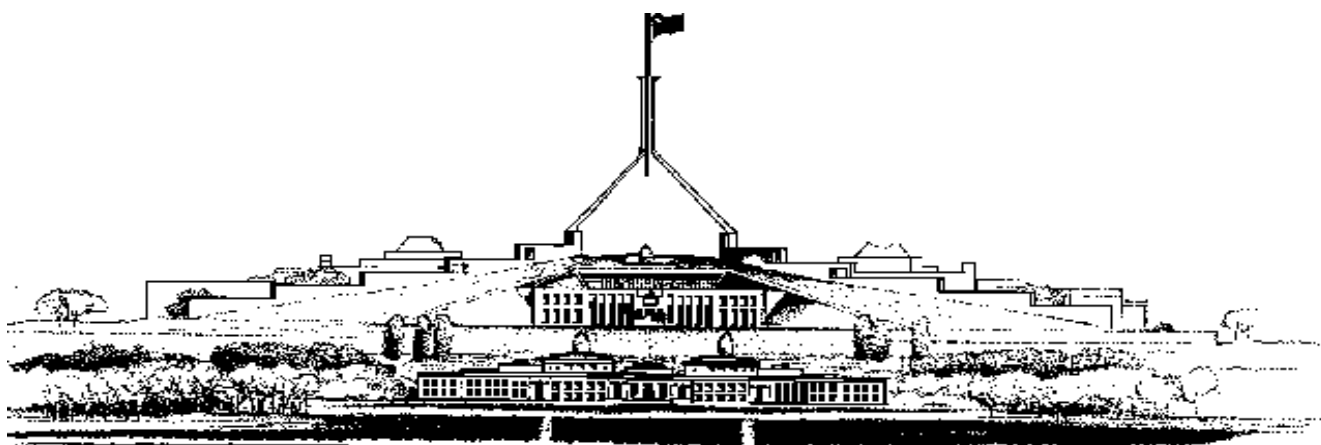




COMMONWEALTH OF AUSTRALIA

**PARLIAMENTARY DEBATES**



**Senate**  
**Official Hansard**

**No. 15, 2017**

**Monday, 4 December 2017**

FORTY-FIFTH PARLIAMENT  
FIRST SESSION—FOURTH PERIOD

BY AUTHORITY OF THE SENATE

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### **SITTING DAYS—2017**

Month	Date
February	7, 8, 9, 13, 14, 15, 16
March	20, 21, 22, 23, 27, 28, 29, 30
May	9, 10, 11
June	13, 14, 15, 19, 20, 21, 22
August	8, 9, 10, 14, 15, 16, 17
September	4, 5, 6, 7, 11, 12, 13, 14
October	16, 17, 18, 19
November	13, 14, 15, 16, 27, 28, 29, 30
December	4, 5, 6, 7

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**FORTY-FIFTH PARLIAMENT  
FIRST SESSