for each product.

The Government notes the Committee's recommendation.
The Department of Agriculture and Water Resources (DAWR) has focussed its resources on Mexico’s highest market access request priority which is table grapes. DAWR released the draft report for the non-regulated analysis of existing policy for table grapes from Sonora, Mexico, on 13 January 2016 for a 30 day stakeholder consultation period. The draft report and related documents are available on the DAWR's website. Five submissions were received on the draft report, including from Mexico's National Plant Protection Organisation and four Australian state government agriculture departments (Western Australia, Victoria, Queensland and New South Wales). DAWR will consider all stakeholder submissions received before issuing a final report.

As work is ongoing for Mexico's highest priority import risk analysis request, in addition to work on priority import requests from other key markets, work is not being conducted on avocados or limes at this time. Once table grape considerations are finalised, next priorities will be considered in consultation with Mexico.

**Recommendation 2**
The Committee recommends that the Department of Foreign Affairs and Trade, working with Mexican authorities, develop a strategic plan for the establishment of direct flights between Mexico and Australia by 2020. The strategic plan should incorporate consultation with airlines, tourism industries in both countries, and ANZMEX and should be presented to the Parliament before December 2016.

The Government notes the Committee's recommendation.

The Government has already put in place all of the regulatory framework needed for direct flights to commence between Australia and Mexico. It is now up to airlines to make commercial assessments as to whether to commence direct flights.

Specifically, air services with Mexico are enabled by a treaty-level Air Services Agreement signed in 2010. Under current air services arrangements, airlines can operate direct flights between Australia and Mexico.

As the legal framework is already in place, the Government considers that a decision to operate direct air services between Australia and Mexico is one to be made by airlines based on commercial imperatives.

While there are currently no direct air services between Australia and Mexico, both Qantas and Virgin Australia have code-share arrangements on flights between the United States and Mexico.

**Recommendation 3**
The Committee recommends that the Australian government work to grant Mexican travellers eligibility for the eVisitor visa before the end of 2016. If this is not possible, the Committee requests a written explanation outlining the reasons for delay and providing an expected date of completion.

The Government notes the Committee's recommendation.

eVisitor (subclass 651) was created to support arrangements Australia negotiated with the European Union. As such it has been available only to citizens of European Union countries, Andorra, Iceland, Lichtenstein, Monaco, Norway, San Marino, Switzerland, and the Vatican City, and it was not envisaged that it be extended to any other countries.

Mexican passport holders can apply online for a Visitor visa (subclass 600), and have been able to do so since May 2014. The Visitor visa allows people to visit Australia for both tourism or business visitor purposes, and its validity period can be longer than the eVisitor (subclass 651).

The Department of Immigration and Border Protection is also, as part of a broad, strategic review of the visa framework, considering ways in which the Visitor visa framework could be improved for all nationalities in the long-term, including Mexico. It is, however, unlikely that additional countries will be added to the eVisitor eligibility list as a result of this review.
Recommendation 4

The Committee recommends that the Australian government work with Australian businesses to raise awareness of the risks and benefits of doing business in Mexico and to dispel exaggerations of risk with regards to security and corruption in Mexico.

The Government supports this recommendation and wishes to advise the Committee that measures along these lines are already being undertaken.

In respect of risks regarding security, prior to travelling to Mexico Australians are strongly encouraged to read the travel advice provided on the Smartraveller website by the Department of Foreign Affairs and Trade. It is recommended that all overseas travel, including to Mexico, be registered on Smartraveller.

Providing practical and timely information to Australian businesses regarding business conditions in Mexico including security and corruption issues is a priority for Austrade. In order to do this effectively Austrade maintains a number of valuable local relationships with key risk consultants including Control Risks, Emerging Markets Political Risk Analysis (EMPRA) and the major accounting firms. In addition, Austrade regularly consults with the independent think-tank, the Mexican Institute for Competition (IMCO) on a range of ‘rule of law’ issues.

Austrade also provides information on doing business in Mexico online at http://www.austrade.gov.au/Australian/Export/Export-markets/Countries/Mexico/Doing-business

The Australian Embassy in Mexico City, including the Trade Commissioner, maintain regular contact with Australian industry bodies, relevant chambers of commerce, State and Territory Governments, and other stakeholders to raise awareness of opportunities and challenges in the Mexican market and to dispel any unfounded concerns. A range of social networks (including Facebook and LinkedIn) are also utilised to communicate major developments in Mexico.

Reports, such as 'Mexico: Gateway to the Americas', which was released in February 2016 by the Export Council of Australia will also assist to raise awareness of the risks and rewards of conducting business in Mexico. Previous governments have also sought to raise business awareness of Mexico. For example, as long ago as 2002 the Council on Australia-Latin America Relations in conjunction with the Department of Foreign Affairs and Trade released the publication "Doing Business in Mexico".

Recommendation 5

The Committee recommends that the Australian government work together with Australian universities to review the accreditation of existing Mexican qualifications and achieve mutual recognition of qualifications by 2020.

The Government accepts this recommendation in principle.

In Australia, the recognition of overseas qualifications for study and employment purposes is decentralised. Each education institution and professional recognition authority establishes its own policies and processes for qualifications recognition, including the establishment of mutual recognition arrangements. Professional and industry bodies, registration and licensing authorities, state and territory governments and employers are responsible for the recognition of overseas qualifications for employment purposes, which usually involves the assessment of overseas qualifications and skills against the standards required for employment in the relevant occupation in Australia. The recognition of overseas qualifications for study purposes is under the remit of Australian education institutions which are autonomous entities that determine their own policies for admission and recognition.

The Government will continue to work through the Department of Education and Training (DET) with recognition organisations to have transparent, equitable and timely assessment arrangements in place. DET will continue to provide information and support services through the Country Education Profiles (CEPs), an online qualification recognition tool designed to help relevant authorities to recognise overseas higher education and postsecondary technical and vocational educational qualifications. These
profiles provide non-binding information on the comparability of overseas qualifications from around 130 countries, including Mexico. Recommendations on the comparability of overseas qualifications are based on in-depth analysis of a range of quantitative and qualitative education indicators.

DET has also committed additional resources to expanding education cooperation with Mexico. In August 2014, DET appointed an Education and Science Counsellor to Latin America. This led to the signing of a new Memorandum of Understanding in Education, Research and Training in April 2015 with Mexico, and a joint education committee is being established.

Activities undertaken and underway with Mexico to increase mutual understanding and awareness of qualifications frameworks and recognition arrangements include:

- hosting an official from the Mexican Ministry of Public Education, in August 2015, to help increase their understanding of Australia’s qualification framework and recognition arrangements; and
- sharing best practices and increasing mutual understanding in 2016 through occupational standards by hosting the APEC Technical Vocational Education and Training (TVET) Project with Mexico (and the other Pacific Alliance countries). The project will build skills in the area of transport and logistics and include developing occupational standards as well as equipping trainers with new skills through the new International Skills Training TVET training and assessment course.

The first meeting of the joint working group and agreement on joint activities will both take place in 2016. Work will include building on the qualification framework and recognition activities already undertaken as well as joint activities to support greater cooperation in education between Australia and Mexico.

The Government also places considerable importance on bilateral, regional and multilateral trade negotiations, with free trade agreements such as Trans-Pacific Partnership providing opportunities to deepen engagement in education and training between countries like Australia and Mexico. These agreements are also valuable in supporting the recognition of qualifications internationally and can play a role in providing trained professionals with more transparent and predictable operating conditions in overseas labour markets.

Recommendation 6

The Committee recommends that the Australian government allocate additional funding for initiatives to promote Australian VET services in Mexico.

The Government supports this recommendation and wishes to advise the Committee that measures along these lines are already being undertaken.

The promotion of Australian vocational education and training (VET) services is a priority for Austrade’s office in Mexico, along with the recruitment of Mexican students for study in Australian institutions.

Austrade's overarching strategy across Latin America is to position Australia's research, education and training expertise in specific sectors such as energy, mining, agri-food, water and health—sectors that are a priority for governments in the region and in which Australia has world-leading capability not just in human capital development but also across equipment, technology and services. In Mexico, opportunities in the advanced manufacturing sector are also relevant.

Austrade's office in Mexico has identified significant demand for skilled workers and for industry-led competency-based training systems, and is exploring opportunities for Australian VET providers to be involved in the delivery of training using Trans National Education (TNE) models, particularly in the oil and gas and agri-food sectors.

Significantly, this year the Council of Australia Latin America Relations (COALAR) is funding the Australian Council for Private Education & Training (ACPET) to undertake a mission to Mexico in order to scope opportunities for Australia’s VET sector in Mexico. This mission is scheduled to take
place in the final quarter of this financial year with the support of Austrade's office in Mexico. It follows a previous visit in 2014 by TAFE Directors Australia and should be most effective in unlocking opportunities for Australian VET providers.

**Recommendation 7**
The Committee recommends that the Department of Foreign Affairs and Trade consider whether there is scope to extend the New Colombo Plan to include Mexico as a destination country.

The Government notes the Committee's recommendation.

The New Colombo Plan is a signature initiative of the Government that aims to lift knowledge of the Indo-Pacific in Australia by supporting Australian undergraduates to study and undertake professional experiences in the region. It was inspired by Australia's experience under the original Colombo Plan, where over a 30 year period, thousands of students from neighbouring countries came to study in Australia.

Australia's geographic region is the focus of the New Colombo Plan as it is crucial to Australia's future economic, trade and diplomatic interests. The 38 current eligible study locations, encompassing South Asia, North Asia, South East Asia and a number of Pacific Island countries, provide a strong and coherent regional focus for the program.

The New Colombo Plan is still at a relatively early stage of implementation and 2015 was the first year of the full roll-out of the program. Student numbers are still scaling up. The Government is of the view that it is preferable to embed the program in its current form before considering major changes, including to the geographic scope of the program.

At the same time the Government is committed to increasing the number of Australian students studying overseas globally and continues to make a significant investment in supporting undergraduate, postgraduate and vocational education and training (VET) students to study overseas, through Endeavour Mobility Grants.

The Government, through the Department of Education and Training (DET) offers three programs that support student mobility to Mexico which provide short-term study for Australian VET students, short-term and semester study for Australian higher education students, and semester study for students from Mexico (to study in Australia).

**Recommendation 8**
The Committee recommends that the Department of Immigration and Border Protection appoint additional panel physicians in key Mexican cities to reduce delays to international student medical examinations.

The Government does not accept this recommendation.

Presently, there are three panel sites in Mexico that conduct immigration medical examinations for Australia-bound clients including Mexico City, Guadalajara and Ciudad Juarez. Approximately 1,500 cases were completed by the three panels in the Programme Year 2014-2015—an increase of about 300 cases from the previous financial year and easily accommodated within the current capacity.

Each panel site comprises panel physicians and radiologists and is deemed to have sufficient capacity to undertake additional cases, particularly during the student peak periods as well as utilising locum panel doctors during peak periods. No delays in appointments are currently experienced with all clients being seen generally within a few days and the ability to take same day appointments if urgent.

Historically panel services were provided in three other locations: Mexicali, Merida and Monterrey. However, the low volumes in these sites (for instance before removal in 2012 Monterrey undertook only five medicals in a six month period) meant quality standards were not complied with and significant concerns arose around integrity issues. To maintain standards a minimum number of medicals is required which is deemed to be at least 150 per doctor per annum. Furthermore Australia
utilises an eMedical platform that is costly for panel physicians to have in place and each additional panel member raises the support costs for the Department of Immigration and Border Protection.

**Recommendation 9**
The Committee recommends that the Department of Immigration and Border Protection review its current student visa provisions to reduce visa application processing times for Mexican students.

The Government supports this recommendation and wishes to advise the Committee that measures along these lines are already being undertaken.

The Department of Immigration and Border Protection conducted a comprehensive review of the Student streamlined visa processing arrangements during the 2014-15 programme year. Following this review, the Government announced on 16 June 2015 that it intended to introduce a simplified student visa framework (SSVF) from July 2016. The SSVF is expected to make the visa application process simpler to navigate for international students, including those from Mexico.

**Recommendation 10**
The committee recommends that the Australian government actively encourage research collaboration between Australia and Mexico and that more resources be made available to Australian universities and research institutions to facilitate this collaboration.

The Government supports this recommendation and wishes to advise the Committee that measures along these lines are already being undertaken.

The Government is actively engaging with Mexico to increase mutual understanding of each country’s research systems, identify strengths and opportunities, and raise awareness of programmes to support international cooperation in research.

Since the appointment in 2014 of a new Education and Science Counsellor in Latin America, interested Government departments collaborated to facilitate the signing in 2015 of a Memorandum of Understanding between the Australian Academy of Science and the Mexican Academy of Sciences to support cooperation between Australian and Mexican researchers.

Steps have also been taken to promote awareness of the substantial funding already provided by the Government to support research, including international research collaboration. This includes the research funding provided to universities, including for the International Postgraduate Research Scholarships, and to publicly funded research agencies like the Commonwealth Science and Industrial Research Organisation, as well as the funding which the Government makes available through the competitive grants processes administered by the Australian Research Council and the National Health and Medical Research Council.

Through DET, the Government provides Research Block Grants (RBGs) to universities to support the indirect costs of Australian competitive grants, end user research and research training. RBG funding is not tied to specific funded projects, allowing universities to make strategic decisions on their research investments, including international collaboration. RBG funding also includes the International Postgraduate Research Scheme, which provides funding for international postgraduate students to work in areas of research strength in the Australian higher education sector.

DET also administers OS-HELP which is a loan available to eligible students enrolled in a Commonwealth supported place who want to undertake some of their study overseas. OS-HELP can be used for a range of expenses such as airfares, accommodation, and other travel or study expenses.

DET is also raising awareness of the Endeavour Scholarships, Fellowships, and Mobility Grant programmes in Mexico. These programmes provide opportunities to nurture international education and research collaboration through student, academic, professional and research exchanges.

DET is also working regionally, including through the Asia-Pacific Economic Cooperation (APEC) which includes Mexico, to promote greater international research collaboration in the Asia Pacific
region. The Australian Government launched the Australia-APEC Women in Research Fellowship in 2015. Up to 10 fellowships per year are offered for female post-doctorate researchers to work in partnership with an Australian education institution to undertake a research project. One Mexican was awarded a fellowship in the first round to undertake research into the drought tolerance of plant species at the University of Technology Sydney.

In addition, to boost research collaboration across the region, DET hosted the Australia-APEC Researcher Mobility Workshop in Jakarta in December 2015 to bring together government officials and university leaders from APEC economies to explore ways to support increased mobility of researchers, and enhance research innovation. This workshop yielded a number of suggestions for future work and Australia, through DET, has the support of APEC economies to lead two further projects—one on collecting information on the scale and scope of researcher mobility in the APEC region and one on researcher integrity. DET will continue to work with all APEC economies on collaborative projects and activities.

In July 2016, a representative of the Australian Government's Australian Research Council (ARC) travelled to Latin America visiting a number of countries, including Mexico, and met with senior government officials and university representatives to provide in-depth information about how the Government supports research and evaluates the quality of research at Australian universities. Discussions also addressed opportunities for the support of international research collaboration available under ARC funding schemes.

Many stakeholders in Mexico, including the National Council of Science and Technology (CONACYT), the Mexican Academy of Sciences, and the Monterrey Institute of Technology and Higher Education, indicated interest in identifying potential Australian partners for research collaboration and acquiring a greater understanding of the methodology underpinning the Excellence in Research for Australia evaluation process. Follow up activities are underway.

The Government has a clear commitment to growing international cooperation in education and research and diversifying Australia's global engagement by building relationships with key Latin American countries, including Mexico. The Government will continue to actively collaborate with Mexico to increase mutual understanding of education and research policies, systems and reforms and to support the development of institutional partnerships and scholar, academic and researcher exchanges.

### Recommendation 11

The Committee recommends that additional resources be allocated to Austrade to raise awareness of the significant value chain opportunities in the Mexican automotive sector (and advanced manufacturing more broadly) and assist Australian suppliers of OEMs and automotive aftermarket to quickly and effectively engage with the Mexican automotive market.

The Government supports this recommendation and wishes to advise the Committee that measures along these lines are already being undertaken.

Given the size of Mexico's advanced manufacturing sector, the identification of business opportunities for Australian companies in its automotive and aerospace industries and in advanced manufacturing value chains more generally is a major priority for Austrade's office in Mexico City in 2015-16 and beyond.

In the automotive sector, Austrade is targeting opportunities for Australian suppliers to OEM manufacturers and to the automotive aftermarket, and is working closely with key industry stakeholders such as the Federation of Automotive Parts Manufacturers (FAPM), the Australian Industry Group (AiGroup), the Victorian Government, ProMexico (Austrade's Mexican counterpart) and the Mexican Business Council for Foreign Trade, Investment and Technology (COMCE).
In April 2016, Austrade will team with AiGroup to conduct a trade mission to a major automotive show and to tour the key industrial states in the Bajio region of Mexico, in order to meet major automotive suppliers and key Government officials who are central to supporting foreign investment in the sector.

In aerospace, Australia has significant niche expertise across the value chain, particularly in component manufacture and in maintenance, repair and operations (MRO), and this expertise aligns neatly with Mexico's position as a regional aerospace manufacturing hub. Austrade is focusing on potential opportunities in this sector with a view to organising a trade mission in FY 2016-17.

**Recommendation 12**

The Committee recommends that additional resources be allocated to the Australian diplomatic and Austrade posts in Mexico, particularly the provision of additional specialised staff to assist Australian small to medium enterprises wishing to enter the Mexican market in the wake of the Trans-Pacific Partnership.

The Government notes the Committee's recommendation.

The Government is committed to ensuring that Australian businesses, and particularly small and medium sized enterprises (SMEs), are fully aware of, and able to capitalise on, business opportunities that emerge as a result of free trade agreements such as the Trans Pacific Partnership (TPP). This will be a focus for Australia's diplomatic mission and the Austrade office in Mexico and in other TPP signatory countries in the lead-up to and following implementation of the agreement.

In the absence of additional staff, which is a resourcing question, Australia's diplomatic mission and the Austrade office in Mexico City will reprioritise the work of existing staff to assist Australian business to take advantage of opportunities provided under the TPP.

**Recommendation 13**

The Committee recommends that the Department of Foreign Affairs and Trade and Austrade work with the Export Council of Australia to develop a suite of practical, user-friendly tools to assist Australian small to medium enterprises, especially service companies, understand and utilise the Trans-Pacific Partnership.

The Government supports this recommendation.

The Department of Foreign Affairs and Trade (DFAT) and the Australian Trade Commission (Austrade) work closely together to inform and prepare industry for the implementation of all free trade agreements entered into by Australia, including the Trans Pacific Partnership (TPP). In the lead-up to implementation of TPP, DFAT and Austrade will work closely with the business community, including relevant industry bodies, on a program of activities to raise awareness and encourage utilisation of the agreement once it has entered into force. These activities are likely to include information seminars and workshops both onshore and offshore, as well as practical tools to assist SMEs to capitalise on business opportunities that result from the TPP in Mexico and in other signatory countries.

Further, DFAT will be providing input and assistance to the Export Council of Australia (ECA) in the development of its series of "trade policy workshops" to be held in May in Sydney, Melbourne, Perth and Brisbane. The workshops are intended to be practical and informative about how businesses can use FTAs including the TPP.

In respect of Austrade's broader relationship with the ECA, it is important to note that Austrade has provided significant support to the ECA in the development of a landmark report 'Mexico: Gateway to the Americas' that was released in February 2016. Austrade expects this relationship will continue to flourish given the rising importance of the market for Australian businesses.
Recommendation 1
The committee recommends that the Senate pass the bill.

The Primary Industries Levies and Charges Collection Amendment Bill 2016 was passed by both Houses of Parliament on 12 September 2016 and received Royal Assent on 16 September 2016.

Recommendation 2
The committee recommends that the Department of Agriculture and Water Resources continue to consult with Research and Development Corporations and representatives of the agricultural industry as it implements the regulatory and administrative framework associated with the measures contained in the bill.

The Australian Government agrees with this recommendation.

The Department of Agriculture and Water Resources has commenced the consultation process and in August 2016 engaged Callida Consulting to develop a set of business requirements that will inform the design of levy payer registers. Callida Consulting has conducted targeted stakeholder workshops across Australia to understand how people interact with the levy system, and how levy payer information might be consolidated without adding unnecessary regulatory burden.

The department is also developing guidance material that will set out expectations regarding appropriate use of the data, including its disclosure by a research and development corporation to a third party, where approved by the department's secretary.

Recommendation 3
The committee recommends that the Minister for Agriculture and Water Resources table a response to the Senate Rural and Regional Affairs and Transport References Committee’s report tabled in June 2015: Inquiry into the industry structures and systems governing the imposition and disbursement of marketing and research and development levies in the agriculture sector.

The Australian Government response was tabled on 5 May 2016.

GOVERNMENT RESPONSE TO THE SENATE INQUIRY INTO THE PRACTICE OF SPORT SCIENCE IN AUSTRALIA

Introduction
On 16 May 2013 the Senate Rural and Regional Affairs and Transport References Committee (Committee) commenced an Inquiry into the Practice of Sports Science in Australia. The Inquiry focussed on:

1. the current scope of practice, accreditation and regulation arrangements for the profession
2. the role of boards and management in the oversight of sports scientists inside sporting organisations
3. the duty of care of sports scientists to athletes, and the ethical obligations of sports scientists in relation to protecting and promoting the spirit of sport
4. avenues for reform or enhanced regulation of the profession, and
5. any other related matter.

The Inquiry was prompted by the introduction of proposed amendments to the Australian Sports Anti-Doping Authority Act 2006 and followed on from the release of the findings of the Australian Crime Commission's investigation into organised crime and drugs in sport (Project APERIO). The investigation found serious unethical behaviour by registered and non-registered support staff within sporting clubs which potentially endangered the health and welfare of athletes. The Commission noted:
"Sports scientists are now influential in professional sport in Australia, with some of these individuals prepared to administer substances to elite athletes which are untested or not yet approved for human use".1

The Inquiry received 21 submissions and conducted a public hearing in Canberra on 12 June 2013. The Committee tabled its final report on 23 July 2013. The Committee made four recommendations while thirteen recommendations were made by Committee member, Senator Di Natale.

The Government acknowledges the work of the Committee in undertaking the Inquiry and appreciates the contribution of the many stakeholders who made written submissions and/or appeared as witnesses at the public hearing.

The Government recognises the fundamental importance of maintaining the integrity of sport, and ensuring the individual health and welfare of players is protected at all times. Sports themselves play a central role in achieving these outcomes.

GOVERNMENT RESPONSE TO INQUIRY’S RECOMMENDATIONS

It was the view of the Committee that the Government's response to the Inquiry's recommendations should wait until the finalisation of the Australian Sports Anti-Doping Authority investigation into allegations of doping in Australia's professional sports. The Government has respected that recommendation. It is now unlikely there are any remaining matters from the investigation that would have a significant bearing on the Government's response to the Committee's recommendations.

The Australian Crime Commission's report highlighted the risk of engaging athlete support persons who operate outside a sport's rules or with little regard to a person's health and well-being. While the vast majority of athlete support persons work ethically and professionally and make significant contributions to sporting success, the consequences of inappropriate conduct by a few can be far reaching.

Since the Senate Inquiry, there have been a number of developments in the Australian sporting landscape that relate to the Committee's recommendations. These include:

- an increased focus on integrity matters by national sporting organisations, including the formation of dedicated integrity units in a number of sports, ensuring more effective governance and management processes including in relation to engagement of athlete support persons and revised supplements use policies;
- amendment of Australia's anti-doping legislation in 2014 to align with the revised World Anti-Doping Code, with changes coming into effect from 1 January 2015. The amendments included the introduction of the new 'prohibited association' anti-doping rule violation which seeks to prevent proven doping facilitators from working with athletes, and
- enhanced education on integrity issues and ethical decision-making in sport across the sporting sector, including on-line education modules, dedicated integrity forums, and specific programs within sports.

The Government has incorporated these developments in considering its responses to the Committee's recommendations.

Recommendation 1

The Committee recommends that the federal government consider developing a statement of ethics that would apply to all Australian participants in sports.

Government Position: AGREE, noting initiatives undertaken since the Inquiry to promote ethical behaviour in sport.

The involvement of Australians in organised sport is critically linked to the values that sport promotes and the health and lifestyle benefits sport delivers. It is expected the outcome of a sporting contest is based on ability, experience, determination, and fair play. Athletes and administrators are expected to abide by rules and behave ethically.
The Australian Sports Commission works closely with the Australian Human Rights Commission, state and territory departments of sport and recreation, anti-discrimination and human rights agencies, the NSW Office of the Children's Guardian, and the Australian and New Zealand Sports Law Association to promote Play by the Rules. Play by the Rules provides comprehensive guidance on issues of ethics in sport, highlighting the importance of fair, safe and inclusive participation across all levels of the sport sector.

Between March and May 2015, Play by the Rules, the Australian Sports Commission, the National Integrity of Sport Unit, the Australian Sports Anti-Doping Authority and all state and territory departments of sport and recreation collaborated in the delivery of Safeguarding the Integrity of Sport forums around Australia. The forums addressed issues of anti-doping, match fixing and the use of supplements and image-enhancing substances, based on an ethical decision-making framework.

These principles should be embraced in the codes of conduct that apply within organised sport and in the operation of programs and activities delivered by sporting organisations to their members.

The Committee's recommendation for a statement of ethics should be considered in the context of subsequent initiatives to promote ethical behaviour in sport. In particular, Play by the Rules fulfils this recommendation.

Recommendation 2

The Committee recommends that tertiary institutions offering sports science courses include topics on ethics, which should refer to the duty of care of sports scientists to athletes and the importance of protecting athlete health and welfare.

Government Position: AGREE IN PRINCIPLE

Evidence before the Committee indicated most people involved in sports science behave ethically and work to protect athlete health and welfare. Nevertheless, athletes must be able to be confident the people providing them with specialist performance assistance are doing so with athlete health and welfare foremost in mind. It is appropriate that training and assessment on ethics and duty-of-care should form part of undergraduate studies in those professions in which expertise is used to advance sports performance.

Appropriate training in ethics in tertiary institutions is incorporated into considerations of Recommendation 4.

Recommendation 3

The Committee recommends that sporting organisations and/or clubs provide all athletes entering professional and/or high-performance sports programmes with specific training on sports ethics, integrity issues and their rights and responsibilities in relation to their long-term health and welfare.

Government Position: AGREE

Sporting organisations and clubs have an obligation to athletes and support persons to provide information on their rights, roles and responsibilities in terms of protecting the integrity of sport. This includes educating members about the standards of ethical behaviour, and need to protect long-term personal health and welfare.

Athletes have a similar obligation to be aware of and understand their rights and responsibilities.

To the extent the Government may meaningfully contribute to this outcome, there are a number of existing resources that support the recommendation.

- The Australian Institute of Sport (AIS) Sports Science Sports Medicine Best Practice Principles is a practical guide to assist boards and senior management of sporting organisations in performing their oversight function in relation to sports science and sports medicine practices.

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The National Integrity of Sport Unit, within the Department of Health, has launched an anti-match-fixing e-learning education program on the threat of match-fixing to help sports organisations to educate players, coaches and officials. The National Integrity of Sport Unit, in collaboration with the Australian Sports Commission, has also released an 'illicit drugs in sport' e-learning education program designed to inform sports people on the dangers of illicit drugs to their health and sporting endeavours.

The Australian Sports Anti-Doping Authority hosts an anti-doping e-learning education tool, developed for the Australian sporting community, to provide education on key areas of anti-doping such as prohibited substances and methods, therapeutic use exemptions, doping control and whereabouts.

The National Integrity of Sport Unit and Australian Sports Anti-Doping Authority have developed an e-learning ethical decision making course that includes modules on anti-doping, match-fixing and illicit drugs. Further, teacher lesson plans on sports integrity matters have been developed for use in the national Health and Physical Education curriculum.

The Australian Sports Commission, National Integrity of Sport Unit and the Australian Sports Anti-Doping Authority delivered Safeguarding the Integrity of Sport forums focusing on ethical dilemmas facing sport and providing participants with a framework to address these issues.

Recommendation 4

The Committee recommends that detailed consideration by the Australian Government of introducing new regulations for sports scientists in Australia be delayed until such time as the Australian Sports Anti-Doping Authority and/or the Australian Crime Commission have finalised their current investigations into the alleged use of drugs in Australian sport.

Government Position: AGREE

The Australian Crime Commission's Organised Crime and Drugs in Sport report highlighted the potential dangers in engaging athlete support persons prepared to operate at ethical margins and with disregard for an athlete's health and well-being. While the majority of athlete support professionals act ethically and professionally, the consequences of inappropriate behaviour by a few can be severe and far-reaching.

The key issue in the Inquiry was whether the practice of sport science requires some form of governance to improve industry standards and counter the risks identified in the Australian Crime Commission report. Two approaches were given detailed consideration:

- Registration—a formal scheme underpinned by legislation, or
- Accreditation—a less-formal scheme run by industry and governed by quality assurance.

Implementing a registration scheme for sports scientists would involve excessive regulation for what is a small, specialised and dispersed profession. This option carries a significant administrative burden for Government and industry, and would be inconsistent with the Government's broader deregulation agenda.

In preference, the Government supports the operation of an effective industry-based accreditation scheme. Such a scheme would ensure an athlete receives professional advice which is ethical and focused on health and well-being. Such a scheme should:

- ensure a sport scientist is properly qualified and has contemporary ethical standards training;
- encourage sport scientists to continue professional development and improve their skills;

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• provide athletes, employers and the public with a common understanding of what is meant by the term 'sport scientist' and confidence that services are being delivered by reputable people, and
• provide a mechanism for taking action against individuals who behave unethically or corruptly.

Critical to this scheme is placing an obligation on employers to ensure only appropriately qualified individuals are engaged, codes of conduct observed, and appropriate action taken when breaches are identified.

The main employers of sport scientists are national sporting organisations, sporting clubs, the Australian Institute of Sport, state institutes and academies of sport and universities. Sports scientists would also be qualified to work in other health-related sectors such as injury rehabilitation and health promotion. Placing the obligation on employers to ensure only accredited sports scientists are employed involves a co-ordinated approach.

The Australian Institute of Sport is the largest employer of sport scientists in Australia. As it is part of the Australian Sports Commission, the Institute will be expected to only employ sport scientists who meet the appropriate accreditation standards.

State and territory institutes and academies of sport operate under the auspices of state and territory governments. The National Anti-Doping Framework is a non-binding agreement between the Commonwealth and state and territory governments to align domestic anti-doping efforts through a set of agreed principles and identified areas for cooperation. This existing relationship between jurisdictions provides a platform for seeking a unified approach to the employment of accredited sports scientists in all institutes and academies of sport.

The Australian Sports Commission is the body responsible for the provision of Australian Government funds to Australia's national sporting organisations to develop sporting excellence and increase participation in sport. The Australian Sports Commission administers funding to individual sports through 'sport investment agreements'. These agreements underpin collaboration between the organisations by specifying those activities each is required to carry out along with measures of performance.

The Australian Sports Commission reviews the performance of national sporting organisations through the 'annual sport performance review' process. The outcomes of the review process identify themes or critical actions, including Australian Sports Commission support, to enhance the capability of sports. The review model is intended to balance certainty and continuity of funding with the need to achieve accountability for the Government's investment.

The proposed accreditation scheme would fit within these arrangements. National sporting organisations should adopt and observe the AIS Sports Science Sports Medicine Best Practice Principles. The employment of accredited sports scientists sits within the first of the Principles and is therefore contained within the terms of each sport investment agreement. The operational detail of such a scheme will be a matter for the Australian Sports Commission as part of its standard review process and national sporting organisation obligations under their individual sport investment agreements. While the Australian Sports Commission will assess whether the accreditation of a sports scientist meets the required standard, the actual process for accreditation will need to be delivered from within the sports sector.

In its report, the Committee referenced the role of Exercise and Sports Science Australia in Australian sport. Exercise and Sports Science Australia is recognised as a peak organisation for exercise and sports scientists and the allied health profession of exercise physiology. Exercise and Sports Science Australia has administered a sport and exercise physiology accreditation system since 1996 and has now...
developed a tiered system of accreditation for sports scientists based on qualifications, practical experience and proficiency in meeting certain standards.

The standards address the uncertainty about the scope of the profession by defining the practice of sport science. Exercise and Sports Science Australia has also developed a grandfathering arrangement for accrediting experienced sports scientists and arrangements for maintaining accreditation standards over time. Exercise and Sports Science Australia has consulted with sports organisations, Sports Medicine Australia and the Australian Institute of Sport in the development of professional standards for sports scientists.

GOVERNMENT RESPONSE TO RECOMMENDATIONS BY SENATOR DI NATALE

Recommendation 1

The Committee recommends that the federal government consider developing a statement of ethics that would apply to all Australian participants in sports.

Recommendation 2

The Committee recommends that tertiary institutions offering sports science courses include topics on ethics, which should refer to the duty of care of sports scientists to athletes and the importance of protecting athlete health and welfare.

Recommendation 3

The Committee recommends that sporting organisations and/or clubs provide all athletes entering professional and/or high-performance sports programmes with specific training on sports ethics, integrity issues and their rights and responsibilities in relation to their long-term health and welfare.

Senator Di Natale's recommendations 1-3 repeat Committee Recommendations 1-3.

Recommendation 4

Senator Di Natale recommends that the Department of Regional Australia, Local Government, Arts and Sport (DRALGAS) conduct a feasibility study into Exercise & Sports Science Australia's ability to administer a national system of sports science accreditation. In conducting this study, DRALGAS should consider the findings of both the Australian Crime Commission's report on organised crime and drugs in sport and the Australian Sports Anti-Doping Authority's ongoing investigation into drugs in sport. Exercise and Sports Science Australia must be capable of developing and implementing a tiered system that:

- requires minimum qualifications or relevant demonstrated experience;
- offers specialisation in relevant disciplines;
- is relevant and of value to the profession and employers; and
- is capable of achieving widespread uptake.

The Government notes the Exercise and Sports Science Australia submission to the Inquiry and its role as a body representing and advocating for university trained exercise and sport science professionals.

Since the completion of the Inquiry, Exercise and Sports Science Australia has developed an industry-based accreditation scheme for sports scientists. On this basis, a separate feasibility study is not required.

Recommendation 5

Senator Di Natale recommends that, subject to the Department of Regional Australia, Local Government, Arts and Sport's feasibility study and its consideration of the Australian Crime Commission's and Australian Sports Anti-Doping Authority's findings:
Exercise & Sports Science Australia (ESSA) should be recognised and promoted as the single national accrediting body by all sporting employers in Australia; and

where an individual is hired by an employer in a sports science role, they must be able to demonstrate that they hold current ESSA accreditation as a sports scientist. This must be demanded by employers to prevent rogue individuals from 'code-hopping'.

The Government response to the Committee's Recommendation 4 addresses this recommendation.

Recommendation 6

Senator Di Natale recommends that accreditation as a sports scientist should be a condition of ongoing employment. If an individual's accreditation is rescinded by the accrediting body following a breach of its code of conduct or an individual does not satisfy the re-accreditation requirements, the individual's employment with the sporting organisation should be terminated. Employers should actively confirm the accreditation status and level of the personnel they employ in sports science roles on an annual basis, by formally requesting confirmation from the accrediting body. The accrediting body should ensure that it has the resources and processes in place to respond to these requests in a timely way.

The Government response to the Committee's Recommendation 4 addresses this recommendation.

Recommendation 7

Senator Di Natale recommends that, following the establishment of a widespread, tiered system of accreditation for sports scientists in Australia, the government should consider including relevant sports science disciplines in the National Registration and Accreditation Scheme.

The Government response to the Committee's Recommendation 4 addresses this recommendation.

Recommendation 8

Senator Di Natale recognises the need for publicly accessible information about substances and practices impacting on athlete health and wellbeing. The Senator recommends that the Department of Regional Australia, Local Government, Arts and Sport consider forming and promoting an independent advisory group. The utility of an independent source of advice would be to provide up-to-date, independent information for athletes, parents, sporting organisations, peak bodies and coaching staff.

The Australian Sports Anti-Doping Authority has a legislated responsibility to provide education on anti-doping. This education material covers most aspects of anti-doping including general information on health effects:

- the Australian Sports Anti-Doping Authority online course which is freely available
- website
- face to face education services
- outreach stands at sporting events
- Check your Substances online with GlobalDRO.

Athletes can access additional resources such as:

- the World Anti-Doping Agency website and associated resources which include a range of toolkits for coaches, teachers, medical staff, and the online course Athlete Learning Programme about Health and Anti-Doping (ALPHA);
- a Safe Guarding Integrity website developed by Play by the Rules which raises the awareness of drugs in sport, supplements and match fixing at the sub-elite and community level;
the website www.playingclean.com.au which was developed by Curtin University, and
the Australian Institute of Sport's Playbook provides athletes with access to the above-
mentioned resources.

The Government response to the Committee's Recommendation 3 also provides details of existing
resources.

Recommendation 9
Senator Di Natale recommends that the Australian Sports Commission's *Sports Governance
Principles* and *AIS Sports Science Sports Medicine Best Practice Principles* be:
- recognised as promoting best practice principles;
- adopted and adhered to by Australian sporting organisations; and
- periodically reviewed to ensure that they strike the right balance between
  strengthening integrity measures and respecting the rights and best interests of
  athletes.

The Australian Sports Commission first published *Sports Governance Principles* in 2002 and
*Mandatory Sports Governance Principles* in 2013 to promote and guide national sporting organisations
to follow best practice governance. These principles were updated in 2012. The *Mandatory Sports
Governance Principles* were introduced in 2013 and updated in 2015.

The 23 highest funded national sporting organisations are required to comply with the Commission's
*Mandatory Sports Governance Principles* as part of their sports investment agreements. National
sporting organisations outside these sports are benchmarked against these Principles. Included in the
*Mandatory Sports Governance Principles* is the expectation that national sporting organisations adopt
and observe the *AIS Sports Science Sports Medicine Best Practice Principles*.

The Australian Sports Commission monitors the performance of every funded national sporting
organisation against the best practice principles through the Annual Sport Performance Review process.

Recommendation 10
Senator Di Natale recommends that the Minister for Sport makes publicly available information
about the role, composition and progress of the Australian Sports Integrity Network.

The Australian Sports Integrity Network provides a vehicle through which member sporting
organisations can work with Government to coordinate responses to sport integrity issues. Network
members meet regularly to discuss integrity issues including but not limited to doping, manipulation of
results, organised crime connections and illicit drug use.

The Network currently has over 20 members.

The National Integrity of Sport Unit hosts a Network members' website which acts as a resource for
stakeholders to access up-to-date information, including integrity tools, education, contacts and
research.

In addition, the Jurisdictional Sport Integrity Network and Committee of Australian Sport and
Recreation Officials (CASRO) facilitates collaboration between Commonwealth, state and territory
governments on sport integrity issues.

Recommendation 11
Senator Di Natale recommends that where a qualified medical practitioner is employed by a
sporting organisation or team, the medical practitioner be required to approve any decision
relating to athlete health and welfare including the use of supplements. Further, a sport scientist
should be required to consult with an organisation or team's medical officer regarding
supplements as appropriate.
The Government recognises the important role doctors play in maintaining the health and welfare of athletes. Under the *AIS Sports Science Sports Medicine Best Practice Principles*, national sporting organisations should have:

- a written Supplementation Policy approved by the organisation's Supplements Panel;
- a Medication Policy, approved by the organisation's advising medical practitioner to oversee the use of prescription and over-the-counter medication by athletes, and
- an Injection Policy, which prohibits athletes from self-injecting and individuals other than a medical practitioner administering injections to an athlete.

The Australian Sports Commission's *Mandatory Sports Governance Principles* state Boards should adopt and observe the *AIS Sport Science Sport Medicine Best Practice Principles*. Through the Annual Sports Performance Review, the top 23 funded national sporting organisations are assessed against the *AIS Sport Science Sports Medicine Best Practice Principles* while other sports were benchmarked against these principles.

Sporting organisations have been reinforcing the role of doctors in protecting the welfare of athletes. If a sporting organisation does not provide a medical officer to support the athletes, the athlete should seek the advice of a qualified medical practitioner.

**Recommendation 12**

Senator Di Natale recommends that where supplements are used within national sporting organisations, those organisations consider encouraging only the use of supplements classified as **Group A** in the *Australian Institute of Sport Sports Supplement Programme*.

The *AIS Sports Supplement Framework* builds on the expertise and resources developed during the implementation of the AIS's *Sports Supplement Program* from 2000 to 2013.

The *Sports Supplement Framework* was developed following consultation with key stakeholders in the Australian sports system, particularly via the 2013 AIS Supplement Summit. It provides elements around provision, education, research and governance for Australian sporting organisations to inform the development of appropriate sports supplement programs and guidelines.

The Government response to the Committee's Recommendation 3 notes the range of educational material made available to athletes and support persons since the Inquiry.

**Recommendation 13**

Senator Di Natale recommends that national sporting organisations consider:

- implementing central registers of supplements in use by teams/clubs; and
- making this information publicly available.

The *AIS Sports Supplement Framework* addresses this issue. Whether this information should be made publicly available is a matter for the national sporting organisation.

**Foreign Affairs, Defence and Trade References Committee**

**Government Response to Report**

**Senator BACK** (Western Australia) (17:55): I seek leave to speak to the Australian government's response to the Foreign Affairs, Defence and Trade References Committee inquiry into Australia's relationship with Mexico.

Leave granted.

**Senator BACK**: I move:

That the Senate take note of the document.
I will confine my remarks, in case there are others who wish to speak on other topics before the time expires. The committee, under the chairmanship of Senator Alex Gallacher, brought this report down late last year. The report records the fact that this year is the 50th anniversary of Australia's diplomatic relations with Mexico. We regard it as a critically important report, which went into our economic, cultural and other links with that country. There were 13 recommendations, and I am delighted to note that the government has either noted, supported or accepted 12 of the 13—and, indeed, they are correct when they say they did not support the 13th because time has moved on and it was no longer necessary.

I would like to comment for just a few moments on those recommendations the government supported. We recommended that the government work closely with Australian businesses to raise awareness of risks and particularly benefits of doing business in Mexico and to dispel exaggerations of risks with regard to security and corruption in that country. The government of Mexico has worked very assiduously to try and overcome those elements that have previously given it a reputation of being a corrupt place to work. I visited Mexico in January of last year and was particularly impressed by the diligence and the industry of the people I met in the hard-rock mining and oil and gas space, particularly, and I am pleased to see the government has supported that recommendation No. 4.

The fifth recommendation, which the government accepted, was one in which we urged our government to work together with Australian universities and institutions to review the accreditation of Mexican qualifications, so that we could achieve mutual recognition of qualifications by 2020. We are already seeing the benefits of the New Colombo Plan involving Asian countries. We will see some 50,000 graduates study at least a semester, if not a year, in Asia within the next 10 years. One of the recommendations was that we urged the Australian government, in funding and continuing to fund the New Colombo Plan, to extend it, given the benefits that accrue to the students themselves, the institution at which they study and the institution once they return home.

The relationship between Australia and Mexico was really brought home to me when I was invited to the geological survey of Mexico down at Pachuca. I was shown maps of the metalliferous states and territories of Mexico, those which are sufficient for mining companies and others to be able to use to examine the possibility of exploration in Mexico. The director-general very proudly turned to me to tell me that the software that had allowed them to develop those maps and that technology had been provided to them by Geoscience Australia and the CSIRO.

The sixth recommendation, again supported by the government, was that our government allocate additional funding to promote Australian vocational education services—VET sector services—in Mexico. Again, we have a tremendous opportunity for Australian institutions of higher education and in the VET sector to work with those in Mexico to improve standards. Internationally, as we know, Australia has developed an enviable reputation for not just the calibre and the quality of our higher education and VET sectors but the willingness of the Australian higher education and VET sector to share our expertise around the world. A very quick illustration of that: when I met with the executives of Pemex, the Mexican government owned oil company, they told me that Pemex was in the act of setting up a Pemex university so that their students in the oil and gas sector could get a focus of understanding. As a result of that visit that I made in January last year, Austrade has hosted a visit to Western
Australia and Queensland in which UWA, Curtin University and Queensland University have, in fact, had the opportunity to discuss with Mexicans where they might be able to have that involvement. The recommendation that was not accepted was one in which we urged that there be a wider opportunity in Mexican cities for students wanting to come to Australia to study, to undertake medical examinations prior to being granted visas. In its explanation back in its response, the Australian government has noted that, in fact, there is an adequacy now of locations and medical personnel who can undertake those works.

In the same space—trying to make immigration easier between the countries—we recommended that our Department of Immigration and Border Protection review the current student visa provisions to reduce processing times for Mexican students, and you can see the obvious reason why. Again, the government supported the recommendation that we encourage research collaboration between Australia and Mexico and that more resources be devoted to that purpose, and we have seen enormous opportunity in the past. I hope we do in the future actually see closer collaboration between the two.

The 11th recommendation, again supported by the government, was for further allocation of resources to Austrade to raise awareness of the significant value-chain opportunities in the Mexican automotive sector. And I spoke earlier in this chamber today about the fact that, whilst our vehicle manufacturing industry is coming to a close, the Mexicans understand well the quality and extent of our vehicle component manufacturing industry. They manufacture three million vehicles a year, moving up to five million vehicles a year by 2020. And so we have already seen seminars in Adelaide and Melbourne where Australian vehicle component manufacturers have had an opportunity to meet through Austrade with Mexican suppliers to see where we can further those particular opportunities. I certainly commend Senator Gallacher, particularly for his work in emphasising the need to do that.

The final one that I will address myself to is, in fact, the final recommendation, again supported by the government, and that is that Austrade be encouraged to work with the Export Council of Australia to develop a suite of practical, user-friendly tools to assist Australian small to medium enterprises, especially service companies, to understand and utilise the Trans-Pacific Partnership Agreement. It may not be in the form that was intended—the TPP is not going ahead—but I have certainly had preliminary discussions with the trade minister and I will be continuing to urge the government to examine options for increasing free trade between Australia and Mexico in not only agricultural and viticultural products such as wine and other agricultural products but also barley and oats, for example. Also, the Mexicans want to export a greater number of avocados into Australia—I hope it has got nothing to do with those terrible drinks that they were plying me with, tequila and others!

But, nevertheless, the opportunity exists in our mining sector in your state and mine. They know very well the calibre and capacity of the Western Australian hard-rock mining exploration industry and they want to tap into it. Of course, if we can develop free trade arrangements with them, we can reduce tariffs and we can eliminate tariffs all to the good. So I do thank the government for its response and, again, I commend my colleague, Senator Gallacher, for the work he did in chairing that committee.

Question agreed to.
COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Sterle) (18:04): The President has received letters requesting changes in the membership of committees.

Senator NASH (New South Wales—Deputy Leader of The Nationals, Minister for Regional Development, Minister for Local Government and Territories and Minister for Regional Communications) (18:04): I move:

That senators be discharged from and appointed to committees as follows:

Corporations and Financial Services—Joint Statutory Committee—

Discharged—Senator Hume

Appointed—Senator Xenophon

Education and Employment Legislation Committee—

Discharged—

Senator Farrell

Participating member: Senator Ketter

Appointed—

Senator Ketter

Participating member: Senator Farrell

Funding for Research into Cancers with Low Survival Rates—Select Committee—

Appointed—

Senators Bilyk, Ketter and McCarthy

Participating members: Senators Brown, Cameron, Carr, Chisholm, Collins, Dastyari, Dodson, Farrell, Gallagher, Gallagher, Kitching, Lines, Marshall, McAllister, Moore, O'Neill, Polley, Pratt, Singh, Sterle, Urquhart, Watt and Wong

Human Rights—Joint Statutory Committee—

Discharged—

Senator McKim on 12 December 2016

Senator Di Natale on 13 December 2016

Senator McKim on 2 February 2017

Senator Hanson-Young on 3 February 2017

Senator Siewert on 4 February 2017

Appointed—

Senator Di Natale on 12 December 2016

Senator McKim on 13 December 2016

Senator Hanson-Young on 2 February 2017

Senator Siewert on 3 February 2017

Senator McKim on 4 February 2017.

Question agreed to.
BILLS

Corporations Amendment (Life Insurance Remuneration Arrangements) Bill 2016

First Reading

Bill received from the House of Representatives.

Senator NASH (New South Wales—Deputy Leader of The Nationals, Minister for Regional Development, Minister for Local Government and Territories and Minister for Regional Communications) (18:07): I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator NASH (New South Wales—Deputy Leader of The Nationals, Minister for Regional Development, Minister for Local Government and Territories and Minister for Regional Communications) (18:07): I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

This Bill amends the Corporations Act 2001 to better align the interests of life insurance advisers and consumers.

In doing so the Bill acts on this Government’s response to recommendation 24 of the Financial System Inquiry, the root and branch review, commissioned by this Government in late 2013.

Specifically the bill addresses the current conflicted remuneration of life insurance advisers who typically receive high up front commissions in many cases between 100% and 130% of premiums (and low trails of 10%) which incentivises policy replacement where there is no consumer benefit.

The life insurance sector is vital for our community. Life insurance provides essential financial security to Australians and their families at their time of greatest need.

However, the life insurance sector can only fulfil this role in an effective manner when consumers have confidence that they are being placed into products appropriate to their circumstances.

Conflicted remuneration was prohibited by the Future of Financial Advice reforms in 2012 however life insurance sold outside of superannuation was exempt.

Subsequently three reports have considered remuneration structures for life insurance advice and the impact on consumers, namely ASIC’s review of retail life insurance advice, the Financial System Inquiry (FSI) and the industry commissioned Trowbridge report.

The ASIC review found unacceptable levels of poor quality advice and a high correlation between poor advice and upfront commissions, including high lapse rates where consumers are ‘churned’ through products. Specifically, 45 per cent of cases reviewed involving high upfront commissions failed to meet the relevant legal standard for financial advice.

Subsequently the industry commissioned Trowbridge Review recommended a package of reforms, including a significant reduction in upfront commissions to limit incentives for advisers to inappropriately replace life insurance products or ‘churn’.
Further, the Financial System Inquiry recommended a move to level commissions, where the
commission is the same for each year of the policy.

The Government asked industry to respond to these reviews and I want to publicly thank them for
their constructive engagement and hard work in developing the agreement that underpins the reforms
introduced in this Bill. This Bill shows what can be achieved when government, business and the
community work together to improve consumer outcomes.

In particular I wish to thank the Association of Financial Advisers, the Financial Planning
Association of Australia and the Financial Services Council. Each organisation has compromised and in
working together have developed a reform package that will benefit life insurance customers through
the provision of more appropriate advice and promote the long-term sustainability of the industry.

This Bill removes the exemption from the ban on conflicted remuneration for advice on life
insurance products and provides ASIC with the power to determine acceptable benefits payable for
these products.

Under this approach, advisers will be able to receive commissions as long as the requirements set by
ASIC in its legislative instrument are met. This will involve meeting two main requirements.

Firstly, there will be a cap on the size of allowable commissions. ASIC will have the power to lower
these commissions, from around 100 to 130 per cent today to a maximum of 60 per cent from 1 January
2020. Ongoing commissions will be capped at 20 per cent from 1 January 2018.

Secondly, these remuneration arrangements will include ‘clawback’ provisions, under which part or
all of the upfront commission will need to be repaid if the policy is cancelled or the premium reduces in
the first two years. The Bill gives ASIC the power to create an instrument which covers acceptable
clawback amounts.

The Government acknowledges that the final form of the instrument is a matter for ASIC, as the
independent regulator.

It is important to note however that there are no caps nor clawback arrangements for policies sold via
level commission or on a fee for service arrangement as these arrangements are less likely to result in an
incentive to provide inappropriate advice to consumers.

The Government has continued to listen to feedback raised by industry and key stakeholders during
consultation on the life insurance reforms.

Firstly, the Government has moved from a three to a two year clawback period in response to
concerns about ongoing business viability.

Secondly, the Government has amended the commencement date of the reforms to 1 January 2018.
This will enable the Government to remove the generous grandfathering that was available under FoFA,
which allowed advisers to continue to receive conflicted remuneration for the length of their enterprise
agreements plus an additional 12 months.

The Government wants these reforms to start as soon as possible and to apply equally to all advisers,
whether they own their own small business or are employed by a major bank. To achieve this, the
reforms will commence 12 months after the entire reform package is settled. This will provide advisers
with 12 months to renegotiate their collective agreements to be consistent with the new legislation.

The Bill also enables the regulations to ensure that sales of life insurance that do not technically
involve advice are captured by the reforms. The intention of this regulation making power is to ensure
that all life insurance distribution channels are treated equally under the law and to maintain the
integrity of the reforms by providing a flexible mechanism to address avoidance mechanisms in the
future.

These legislative changes strike the right balance between protecting consumers and recognising the
need for ongoing business viability and industry stability.
The Government believes that consumer interests will be best served by a competitive life insurance sector that delivers products appropriate to consumer needs and includes both small and large participants.

Being such a significant reform to the sector, the Government understands that it is important for business to have time to adapt to this change. That is why there are transitional provisions which scale down the maximum permissible upfront commission over three stages.

ASIC will undertake a review of the reforms in 2021. If this Review does not identify significant improvement in product churn and the quality of advice, the Government will move to mandate level commissions, as was recommended by the Financial System Inquiry.

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

Ordered that further consideration of the second reading of this bill be adjourned to the first sitting day of the next period of sittings, in accordance with standing order 111.

COMMITTEES

National Broadband Network - Joint Standing

Message received from the House of Representatives notifying the Senate of the appointment of Mr Jones to the Joint Standing Committee on the National Broadband Network in place of Ms Rowland.

BILLS

Superannuation (Excess Transfer Balance Tax) Imposition Bill 2016
Treasury Laws Amendment (Fair and Sustainable Superannuation) Bill 2016
Counter-Terrorism Legislation Amendment Bill (No. 1) 2016

Assent

Messages from the Governor-General reported informing the Senate of assent to the bills.

Fair Work Amendment (Gender Pay Gap) Bill 2015

Report of Legislation Committee

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (18:07): Pursuant to order and at the request of the Chair of the Education and Employment Legislation Committee, I present the committee's report on the Fair Work Amendment (Gender Pay Gap) Bill 2015, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Interactive Gambling Amendment Bill 2016

Report of Legislation Committee

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (18:07): Pursuant to order and at the request of the Environment and Communications Legislation Committee, I present the committee's report on the Interactive Gambling Amendment Bill 2016, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.
VET Student Loans Bill 2016
VET Student Loans (Consequential Amendments and Transitional Provisions) Bill 2016
VET Student Loans (Charges) Bill 2016

In Committee

Bills—by leave—taken together and as a whole.

The TEMPORARY CHAIR (Senator Sterle): The question is that the bills be agreed to without amendments or request.

(Quorum formed)

Senator HANSON-YOUNG (South Australia) (18:10): In respect of the VET Student Loans (Consequential Amendments and Transitional Provisions) Bill 2016, I move the Australian Greens amendment (1) on sheet 7971:

(1) Schedule 1, page 8 (after line 16), after item 20, insert:

20A After subclause 46A(1) of Schedule 1A

Insert:

(1A) The Secretary must also re-credit a person's FEE-HELP balance with an amount equal to the amounts of VET FEE-HELP assistance that the person received for a VET unit of study if, as a result of information provided to the Secretary without the person applying for the re-credit, the Secretary is satisfied of the matters in subclause (1) (other than paragraphs (1) (d) to (f)).

(1B) Before making a decision under subclause (1A), the Secretary must give the person and the VET provider a notice in writing in accordance with subclause (3).

(1C) In deciding whether to make the decision under subclause (1A), the Secretary must consider any submission received from the person, and from the VET provider, within the 28 day period given for the person and the VET provider to provide submissions.

(1D) The Secretary must give written notice of a decision under subclause (1A) to the person and the VET provider. The notice must be given within 28 days after the day the decision was made.

There are a number of amendments that have been circulated. I have circulated an amendment that goes directly to the heart of this issue. We know that the system we are reforming with this bill is one that has been rorted, abused and exploited by those who have wished to make a lot of money and a private buck off the goodwill of vulnerable students and the willingness of this place, the parliament, to offer support to students who desperately want to get qualifications.

I said right at the outset of my speech in the second reading debate that a number of the Australian Greens, along with a number of other voices, warned at the time that if this sector was to be so deregulated people would take advantage of it and abuse it. That is exactly what we have seen unfold since 2012 to a point where now billions and billions of dollars are being wasted and pocketed by for-profit providers who have no interest in educating students and no interest in contributing to the welfare and a wellbeing of an educated workforce but are mostly interested in pocketing taxpayer money for running a sham type of learning facility. The stories are myriad on the type of exploitation and rorts that have been going on—the fraudulent behaviour of signing up students to courses they did not even know they were being enrolled in, bribing students to enrol in courses and, in fact, outright lying to individuals...
about the fact that they would be saddled with thousands and thousands of dollars worth of debt.

This amendment of the Australian Greens understands this system and says, 'This was abusive. A lot of students and other individuals were caught up in this and exploited through this process by these dodgy scumbags who tried to make money off the vulnerability of these people, particularly those from disadvantaged backgrounds. We do not want to see those students now saddled with thousands of dollars worth of debt in years to come.' I am sure we will hear the minister explain that the government is doing a number of things to claw back lot of the money that has been stolen, effectively, from the Australian taxpayer, but I want to make sure that it is those who have actively participated in this fraudulent behaviour and rorted the system who are punished, not the vulnerable students caught up in the middle of it.

The only way we can guarantee that it is not students who are punished for this terrible deregulation mess that has been created is by ensuring that anyone who was manipulated, exploited, abused or lied to automatically has their debt to the Commonwealth waived. It is essential, because all of the bluster about what a terrible, chaotic sham and mess the current VET HELP system has become will be meaningless if students are left with debt to their name. Of course, in years to come, the Australian Taxation Office will be coming after that money.

I know the government does not like to admit how much money is actually owing—how much money has been ripped off and stolen from the taxpayer—but we have to fess up here. We have to be honest with ourselves and with the Australian taxpayer that this system was destined to fail. This is what happens when you deregulate a system like this—when you start providing taxpayer funded profits for for-profit providers without proper regulation, rules, checks and measures. Of course people were going to rort the system. We do not want students to be the ones who have to suffer for it. I hope that we can get some support for this amendment. It is important that students are not punished and saddled with this debt. It was a mistake of successive governments to allow this kind of rorting to continue for years. It was right under their nose.

There are other questions to be asked about who exactly in the education department knew this was going on and why something was not done about this much sooner. There are a lot of questions yet to be answered in relation to this. Everyone accepts that it was a problem and now needs to be cleaned up, but no-one wants to take responsibility for it. Well, I do not want students to be the ones who end up carrying the can because governments of the day were too obsessed with the idea of letting the market rip. It has proven that the privatisation of our education system has been a mistake. It has created a fraudulent system, an abusive system and an exploitative system. It is time we cleaned that up and made sure that students are at the heart of this system and that they are the ones that are protected as we try to clean this up.

Senator CAMERON (New South Wales) (18:17): I would just like to indicate that Labor will not be supporting this amendment. Labor is of the view that there are some good private VET providers out there. I take the view that to simply say everything must go through the TAFE system and that we would dismantle completely the private VET sector is not a practical proposition.
We want to work positively and constructively with the government and all the senators who share our desire to see people who orchestrated the VET FEE-HELP frauds and rorts being held accountable for their crimes. We are committed to helping students. We are clearly of the view that the establishment of a VET ombudsman to investigate student complaints is the way to go, as well as, with our amendments, introducing grandfathering provisions that would ensure that existing students who have not completed their studies by the end of 2017 can continue to receive VET FEE-HELP assistance.

I think you have to deal with practicalities. The practicalities are that we have a dual system. I do not think anyone would be more supportive of the TAFE system than I would be. I am probably one of the few senators in this place whose only qualifications come through the equivalent of TAFE in the UK. I am a tradesman, a fitter machinist, and I got all of my education after school in the equivalent of the TAFE system. So I am a very strong supporter of the TAFE system, as is Shadow Minister Ellis and is the Labor Party. We want to look at how we can strengthen the TAFE system into the future, but I am not sure that simply saying there is absolutely zero room for any of the private sector is a reasonable, rational or practical approach to where we are at the moment.

I can understand the Greens' view on this. I can understand the Greens' position in terms of support for TAFE, because we want to support TAFE, but I do not think you achieve that by the views that are put forward in this amendment. The issues that I have outlined — our strong support for the TAFE system, our strong support for students, the need for more regulation in the non-TAFE sector, a proper balance between TAFE and the non-TAFE sector — are of importance. I think getting a balance would mean that there have to be more resources, more effective support for TAFE and more TAFE revival not only in the metropolitan areas but regional areas where they do such a great job. There are all of these challenges ahead of us. We support TAFE, but we cannot support this amendment.

Senator HANSON-YOUNG (South Australia) (18:21): Apologies for sounding a little bit too cute by half, but I just want to point out to Senator Cameron that I think he was speaking to the amendment in relation to stopping public funds going to private for-profit providers, which is the amendment we have already dealt with not the amendment that I spoke to here tonight. Just for the sake of anyone listening or reading Hansard, the Greens amendment that I have moved here tonight is in relation to waiving the debts of students who have been wrongly treated and enrolled in courses that did not exist or were fraudulent, and ensuring that those students are not the ones who are saddled with the debt in years to come.

Senator CAMERON (New South Wales) (18:22): I am trying to rationalise the amendment on sheet 7971 against what Senator Hanson-Young has said, but it is pretty difficult. I understand that 7971 is basically about the taxpayers paying for the frauds and rorts that have been perpetrated. We do not support that and we do not believe that that is the appropriate way to go. I just wanted to clarify, given what Senator Hanson-Young had indicated in her contribution on the issue of TAFE, that we still do not support her amendment on sheet 7971. We do not believe that that is the appropriate way to go.

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (18:23): The government will oppose this amendment, as the amendment fails to require a provider to repay moneys where a debt is re-credited to a student, with consequent financial impacts accruing to the taxpayer. Powers do already exist, which means we think this
amendment is unnecessary, for the secretary of my department to remit VET FEE-HELP debts in relation to unacceptable conduct, with moneys automatically recouped from providers—and this measure will apply to the VET student loans provisions as well. With those existing legislative provisions, we can ensure decisions correcting inappropriate debt accrual are sound and evidence based, and do not create unrealistic expectations of departmental action where there is not necessarily supporting evidence.

Indeed, as I have outlined on many occasions, the department, ASQA and the ACCC are already pursuing actions against providers in relation to students who have not been enrolled, and, where these actions are successful, debts can and are being remitted for students, and the cost recouped from providers. The department has been successful in working on behalf of students to have providers commit to remitting millions of dollars in debts to students, and this work will continue alongside the ACCC’s work in the prosecution of a number of providers. Importantly, the VET Student Loans Bill, in replacing the old VET FEE-HELP scheme, will strengthen student protection powers even further.

The TEMPORARY CHAIR (Senator Sterle): The question is that amendment (1) on sheet 7971 be agreed to.

Question negatived.

Senator LEYONHJELM (New South Wales) (18:24): I have a number of questions that I would like to address to the minister before we consider any further amendments, mainly for information and to have some additional information on the record. Minister, your explanatory memorandum states that over the forward estimates period the measures in the loans program will have a cost, in underlying cash terms, of $13 million in administered funding and $58.6 million in combined administered and departmental funding. Can you therefore confirm that the bills will increase departmental expenses by $45 million over the forward estimates period?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (18:25): Thanks, Senator Leyonhjelm, for the question. The accounting of student loan debt is a complicated process in terms of the budget treatment because the government charges a 20 per cent fee on VET FEE-HELP loans, and will continue to do so under these proposals for VET student loan debts. That fee is accrued as a further asset to the Commonwealth on the pathway through. Because we are actually reducing the value of loans that will be written by the Commonwealth to students by a significant volume over the forward estimates, that means the government will not in essence be charging those fees and will not therefore be building an increased asset base of debt as a result of charging that 20 per cent fee on top of the loan.

That said, I do not want to be too cute about the accounting treatment. Of course, this is a more tightly controlled program that we are putting in place, and so we have committed additional resources to the implementation of the program and to the compliance measures that surround the program. Once it is firmly established and up and running, I do not anticipate that, in an ongoing sense, it should necessarily require more departmental expenditure than the VET FEE-HELP program did in the past, although it may be that, in relation to some of the compliance activities which were so hopeless in the past and allowed some of the rorting to occur, along with poor legislative provisions, there will need to be some increased investment there. We have applied, though, additional cost-recovery measures that will flow through into the future as well, to make sure that some of those actions are in a
sense more closely netted out for the Commonwealth in terms of the assessment of the quality of providers and the information that they provide to us.

Senator LEYONHJELM (New South Wales) (18:27): Thank you, Minister; that is helpful. I do not think you addressed this: what are the current annual departmental expenses for VET?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (18:27): For the benefit of the chamber and the clerks, I table a supplementary explanatory memorandum relating to the government's amendment to be moved to the VET Student Loans Bill.

In relation to your question, Senator Leyonhjelm, I am not sure I am in a position to give you the exact departmental operational expenditure as it relates to the VET FEE-HELP arrangements at present. If I can get something for you during the questioning or the debate, I will, but I am afraid I cannot do that right at this second.

Senator LEYONHJELM (New South Wales) (18:28): Thank you, Minister. The regulation impact statement estimates that your proposal, the bill, will actually reduce annual regulatory costs over 10 years by $853,000. Is the regulatory saving generated by the fact that the proposal will reduce the size of the VET industry, with fewer providers and students?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (18:28): That would really be a question for the Office of Best Practice Regulation in terms of the way they account for the regulatory impact. However, I think it is fair to surmise that that is probably the way in which the reduced regulatory impact has been calculated. But that is not something undertaken by my department; it is simply an outcome of the processes tabled by OBPR.

Senator LEYONHJELM (New South Wales) (18:29): Thank you, Minister. I did not realise the OBPR was responsible for that assessment, so some of my questions are no longer applicable. I am also wondering why the regulatory impact statement did not assess the clear, alternative option of requiring earlier and faster loan repayments.

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (18:29): When I announced the new VET Student Loans program and the cessation of VET FEE-HELP, I did at that time indicate that the government was continuing to consider the sustainability of the overall HELP program, which looks at support for the payment of university fees as well as trade support loans and these VET FEE payments. The government's examination of this is quite openly known and was highlighted in the paper we released in the budget this year, *Driving innovation, fairness and excellence in Australian education*, which on page 19 details discussions about when and at what rate people should repay their HELP loans. For example, to quote from this paper, we do highlight that in the UK students are required to make repayments once their income reaches 21,000 pounds, roughly equivalent to $39,000, and in New Zealand students are required to begin making repayments when their income exceeds NZ$19,084, roughly $17,000—at least at the time of printing.

Work in relation to finalising higher education reform is ongoing. I expect to have that finalised early next year such that, if we are legislating reforms, that will occur by the middle of next year. But my view and the government's view in bringing forward these VET reforms was that we should get the VET support structure for the payment of student fees via an
income-contingent loan effectively established. If there need to be changes to the way in which all student loans are repaid, we should maintain the consistency of that process for the sake of administrative simplicity and taxpayer simplicity across all student loans. Therefore, it ought be best considered in the context of the higher education reforms because that remains where the overwhelming majority of those loans are accrued.

Senator LEYONHJELM (New South Wales) (18:31): Thank you, Minister. That is interesting. Let me put two questions to you at once for you to answer. Do you anticipate this new regulated environment which these bills will create will be permanent or temporary? I think I understand that it will be temporary. And, if temporary, what will replace it? I understand there is a review commencing in February. What is the purpose of the review, and what is the expected outcome?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (18:32): I and the government have, essentially, taken a belt-and-braces approach to the way we have structured the new VET Student Loans program because of the enormous wastage, rorting and failure of the old VET FEE-HELP scheme. It would be my hope that, over time, the successful administration of this new program might enable some of those elements, in a belt-and-braces approach, to be relaxed in recognition of the fact that we have the fundamentals more accurately put in place than was the case under the previous program. I do not want to say that means we would be unwinding in the foreseeable future, but what we are committing to do is to review, starting in February next year, the methodology behind the list of eligible courses and the methodology underpinning the loan caps that have been established for those eligible courses. Those reviews may recommend a more relaxed approach to how an eligible course is determined or a more relaxed approach in some way to how it is a that a fee cap is determined, but we certainly intend to maintain very high standards in terms of who is eligible to offer these loans on behalf of the government.

The TEMPORARY CHAIR (Senator Sterle): I have a list of amendments in front of me that I am keen to move to. Senator Cameron.

Senator CAMERON (New South Wales) (18:34): by leave—I move opposition amendments (1) to (4) on sheet 7962 together:

(1) Clause 8, page 9 (line 10), before "The amount", insert "(1)".
(2) Clause 8, page 9 (after line 17), at the end of clause 8, add:

(2) However, if the loan amount is for an approved course provided by a body mentioned in subsection 16(1A) before 1 January 2019, the amount of the loan must not be greater than any of the following:

(a) the amount that would reduce the student's FEE-HELP balance to zero;
(b) the tuition fees for the course.
(3) Clause 13, page 12 (lines 2 to 4), omit the clause, substitute:

13 Approved courses

(1) To be an approved course, the course must meet the requirements of this Division or be a course covered by subsection (2).
(2) A course is covered by this subsection if:
(a) the course was provided on 1 January 2017 by one of the following bodies (taken to be approved course providers under the VET Student Loans (Consequential Amendments and Transitional Provisions) Act 2016):

   (i) a body established to provide vocational education or training under one of the following:
      (A) the Technical and Further Education Commission Act 1990 (NSW);
      (B) the Education and Training Reform Act 2006 (Vic.);
      (C) the TAFE Queensland Act 2013 (Qld);
      (D) the Vocational Education and Training Act 1996 (WA);
      (E) the TAFE SA Act 2012 (SA);
      (F) the Training and Workforce Development Act 2013 (Tas.);
      (G) the Canberra Institute of Technology Act 1987 (ACT);
   
   (ii) a training organisation owned by the Commonwealth, a State or a Territory;
   
   (iii) a Table A provider within the meaning of the Higher Education Support Act 2003; and

(c) the course is provided before 1 January 2019.

(4) Clause 16, page 13 (after line 9), after subclause 16(1), insert:

(1A) However, the Minister may only determine a maximum loan amount, or method for working out maximum loan amounts in relation to courses provided by the following bodies on or after 1 January 2019:

(a) a body established to provide vocational education or training under one of the following:
   
   (i) the Technical and Further Education Commission Act 1990 (NSW);
   
   (ii) the Education and Training Reform Act 2006 (Vic.);
   
   (iii) the TAFE Queensland Act 2013 (Qld);
   
   (iv) the Vocational Education and Training Act 1996 (WA);
   
   (v) the TAFE SA Act 2012 (SA);
   
   (vi) the Training and Workforce Development Act 2013 (Tas.);
   
   (vii) the Canberra Institute of Technology Act 1987 (ACT);

(b) a training organisation owned by the Commonwealth, a State or a Territory;

(c) a Table A provider within the meaning of the Higher Education Support Act 2003.

The TEMPORARY CHAIR: Before I go there, it is the wish of the committee that the statements of reasons accompanying the request be incorporated into Hansard immediately after the request to which they relate. There being no objection it is so ordered.

The statement read as follows—

Statement pursuant to the order of the Senate of 26 June 2000

These amendments provide that the Minister cannot specify a maximum loan amount for a course provided by a TAFE until on or after 1 January 2019 and that courses provided by a TAFE on 1 January 2017 are taken to be approved courses until 31 December 2018.

On the basis that this will result in increased expenditure under the standing appropriation in clause 115 of the bill, these amendments should be moved as requests.

Statement by the Clerk of the Senate pursuant to the order of the Senate of 26 June 2000

The Senate has long followed the practice that it should treat as requests amendments which would clearly, necessarily and directly result in increased expenditure under a standing appropriation.
If, as stated, the amendments would result in increased expenditure under the standing appropriation in clause 115 of the bill, it is in accordance with the precedents of the Senate that those amendments be moved as requests.

**Senator CAMERON:** This amendment will exempt TAFE from course restriction and loan caps for one year until the end of 2017. This amendment is designed to ensure that high-quality public providers, TAFEs and dual-sector organisations like Charles Darwin University that provide technical training for the community are not disadvantaged because of the behaviour of some dodgy private providers. When it comes to TAFE, Labor makes no apologies for backing our quality public VET providers. TAFE is the backbone of the system and, along with innocent students, TAFEs and TAFE teachers have suffered the most in recent years from Liberal cuts and mismanagement at state and federal levels.

The National Partnership Agreement on Skills Reform, which funds TAFE, is set to end in the middle of next year but the government still has not committed to replacing it at all. This uncertainty is crippling for TAFE and for TAFE students. That is why we are moving an amendment to exempt TAFE from the eligible course list and loan caps for one year until the end of 2017. This would allow time for the government to strike new funding deals with the states, if indeed they are going to do that at all. TAFE has not been part of the VET FEE-HELP problem. Over 95 per cent of the quality complaints to the Australian Skills Quality Authority about quality relate to private providers. Public providers, including TAFEs, make up less than five per cent of the complaints. TAFEs have significantly higher unit completion rates than private providers—that is, 77 per cent compared to 59 per cent.

The RIS for this bill also points out clearly that TAFE has not been price gouging. The tuition fees for the most popular diplomas in 2015 are just $5,654 at TAFE compared to $18,580 with private providers—a clear indication that TAFE is not responsible for price gouging and the problems in the scheme. TAFE students are not the ones being saddled with unfair and unreasonable debts. While private providers claimed VET FEE-HELP loans of $2.5 billion in 2015, TAFE only claimed $400 million.

The TAFE Directors association has called for this transition arrangement. Labor backs it because we back public TAFEs and our TAFEs students. We note that some not-for-profit providers will also be hit hard and have deep concerns over this. We also note that the government has stated it will not be supporting this amendment. This is unfortunate because TAFEs are the innocent bystanders in this problem. TAFEs should not be the victims of this issue. They are the quality backbone of the system. We believe this amendment should be supported by the government, by the Greens and by the crossbench. These requests are reasonable and they should be supported.

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (18:38): Senator Cameron is correct. The government does not support these amendments. But it does support and recognise the contribution that TAFEs make and that they have a lower risk profile and a central role within the sector. That is why the government has determined that TAFEs, Australian universities currently approved as VET providers, and training providers owned by the states and territories will be granted automatic approval to the new VET Student Loans program.

However, the amendment moved by Senator Cameron on behalf of the Labor Party would mean that TAFEs not only have automatic approval into the program but also, for the next 12
months, are not bound by the eligible course list that would apply to all other providers and that they face no fee caps over the next 12 months. In essence, TAFEs would be able to continue to operate exactly as they do currently under the current VET FEE-HELP scheme. Let us be clear: the Labor Party's amendment is to say, for a large part of the market, they want to extend the failed, rorted, abused VET FEE-HELP scheme for another 12 months.

Senator Cameron said, 'TAFE has not been part of the VET FEE-HELP problem.' Let me go through some information to indicate that though TAFE may not have been the worst offender there have been problems, indeed, in the TAFE sector and they have been prone to abusing the VET FEE-HELP program, sadly, like many others in the sector. That is why the government believe that although we want to keep them in the system and give them automatic entry, we are not proposing that they should have to meet lesser standards than other providers once they are there.

For example, the 2016 South Australian Auditor General's annual report identified over 90 instances where students at TAFE in South Australia had withdrawn but still recorded a pass grade. Complaints against TAFE SA were up nearly 80 per cent on the previous year, with more than one-third related to service quality or delivery. Over at Melbourne Polytechnic, one of the TAFEs in Victoria, VET FEE-HELP student numbers grew between 2012 and 2015 by 174 per cent. But total tuition fees from those students grew by nearly 900 per cent during that time, showing extraordinary fee growth in the deregulated environment that they were operating in. At the same time, their three-year completion rates dropped from just under 40 per cent over the three years to 2013 to less than a quarter in the same period to 2015. So we saw enrolments go up, fees go up even higher, but completions go down.

They were not alone. New South Wales TAFEs' average three-year completion rates were, between 2011 and 2013, and between 2012 and 2014, less than eight per cent. Evidence given to the Senate inquiry confirmed TAFEs, including New South Wales TAFEs' OTEN arrangement, was the equivalent of using a broker to enrol students, particularly in online courses where completion rates were particularly bad.

My department has been successful in having commitments from a number of TAFEs to remit millions of dollars in student debts, which have been related not only to private providers but also to public providers. Just last week, a student called in to Triple J radio having discovered that she was charged $12,000 by a TAFE for an online course from which she had withdrawn—because she was unhappy with the course—before the census date, yet she was still charged for that. The department has been in touch, subsequently, with the student and with TAFE NSW who, like many other private providers where these challenges have been made, have happily agreed to remit that debt.

TAFEs also do not universally offer qualifications aligned to economic need, and yet this amendment would ensure it was free-range—to continue to offer unlimited numbers of enrolments and loans across reflexology or aromatherapy or a number of the courses that are not on the current list. Overall, between 2012 and 2015, the number of TAFE VET FEE-HELP students grew by more than 250 per cent—phenomenal growth, in terms of enrolment in TAFEs. The number of TAFE VET FEE-HELP tuition fees grew by 375 per cent, from $85 million to $404 million, significant growth and growth in fees well above the growth in enrolment numbers. VET FEE-HELP loan amounts grew by nearly 300 per cent.
The government oppose this amendment because we do not think it is fair or reasonable to say TAFE has not been part of the VET FEE-HELP problem. TAFE has not been as big a part of the VET FEE-HELP problem as those who have clearly targeted vulnerable Australians and rorted them. But TAFEs have clearly inflated prices, and have clearly pursued enrolments—and enrolments of students who were not likely to complete their courses in a reasonable or expected period of time. Therefore, we think it is only reasonable, in transitioning to a new program, that TAFEs meet the same standards we expect of private providers. They are getting a free pass into the new program because we recognise that they have had fewer compliance issues, in general, than private providers, but we see no reason they should have lower compliance standards once in the new program than anybody else who gets admitted to that new program.

Senator CAMERON (New South Wales) (18:44): This is pretty typical of the coalition. They try and find some area where there is a problem and then they say that applies across the industry. Well, it does not apply across the industry. We see the coalition do this for the trade union movement. They try and find a problem and then they say that is the issue across the whole trade union movement. It is pretty typical of how that mob over there operate.

If you want to talk about fees, let us talk about fees at former Senator Bob Day's college in Adelaide, which you have provided with $2 million. At $90,000 per student, it took $2 million to train 20 students over four years. If you want to talk about rip-offs then I think you should have a look closer to home and not attack the TAFE system. There is a lot more to come out about that, as you are well aware. To stand there and attack the TAFE system when you are involved in an absolute rort with your former mate, former Senator Bob Day, I think beggars belief. Do not stand there holier than thou—than anyone—on the basis of the TAFE system having a problem when you are establishing problems in the training system yourself. Two million dollars to guarantee votes in the Senate was what you were about, and what the coalition were about, and money was no object in terms of that. So I am not going to have the TAFE system slandered by a minister who is prepared to pay anything to guarantee a vote in this place.

You have actually indicated yourself that TAFE would get special treatment because they were not the big part of the problem, so, in my view, this request that we are putting forward is consistent with what you have said. TAFE are not the problem. You are about creating problems, not fixing them. We stand by these requests, and we think it is the appropriate and proper thing to do to back the community sector system, to back the state systems, to back the system that has proved its worth over decades in this country and to make sure that we give them an opportunity to operate effectively and that the students in the TAFE system are properly looked after.

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (18:47): I would like, very briefly, to highlight the point that, far from giving a couple of select examples, I gave a rather comprehensive analysis of the overall growth in enrolment numbers and fees across the TAFE system right across the nation and then highlighted individual cases of poor completion rate and phenomenal fee growth or enrolment growth, not across one or two TAFEs but across the entire system in three different jurisdictions.

Senator HANSON-YOUNG (South Australia) (18:48): I rise to put on the record the Greens' support for the opposition's requests for amendments here. These are amendments
that reflect the recommendations that the Greens made as part of the Senate inquiry into this bill. I think it is absolutely reasonable to allow TAFE providers to have that extra amount of time to ensure that students do not fall through the cracks during this transition period. In fact, it is essential, because otherwise some students are going to be hit with a double whammy—being thrown out of some courses and left without the ability to finish and, indeed, being then left with years and years of debt, the extent of which some of them would perhaps not even have been aware of.

Senator Cameron is absolutely correct: TAFE are not the enemies or the providers who have messed this system up. This has actually been the doing of bad government policy from the beginning—and then we had bad people, people who wanted to rort the system and take advantage of it. It was not the TAFE providers and it was not the students; it was the government thinking, in the space of education, ‘She’ll be right; let the market rip and everything will work out A-OK.’ Well, it has not. It has been found to be an absolute fiasco. It is the biggest cock-up in education this government, parliament and country have seen for a long time and, in order to clean it up, we need to make sure that there is a proper transition period that helps students be able to graduate from their courses.

The CHAIR: The question is that amendments (1) to (4) on 7962 be agreed to.

The committee divided. [18:55]

(The Chair—Senator Lines)

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<td>Majority ................</td>
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AYES

Bilyk, CL  
Carr, KJ  
Collins, JMA  
Di Natale, R  
Gallacher, AM  
Hanson-Young, SC  
Ketter, CR  
Lambie, J  
Marshall, GM  
McCartby, M  
Moore, CM  
Polley, H  
Rice, J  
Sterle, G  
Waters, LJ  
Whish-Wilson, PS  
Cameron, DN  
Chisholm, A  
Dodson, P  
Griff, S  
Kakoschke-Moore, S  
Kitching, K  
Lines, S  
McAllister, J  
McKim, NJ  
O’Neill, DM  
Rhiannon, L  
Siewert, R  
Urquhart, AE (teller)  
Watt, M  
Xenophon, N

NOES

Abetz, E  
Birmingham, SJ  
Bushby, DC  
Cash, MC  
Duniam, J  
Fierravanti-Wells, C  
Back, CJ  
Burston, B  
Canavan, MJ  
Culleton, RN  
Fawcett, DJ (teller)  
Fifield, MP
Question agreed to.

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (18:57): by leave—I move government amendments (1) to (25) on sheet GX140 together:

(1) Clause 6, page 4 (before line 3), before the definition of **approved course provider**, insert:

- **approved course**: see section 13.

(2) Clause 6, page 4 (after line 3), after the definition of **approved course provider**, insert:

- **approved external dispute resolution scheme**: see section 42B.
- **approved external dispute resolution scheme operator**: see paragraph 42B(c).

(3) Clause 6, page 6 (after line 12), after the definition of **officer of an approved course provider**, insert:

- **officer of an approved external dispute resolution scheme operator** means:
  - (a) an officer or employee of an approved external dispute resolution scheme operator; or
  - (b) a person who performs services for or on behalf of an approved external dispute resolution scheme operator.

(4) Clause 6, page 6 (after line 14), after the definition of **officer of a Tertiary Admission Centre**, insert:

- **officer of a tuition assurance scheme operator** means:
  - (a) an officer or employee of a tuition assurance scheme operator; or
  - (b) a person who performs services for or on behalf of a tuition assurance scheme operator.

(5) Clause 6, page 8 (line 8), at the end of the definition of **VET officer**, add:

- (e) an officer of an approved external dispute resolution scheme operator.

(6) Clause 15, page 12 (line 26), omit "accredited", substitute "registered".

(7) Clause 17, page 14 (line 22), omit "request the student to".

(8) Clause 17, page 14 (line 23), before "provide", insert "request the student to".

(9) Clause 17, page 14 (line 25), omit "may".

(10) Clause 25, page 21 (line 19), at the end of subclause (2), add:

- and (h) be a member of an approved external dispute resolution scheme.

(11) Clause 25, page 21 (lines 20 to 22), omit all the words from and including "the" to the end of subclause (3), substitute:

- either or both of the following:
  - (a) the requirement in paragraph (2) (g) to be a party to an approved tuition assurance arrangement;
(b) the requirement in paragraph (2) (h) to be a member of an approved external dispute resolution scheme.

(12) Clause 28, page 23 (line 7), omit "request the applicant to".
(13) Clause 28, page 23 (line 8), before "provide", insert "request the applicant to".
(14) Clause 28, page 23 (line 10), omit "may".
(15) Page 31 (after line 21), after Division 4, insert:

Division 4A—External dispute resolution

42A Minister may specify external dispute resolution scheme

(1) The Minister may, by legislative instrument, specify a scheme that provides for investigation and resolution of disputes relating to the following:
   (a) VET student loans;
   (b) compliance by approved course providers with this Act;
   (c) VET FEE-HELP assistance (within the meaning of the Higher Education Support Act 2003);
   (d) compliance by VET providers (within the meaning of the Higher Education Support Act 2003) with the Higher Education Support Act 2003.

(2) The Minister must specify the operator of the scheme in the legislative instrument.
   Note: The rules may provide for matters that the Minister may or must have regard to in deciding to specify a scheme: see subsection 116(3).

42B Meaning of approved external dispute resolution scheme

A scheme is an approved external dispute resolution scheme if the scheme:
   (a) provides for investigation and resolution of disputes as mentioned in section 42A; and
   (b) is specified in a legislative instrument made under section 42A; and
   (c) is operated by the person (the approved external dispute resolution scheme operator) specified in the legislative instrument.

42C Approved course provider must comply

An approved course provider must comply with the requirements of the approved external dispute resolution scheme of which the provider is a member.
   Note: The rules may set out additional processes and procedures in relation to external dispute resolution: see section 48.

(16) Clause 46, page 34 (line 11), at the end of the clause, add:
   ; (e) the operator of the approved external dispute resolution scheme of which the provider is a member.

(17) Clause 49, page 36 (line 6), omit "a course provided by the provider", substitute "an approved course".

(18) Clause 49, page 36 (lines 7 to 12), omit paragraphs (1) (a) and (b), substitute:
   (a) enrol students, or accept applications for enrolment, in the course;

(19) Clause 63, page 46 (line 10), after "course", insert ", or enrol the student in a course".

(20) Clause 63, page 46 (lines 15 and 16), omit subclause (2), substitute:
   (2) Subsection (1) does not apply in circumstances specified in the rules.

(21) Clause 92, page 66 (line 14), at the end of subclause (1), add:
   ; (d) an officer of an approved external dispute resolution scheme operator.
(22) Clause 93, page 67 (line 4), at the end of subclause (2), add:
   ; (e) an approved external dispute resolution scheme operator.

(23) Page 73 (after line 12), after clause 103, insert:

   103A Secretary must publish information relating to operation of the VET student loans program
   The Secretary must publish the following information within 42 days after the end of the period of 6
   months beginning on 1 January and 1 July in each year (the reporting period):
   (a) the number of approved course providers who operated during the reporting period;
   (b) for each of those providers:
      (i) the name of the provider; and
      (ii) the value of VET student loans approved by the Secretary for approved courses offered by the
      provider during the reporting period; and
   (iii) the number of students who undertook approved courses offered by the provider during the
   reporting period and whose tuition fees for the courses were paid (whether in whole or in part) using
   VET student loans; and
   (iv) the number of such students who completed approved courses during the reporting period; and
   (v) the amount of tuition fees charged to such students by the provider during the reporting period;
   (c) any other information in relation to VET student loans prescribed under the rules.

(24) Clause 114, page 77 (lines 17 to 19), omit subclause (1), substitute:

   (1) The Secretary may, in writing, delegate any or all of his or her powers under this Act to:
   (a) an APS employee; or
   (b) an officer of an approved external dispute resolution scheme operator.

   Note: For this Act, see section 6.

(25) Page 77 (after line 25), after clause 115, insert:

   115A Alternative constitutional basis
   Without limiting its effect apart from this section, this Act also has the effect it would have if each
   reference to an approved course provider were expressly confined to a corporation to which paragraph
   51(xx) of the Constitution applies.

   I indicate that a supplementary explanatory memorandum has been circulated for these
   amendments. Very briefly, these amendments deal with some matters that were raised by the
   opposition during debate in the House of Representatives and were discussed, at the
government's request, by the Senate inquiry. In particular, they recommend methodology for
the establishment of an ombudsman for the VET student loans program. They provide much
tighter restrictions to ban broker type activities in the new market, they provide restrictions
around third-party contact lists and their usage, and they adopt a range of data reporting and
transparency measures. I commend the amendments to the Senate.

   Senator HANSON-YOUNG (South Australia) (18:58): The Greens will be supporting
these amendments. We think it is about time that we established an ombudsman for the VET
sector. We look forward to the foreshadowed legislation. Perhaps the minister could put on
the record tonight when he believes the government will release a draft of that legislation to
the parliament. Are we expecting it in the new year? It is time that we got on with it, and we
look forward to seeing the legislation when it comes forward.
Senator CAMERON (New South Wales) (18:59): I rise to indicate that Labor will support these government amendments. They will allow for a VET ombudsman to be established and for increased transparency and accountability through public reporting of the loan scheme every six months. These amendments reflect the amendments that Labor moved in the House, and we are pleased the government has come on board with them.

Shadow minister Ellis has written to the minister and received an assurance that the VET ombudsman will be up and running by 1 July next year and that further bills to establish the ombudsman under the Ombudsman Act will be brought forward next year. We will hold them to that commitment.

The amendments will allow the minister to make more effective rules to ban brokers. These are necessary because of the evidence presented to the Senate committee about brokers circumventing the rules in the bill or dodgy practices like kickback and commissions moving in-house providers. Labor wants to stop the terrible trail of student victims. We want brokers to be effectively and totally banned and the predatory marketing to stop. We support these changes and will be watching carefully to make sure the government keeps the promises they have made to shut brokers down.

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (19:00): To respond to Senator Hanson-Young, as Senator Cameron has indicated to the Senate, it is the government's commitment to introduce amendments via the Commonwealth Ombudsman legislation in the first half of next year for establishment of the ombudsman in the middle of next year. In the interim, increased resources and focus will be applied within the department to assist with student complaints.

The CHAIR: The question is that amendments (1) to (25) as moved by the minister on sheet GX140 be agreed to.

Question agreed to.

Senator GRIFF (South Australia) (19:01): by leave—I move the amendments on sheet 8019 and sheet 8028 together:

1. Clause 2, page 2 (table item 1), omit the table item, substitute:

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<th>The whole of this Act 1 July 2017.</th>
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<td></td>
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</table>

(2) Clause 116, page 78 (lines 28), omit "calendar year", substitute "financial year".

(3) Clause 116, page 78 (lines 29), omit "calendar years", substitute "financial years".

And:

(1) Schedule 1, item 20, page 7 (line 23), omit "1 January 2017", substitute "1 July 2017".

(2) Schedule 1, item 20, page 7 (line 25), omit "1 January 2018", substitute "1 July 2018".

(3) Schedule 1, item 20, page 7 (line 27), omit "1 January 2017", substitute "1 July 2017".

(4) Schedule 1, item 20, page 8 (line 2), omit "1 January 2017", substitute "1 July 2017".

(5) Schedule 1, item 20, page 8 (line 6), omit "1 January 2017", substitute "1 July 2017".

(6) Schedule 2, item 1, page 11 (line 8), omit "1 January 2017", substitute "1 July 2017".

(7) Schedule 2, item 1, page 11 (line 9), omit "30 June 2017", substitute "31 December 2017".

(8) Schedule 2, item 2, page 11 (line 19), omit "1 January 2017", substitute "1 July 2017".

(9) Schedule 2, item 2, page 11 (line 20) to page 12 (line 26), omit "1 January 2017" (wherever occurring), substitute "1 July 2017".
(10) Schedule 2, item 5, page 13 (line 22), omit "1 January 2017", substitute "1 July 2017".
(11) Schedule 2, item 6, page 13 (line 30), omit "1 January 2017", substitute "1 July 2017".
(12) Schedule 2, item 8, page 14 (lines 9 to 12), omit "30 June 2017" (wherever occurring), substitute "31 December 2017".
(13) Schedule 2, item 9, page 14 (line 14), omit "1 July 2017", substitute "1 January 2018".
(14) Schedule 2, item 9, page 14 (line 17), omit "1 July 2017", substitute "1 January 2018".
(15) Schedule 2, item 11, page 15 (line 13), omit "31 December 2017", substitute "1 July 2018".

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (19:02): I will quickly indicate that the government does not support these amendments. Frankly, it is bad enough that the Senate has just proposed that a large part of the market will continue to effectively operate under the VET FEE-HELP scheme for the next 12 months, which is something that the government does not support and will continue to oppose. But these amendments from NXT would delay commencement altogether of the scheme, ensuring that the VET FEE-HELP scheme itself did continue to operate for a prolonged period of time, which would see yet more waste of taxpayer dollars, targeting of vulnerable Australians and damage to the reputation of the vocational education sector.

Senator HANSON-YOUNG (South Australia) (19:02): I will just indicate that the Australian Greens will not be supporting these amendments either. We believe that so much evidence has been brought before this parliament about the extent of the rorting and the fraudulent behaviour. It needs to be cleaned up. We need to draw a line somewhere, and we think we need to get on with it. Too many students and particularly vulnerable Australians have been exploited. Taxpayers are being exploited—ripped off—because of this out-of-control privatisation of the VET sector. We are glad the government is now acting. We are disappointed that it has taken so long, and we do not want to see any further delays.

Senator CAMERON (New South Wales) (19:03): Labor will not be supporting these amendments, even though we understand and have some sympathy for the NXT approach on this. I think the key issue for us is that we need an assurance that the government is willing and capable of enacting these reforms within a short time frame. The sector has waited too long, and the botched reform effort would be devastating. So, Minister, can you give us an assurance that these will be acted on very quickly?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (19:04): Very briefly, the government is working quickly to ensure that all of the regulatory aspects of the new VET student loans program are in place and ready to roll as soon as legislation is carried and given assent. We have already finalised and published the intended list of eligible courses. We have already finalised and published the criteria for admission of providers into the interim program. We have already commenced the receipt of applications for assessment of providers seeking to enter that interim program, all of which of course will be then legally finalised as soon as we can bring those regulations about.

As a salutary reminder to the Senate, I will just point out that when I first sought to bring in a range of measures to tighten activities in relation to the operation of the VET FEE-HELP scheme, during that period between 2014 and 2015, we saw enrolment growth that was some
44 per cent higher in August 2015 than in August 2014 as people were seeking to get in ahead of the announced start date for changes. That is why, frankly, it is necessary to make sure that we bring in a rapid-fire start date here, because there are already providers out there who are spruiking that you should get in fast before the end of the VET FEE-HELP scheme and that any delay would only see increased rorting of it.

The CHAIR: The question is that the amendments moved by Senator Griff—(1) to (3) on sheet 8019 and then (1) to (15) on sheet 8028, which is the consequential bill—be agreed to.

Question negatived.

Senator CAMERON (New South Wales) (19:06): by leave—I move opposition amendments (1) and (2) on sheet 7958 revised, together:

(1) Schedule 1, item 20, page 7 (line 25), omit "after 1 January 2018", substitute:

after:

(i) unless subparagraph (ii) applies—1 January 2018; or

(ii) if the Minister is satisfied that exceptional circumstances justify continued entitlement to VET FEE-HELP assistance for the student—a day determined in writing by the Minister.

(2) Schedule 1, item 20, page 8 (after line 16), after subclause 43(5) of Schedule 1A, insert:

(6) The *VET Guidelines may specify matters to which the Minister must or may have regard in deciding for the purposes of subparagraph (3) (b) (ii) whether exceptional circumstances justify continued entitlement to VET FEE-HELP assistance for the student.

(7) A determination under subparagraph (3) (b) (ii) is not a legislative instrument.

These amendments will allow the minister to grandfather a student under the current VET FEE-HELP scheme after the end of 2017 in circumstances in which this is fair and reasonable, such as illness or caring responsibilities where a student studies part-time or where a student is simply studying a course that will go for more than one year, as many reasonably do.

By the minister's own estimate, over 140,000 students will need to be grandfathered in the VET-FEE HELP scheme next year so they can finish their courses. It stands to reason that many of the students will not finish their studies by the end of 2017 when the grandfathering abruptly ends. It could be because they study part-time, because they have to take time off for illness or family, because their provider or course is not going to be eligible after next year, or simply because they are studying one of the many courses that runs for more than 12 months. The impact of this dead stop to grandfathering at the end of 2017 will be huge for students. They will be faced with having to pay the full cost of the course fees up-front if they want to finish. That is completely unfair. This is set to be yet another wave of VET students that the system will turn into victims, through no fault of their own. The outcomes are easy to see: students will not finish their courses, they will be left with debts but no qualifications, and they will simply be discouraged from further study.

It is very concerning that the minister has not provided anything in these bills to help these students, when it is abundantly clear that tens of thousands of students will be in this position. Labor is moving this amendment because we want to protect students—because it is wrong that students are again coming last in this debate. Students deserve to know, when they start their studies next year, that they will be able to afford to finish them. Of course, extending grandfathering is no excuse for dodgy providers signing on more students or charging inflated
fees into the future. That is why this amendment gives the minister the powers he needs to prevent that.

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (19:09): I indicate that the government will support these amendments. We think they are appropriately targeted. We do not believe that they are likely to heighten the risk of exploitation of the scheme, given that they simply piggyback on top of the grandfathering arrangements which the government has already proposed.

Senator HANSON-YOUNG (South Australia) (19:09): I would like to indicate the Greens' support for this amendment. This is one of the issues that have become clear through looking at this legislation. Students, in a number of courses and for a number of reasons, may need to have their time extended, whether that is part-time students, or students who have had exceptional circumstances in their lives. It is only fair that we make sure those students are looked after, and not punished because of the rest of the mess that is unfolding under this scheme, which is not their fault or under their control. We support this amendment and—now that we have government support—we look forward to seeing the bill go forward.

The CHAIR: The question is that amendments (1) and (2) on sheet 7958 as moved by Senator Cameron be agreed to.

Question agreed to.

Senator HANSON (Queensland) (19:10): I move the amendment in respect of the VET Student Loans (Consequential Amendments and Transnational Provisions) Bill 2016 on sheet 8029 in my name:

(1) Schedule 1, page 6 (after line 20) after item 13, insert:

13A Section 154-10
Before "The", insert "(1)".

13B At the end of section 154-10
Add:

(2) However, the minimum repayment income in relation to a HELP debt* incurred under section 137-19 (VET student loan debts) for an income year is $22,000.

13C Section 154-20
Before "The", insert "(1)".

13D At the end of section 154-20
Add:

(2) However, if the person incurred a HELP debt* under section 137-19 (VET student loans debts), the amount that a person is liable to pay under section 154-1, in respect of an *income year, is an amount equal to so much of the person's *repayable debt for the income year as does not exceed the percentage of the person's *repayment income that is applicable under the following table:

Applicable percentages

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<th>The percentage applicable is:</th>
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<tr>
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<td>(a) for the first income year after the commencement of the VET Student Loans Act 2016—$30,000; or</td>
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</tbody>
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CHAMBER
(b) for a later income year—that amount indexed under section 154-25.

2 More than the amount under item 1, but less than: 5%
(a) for the first income year after the commencement of the VET Student Loans Act 2016—$50,000; or
(b) for a later income year—that amount indexed under section 154-25.

3 More than the amount under item 4, but less than: 6%
(a) for the first income year after the commencement of the VET Student Loans Act 2016—$54,440; or
(b) for a later income year—that amount indexed under section 154-25.

4 More than the amount under item 5, but less than: 6.5%
(a) for the first income year after the commencement of the VET Student Loans Act 2016—$57,305; or
(b) for a later income year—that amount indexed under section 154-25.

5 More than the amount under item 6, but less than: 7%
(a) for the first income year after the commencement of the VET Student Loans Act 2016—$63,063; or
(b) for a later income year—that amount indexed under section 154-25.

6 More than the amount under item 7, but less than: 7.5%
(a) for the first income year after the commencement of the VET Student Loans Act 2016—$67,200; or
(b) for a later income year—that amount indexed under section 154-25.

7 More than the amount under item 8. 8%

This amendment is to help the debt incurred on the government, by requiring students to make loan repayments from the amount of $22,000, regardless of where the income is coming from. Under the current system, with a VET repayment loan, students are actually having to make repayments from $54,800 at four per cent. My amendment is a responsibility placed on the student which says that, ‘you have incurred a debt to the taxpayer; you are responsible for that debt’. If we bring it in at $22,000, a percentage of that—I am saying two per cent, from $22,000 up to the $54,800—that means that you are paying back a two per cent loan and you are repaying your loan back to taxpayers—who were gracious enough to give you that loan so that you could do your course. And then after that, from $54,800 it then goes to the government’s loan repayment scheme.

I believe that people have to start taking responsibility for their own actions. This is a privilege that is given to students by taxpayers, so that they can further their education. I think they have a responsibility. Too many people are actually taking advantage of this: they are doing their courses, they do not finish their courses, and it is a huge expense. As I said earlier, by 2025-26 these debts are going to be a cost of $186 billion to the taxpayer—that is, by
2025-26, it is going to be over 46 per cent of our national debt. That is why we must start reining this back in. People will be responsible for their own actions. If they want to have further education, it is up to them to repay the loan to the taxpayers. I therefore move this amendment in my name.

The CHAIR: Senator Hanson, would you also like to join amendments (1) and (2) on sheet 8804?

Senator HANSON: by leave—I also move amendments (1) and (2) in respect of the VET Student Loans Bill 2016 on sheet 8804 standing in my name:

Clause 7, page 9 (after line 8), at the end of clause 7, add:

(3) The Secretary may only approve a loan for a student for a course of study if the Secretary is satisfied that:

(a) the student is a genuine student; and

(b) the student is reasonably likely to repay the loan.

Clause 16, page 13 (after line 14), at the end of clause 16, add:

(4) Without limiting subsection (1), the Minister must determine that the loan amount is only a percentage of the total course fees so that the student must pay the remainder of the amount as an upfront deposit for the course from the course start date.

We have seen too many people who sign up to these courses with no intention of wanting to go on to further their studies or to seek employment with that study. They have been coerced into doing the course, and are signing up for it purely because they get a laptop. That has to be vetted very strongly by the department, by the Secretary, and then we can allow this to happen. If people were made aware that, 'if you sign up to this course, you are going to be responsible for repaying the taxpayer'—I think that is very important. Again, I will go back what I said earlier: people have to be responsible for their actions. It is not up to the taxpayer to continually pay for this. I am not against further education by all means, but we cannot afford it and there are many other areas I would like to see the taxpayers' dollars spent, whether it be in health, the aged or many other areas, but not in this. So I believe there needs to be tightening. In 2009, the VET loans were at $25 million. They have gone up since 2009 till now, to $6.34 billion. There was only $21 million up-front. It has been ripped off. We have been taken like mugs. The whole system is totally wrong. We have agents out there pushing their agenda to make a lot of money out of this at the expense of the taxpayers. There has to be a responsibility based on it. If we tighten up, people will think twice about signing up to this, because they will be responsible to the taxpayer. And that is what I am very concerned about. So I have moved these amendments in my name.

Senator HANSON-YOUNG (South Australia) (19:15): Briefly, the Australian Greens will be opposing these amendments. I just want to put it on the record how appalled I am to see One Nation kicking some of the lowest paid workers and professionals in this country. The fact is we need people working in our aged-care system. Where on earth are we going to get those trained people to work in our aged-care system if we do not give them the opportunity to get the qualifications? Some of our lowest paid workers are working in our child-care and early education system. If this amendment were to pass, these are the people who will get slugged. One Nation say one thing in Queensland about standing up for the lowest paid workers and the most vulnerable. When they get to Canberra, they side with the
elites and they stick it to some of the lowest paid workers in this country. It is time that the Australian people woke up to the sham and the fraud that is One Nation.

Senator CAMERON (New South Wales) (19:16): Briefly—I am looking at the time—I just want to indicate that Labor does not support these amendments.

Senator LAMBIE (Tasmania) (19:17): The JLN does not support these amendments, because our policy is simple: when you finish year 12 and you are prepared to go and do a degree, we believe that this country is rich enough that every student, every young child and every teenager out there should have their first degree for free. That would make for a smarter nation. But hitting them at $22,000 is not a smart move.

Senator GRIFF (South Australia) (19:17): The Nick Xenophon Team senators do not support this motion.

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (19:17): The government does not support this amendment or these amendments either. I draw Senator Hanson's attention to the answer I gave to Senator Leyonhjelm earlier. In fact, the government is considering the affordability of the student loans program overall. We discussed this on page 19 of our higher education discussion paper released earlier this year. Such matters are being considered in the context of higher education reforms that are not before the Senate at present and certainly not in the context or the specifics with which you have proposed these amendments.

Senator HANSON (Queensland) (19:18): Through the chair, I am just gobsmacked at Senator Hanson-Young attacking me over aged care. That is not the whole point. The whole thing is that people have to be responsible for their debt to the taxpayer. People are abusing the system, and it is quite apparent in the rising cost and the debt that we have in this country. If you are going to study for a degree and you actually have a degree in an area then you are actually going to be at $22,000. That is the amendment. New Zealand brings it in at $19,000. That is when you actually start paying back the taxpayer. If you want money for your environmental issues—which are a waste on the taxpayer as well—it has to come from somewhere, so start reining in. I would love to know where all this money is supposed to come from. We are in debt. We are paying $40 million a day in interest alone. So I would say, 'Wake up, the Greens,' because we cannot keep going. All I hear is that we are going to pay out more handouts and all the rest of it. Who is going to pay for it? Someone has to pay for it in the long run.

The CHAIR: The question is that amendments (1) on sheet 8029 and (1) and (2) on sheet 8004, as moved by Senator Hanson, be agreed to.

The committee divided. [19:24]

(The Chair—Senator Lines)

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AYES

Burston, B (teller)  Culleton, RN
Hanson, P  Roberts, M
Question negatived.

VET Student Loans Bill 2016, as amended agreed to, subject to requests; VET Student Loans (Consequential Amendments and Transitional Provisions) Bill 2016, as amended, agreed to; VET Student Loans (Charges) Bill 2016 agreed to.

VET Student Loans Bill 2016 reported with amendments and requests; VET Student Loans (Consequential Amendments and Transitional Provisions) Bill 2016 reported with amendments; VET Student Loans (Charges) Bill 2016 reported without amendments; report adopted.

Third Reading

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (19:29): In respect of the VET Student Loans (Consequential Amendments and Transitional Provisions) Bill 2016 and the VET Student Loans (Charges) Bill 2016—the bills other than the VET Student Loans Bill 2016, which has requests attached to it—I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.
Senator McALLISTER (New South Wales—Deputy Opposition Whip in the Senate) (19:29): I am seeking leave from the Senate on behalf of Senators Moore and Watt to lodge a late general business notice of motion. I understand this has been discussed with the whips and I would appreciate the Senate's cooperation in this matter.

Leave is granted.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Reynolds) (19:30): Order! I propose the question:

That the Senate do now adjourn.

Castro, Mr Fidel Alejandro

Senator ABETZ (Tasmania) (19:30): The ugly hypocrisy and gross duplicity of the left side of politics is exposed on a daily, if not hourly, basis. But rarely is this ugliness and grossness so brazenly and vividly displayed for us as on the occasion of the passing of Cuba's brutal communist dictator, Fidel Castro, a dictator who personally oversaw the imprisonment, torture and murder of thousands of his own fellow Cubans, who witnessed up to 20 per cent of his own population flee his cruelty and barbarity, who, through his manic insistence of implementing failed Marxist dogma, condemned his people to lives of poverty and who, despite the poverty of his people, amassed fortunes for himself and his family. Such are the characteristics of a man that the morally bankrupt Left are now eulogising. Be it the hapless Secretary-General of the United Nations, who described the brutal dictator as 'a social reformer'. Really? And we as a nation pay hard-earned taxes—or, indeed, borrowed money—to sustain such an organisation. Or be it senior Labor frontbencher Senator Kim Carr, who eulogised this murderous tyrant with a silly tweet suggesting Castro was an 'extraordinary 20th century figure'. Really? Possibly, we should be thankful that he was not an ordinary 20th century figure, as that would have meant that most leaders would be anticipated to perpetrate horrendous carnage against their own people and impoverish them whilst enriching themselves. So much for Labor being the workers' friend.

Greens Senator Lee Rhiannon's comments were sadly, and boringly, predictable. But, really, how do the Greens seriously eulogise a man as a hero who imprisoned people because of their sexuality? They hail such a man as a social justice giant yet with a straight face and all the righteous indignation they can muster condemn those of us who seek to give the people a democratic vote in a plebiscite on whether to change society's foundational institution: marriage. For five long decades, at the end of a gun barrel, Fidel Castro terrorised and oppressed the Cuban people.

The life story of Armando Valladares, recounted in his book Against All Hope, should be compulsory reading for all those that are seeking to pay tribute to the life of the Fidel Castro. Valladares was imprisoned and tortured for 22 years under Castro and, interestingly, as a young man Valladares actually supported the revolution but quickly became disillusioned. For eight of the 22 years he was imprisoned, he was forced to sit naked in a cell without facilities.
and often without water. And yet the UN Secretary-General tells us Castro was a 'social reformer'. Valladares, in his book and in speeches that he has given since his release, has really shone a light on this very dark regime. Allow me to quote certain segments. For example:

Each night, the firing squad executed scores of men in its trenches. We could hear each phase of the executions, and during this time, these young men—patriots—would die shouting … Every night there were shootings. Every night. Every night. Every night.

Valladares, still early in his sentence, was offered the chance at political rehabilitation but refused to comply. He was sent to an even more brutal prison, as he recounts:

I spent eight years locked in a blackout cell, without sunlight or even artificial light. I never left. I was stuck in a cell, 10 feet long, four feet wide, with a hole in the corner to take care of my bodily needs. No running water. Naked. Eight years. All of the torture, all of the violations of human rights, had one goal: break the prisoner's resistance and make them accept political rehabilitation. That was their only objective.

And this great man, who we should be celebrating rather than Fidel Castro, withstood that for 22 years.

But yet, predictably, the ABC's coverage of Castro's death was straight out of the Left's intellectually bereft handbook. You know the type of bankruptcy, Madam Acting Deputy President: the dishonesty to which we have become accustomed from the ABC, who described him as a 'noble leader', airbrushing aside as of no consequence the sense of relief felt by the substantial expat community population that had fled his brutality. The EU President, the Canadian Prime Minister and others were all, in a similar vein, celebrating Fidel Castro's life, and yet, when you see and hear the story of Armando Valladares, you see the reality.

The good news in all of this is the overwhelming repulsion felt by so many freedom-loving people around the world. The Canadian Prime Minister has now been parodied and, quite rightly, ridiculed for his eulogy with a new hashtag on Twitter—#trudeaueulogies—which are mostly very witty but expose the outrageous nature of his initial eulogy from which he has now, thankfully, at least partially resiled. But whilst the Labor and Greens leadership fail to dissociate themselves from the grotesque eulogies of Senators Carr and Rhiannon we can only assume that the leadership of those two parties endorse and support those ugly eulogies, which in turn should serve as a timely reminder for all freedom-loving Australians who do genuinely believe in human rights why those parties should never be entrusted with the government of our nation.

Timor-Leste

Senator McALLISTER (New South Wales—Deputy Opposition Whip in the Senate) (19:38): I rise tonight to speak about the relationship between Australia and our close neighbour and friend Timor-Leste. Timor-Leste is one of the world's youngest countries. It is also one of its least wealthy. It ranks 147th out of 180 countries in the United Nations Human Development Index. On the latest figures, over 40 percent of Timorese people live below the national poverty line. Barely half of all children receive a full course of vaccinations, and barely half of all adults can read. All of this occurs in one of Australia's nearest neighbours. At its closest point, Timor-Leste is only a few hundred kilometres further away from the Australian mainland than Tasmania. By itself, this would be enough for Australia to have a
moral obligation to lend a helping hand to Timor-Leste. But our obligation is heightened by the special relationship we have with the Timorese people.

It was a relationship first forged in World War II between the Australian soldiers serving in Timor and the local Timorese people, who fed them, sheltered them and fought with them. Countless members of the Sparrow Force, as the Australian contingent was known, owed their lives to the Timorese. As the Australian War Memorial notes:

Timor's rugged terrain offered ideal conditions for guerrilla warfare, but the early success of these operations was made possible by the support of the Timorese people, who provided food and shelter, ponies for carrying heavy equipment, acted as porters and guides, and helped set up ambushes. Some took up arms themselves and fought alongside the Australians.

This support came at a heavy cost. Tens of thousands of Timorese lost their lives during the Japanese occupation, and thanks to them many more Australians were able to come home.

Amongst them was the late Tom Uren, a true hero of the Labor movement and man who was so generous in supporting me and so many others over the years. Tom was captured in West Timor and made a POW. He, like many of the Sparrow Force men, felt a debt of honour to the Timorese and advocated for them his whole life. In the closing years of World War II, Australian planes dropped leaflets saying, 'Your friends do not forget you.' And well we should not.

For some time now, Timor-Leste has been seeking to settle the maritime boundaries between our nations. At the heart of this dispute lies a question about the ownership of vast undersea petroleum resources in the Timor Gap. The royalties that flow from development of these resources mean a lot to the development of Timor-Leste. The World Bank estimates that 70 per cent of the country's infrastructure was destroyed in the violence that followed the Timorese vote for independence from Indonesia in 1999. The Timorese are trying to construct and rehabilitate more than 2,100 classrooms to add places for more than 65,000 students. There is a real need for new hospitals and health infrastructure. These development challenges are compounded by the current economic uncertainty.

Timor-Leste is currently entitled to exploit a portion of the resources that lie between it and Australia, and its budget is heavily dependent on this. More than 95 per cent of its budget is funded by royalties from these projects. The division of the resources, and thus the royalties that flow from them, is governed by three provisional resource-sharing arrangements between our two nations. The reason these agreements are provisional, however, is that no permanent maritime boundary has been established between Australia and Timor-Leste. The Timorese have disputed the basis on which these provisional agreements calculated the boundary between Timor-Leste and Australia and they are seeking to have new boundaries established on a permanent basis. Permanent boundaries would not only give some measure of certainty to Timor-Leste but help give some measure of certainty to investors seeking to develop those resources. The only remaining problem is that the Australian government has been refusing to negotiate a permanent boundary.

We in Labor do not think this is good enough. That is why we have committed that in government we would immediately commence discussions on a voluntary, binding international resolution for a permanent maritime boundary between Australia and Timor-Leste. If we cannot reach an agreement, we will seek the assistance of the International Court of Justice or binding arbitration. Our willingness to come to the negotiating table is part of our
commitment to upholding the international system of laws and norms that we depend on when we express our interest in other issues as varied as whaling or navigation in the South China Sea. So in this way we would be acting in accordance with the principles about which we have spoken on countless other occasions. Timor-Leste is a small country. It is a country that has gone through a large amount of suffering. More than 70 years ago we said to the Timorese, ‘Your friends do not forget you.’ Now is the time to show what that means.

Roads: WestConnex

Animal Welfare

Senator RHIANNON (New South Wales) (19:44): Tonight I join with a wide range of community groups, transport activists and Greens New South Wales MPs to call on the New South Wales government to immediately halt the WestConnex toll road project. This project is a disaster—it is a disaster for people and the environment, it does not offer transport solutions and it is certainly not helping business and productivity. It is time for an independent review of the whole project. There are many ongoing concerns about probity, about procurement and about accountability procedures. What we see instead are billion-dollar contracts with the major WestConnex contractor, CIMIC, formerly Leightons, being put in place. This multinational corporation has a history—there is a track record here, and it is a track record that takes us time and time again to serious corruption. Investigations are ongoing in both Australia and overseas, and this is a further reminder of why an independent review is so urgently needed.

I do offer my support to the people of St Peters and Alexandria, residents who are in the front line. So many of them have lost their homes, and they are being exposed to noise and disruption. For 10 weeks many residents and supporters have been camping out in Sydney Park—I have met many of them. This is a beautiful park, one of the great jewels of Sydney, and it will be carved up if this WestConnex project goes ahead. This is a further reminder of why we need to end this project—this WestConnex project will deliver no transport solutions, just more problems. In Haberfield, scores of buildings, including heritage ones, are about to be demolished, and 14,000 square metres of Sydney Park, including hundreds of trees that form valuable canopy and habitat, will be destroyed.

The WestConnex planning process is an undemocratic farce. Thousands of pages of serious independent analysis has been ignored by the New South Wales government's Roads and Maritime Services and Department of Planning and Environment. The Greens have been successful in asking for a federal audit of the WestConnex project, and we await the results, due in early 2017. I join with our New South Wales MPs Jenny Leong, Mehreen Faruqi and Jamie Parker in wholeheartedly supporting the ongoing community opposition to WestConnex. In recent times, the Baird government has shown that it does planning on the run. We had the dumping of the Rozelle interchange and the addition of another kilometre of tunnel and more acquisitions near the Iron Cove Bridge. These large changes mean that the EIS traffic congestion, air quality and road noise predictions and the updated strategic business case are now obsolete and must be reviewed. But not under the Baird government—they will keep making out that they have an EIS.

Last week, The Age investigative team published another instalment in their expose of Unaoil, the company at the centre of an international oil industry scandal and its big-name multinational clients including, you guessed it CIMIC and Samsung. CIMIC is centre stage
when it comes to WestConnex. Back in February 2012, Leightons referred a 'possible breach' of its code of ethics to the Australian Federal Police regarding bribery payments made by its subsidiary Leighton Offshore. Despite this, later that year Leightons was contracted by the New South Wales Liberal-National government to help plan and prepare the business case for WestConnex. It makes you wonder.

Since then CIMIC and other associated companies, John Holland and Dragados, have won billions of dollars of contracts for WestConnex. Another player in the Unaoil scandal, Samsung, is a partner in some of these contracts. The network and the intrigue here is extraordinary—again, more reasons why we need the independent review. How could a company that is under corruption investigations from international and domestic agencies be granted these contracts? This is contrary to the mandatory reporting requirements of the New South Wales Procurement Board, where agencies must report findings of dishonest, unfair, unconscionable, corrupt or illegal conduct in suppliers. Such behaviour can mean that suppliers are excluded from contracting opportunities with the New South Wales government.

So, I ask, what happened regarding Leightons? This is a question that needs to be answered. In 2013 I raised questions about the impact of political donations by construction companies such as Leightons. How have those donations affected decisions by both major parties that favour the road lobby and projects such as WestConnex? Silence and a lack of honesty has been the response from authorities. The public is left to wonder what role Leightons' donations of more than $1,320,000 to Liberal, Labor and National parties since 2008 played in positioning the company for these contracts. Many would call this corruption, but there is no national anticorruption commission to investigate. Only a full and independent review will get to the bottom of what is one of the biggest infrastructure con jobs perpetrated on the Australian taxpayer.

On another matter, the right of animals to be free from cruelty and suffering inflicted by humans matters greatly to the Greens. Australia's own record on the protection of animals is shameful. From our native wildlife to the animals dependent on our care for their wellbeing, we fail abjectly. Too many politicians continue to facilitate the destruction and suffering of our wildlife. In the last 40 years, our planet has lost nearly 60 per cent of its wildlife populations and is projected to lose two-thirds of its native species by 2020.

Since European colonisation, Australia has recorded the highest extinction rate of endemic land mammal species anywhere in the world. On top of those extinctions, another 49 flora and fauna species were listed in May of this year as threatened with extinction. Even Australia's most iconic animal, the kangaroo, is suffering its own cruel and uncertain future. New South Wales government data reveals unrelenting declines of commercially shot kangaroos at every single location across New South Wales; and the increasing absence of red kangaroos, from 56 per cent of their former range, and grey kangaroos from 69 per cent of their historical range, over ten years.

Meanwhile Australian governments quote hyperinflated data to assert the industrial-scale shooting of slow-growing, low-reproducing kangaroos is sustainable. Unbelievably, they keep pretending that the industry is not cruel, despite the fact that an estimated 800,000 traumatised joeys per year, orphaned when their mothers are killed, have their heads crushed or are left to die from predation, starvation and exposure. This is a national disgrace.
Yet less than two weeks ago the New South Wales Baird government legislated for the clear-felling of native habitats and the unregulated slaughter of native wildlife by landowners. Across the New South Wales coast, the same government is installing shark nets and drum lines that kill thousands of dolphins, whales, turtles, sharks and other marine wildlife. Then there was the shocking backflip on the New South Wales greyhound racing ban. The systemic cruelty of this industry is well documented. Tragically, for thousands of animals, the news is not good, because the slaughter goes on. In time, I do believe that we will achieve a lasting ban, but right now it is a very shocking outcome.

This year, industrial egg producers in supermarkets also won their demand to market as 'free range' their cruelly factory-farmed eggs, from 10,000 hens per hectare. The fair ratio once supported by Australian consumers was a minimum of 1,500 animals per hectare.

Live exports continue to cause great suffering: 839 cattle and 4,301 sheep died on Australia's live export ships in the first six months of this year. Whistleblower and live-exports vet Dr Lynn Simpson has described this cruel industry as entailing 'unnecessary pain and suffering' for all the animals involved. She said:

… anyone who tells you any different is either a liar, they're ill-informed or they're staying silent because they're in fear of losing their job.

Across political lines, Australians are working harder than ever for the ethical and accountable treatment of animals, and the protection of our wildlife and their habitats. In Bathurst, an amazing community partnership is leading the way in non-lethal management, with the planned relocation of 150-plus kangaroos from the international Mount Panorama car-racing track. The call for a federal independent office of animal welfare—and the need for one—is stronger than ever. The Greens will continue to push for the establishment of this office and to promote the wellbeing and rights of animals throughout 2017.

Senate adjourned at 19:54

DOCUMENTS

Tabling

The following document was tabled by the Clerk pursuant to statute:

[Legislative instruments are identified by a Federal Register of Legislation (FRL) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]


Tabling

The following documents were tabled pursuant to standing order 61(1) (b):


Australian Communications and Media Authority (ACMA)—Communications report for 2015-16.
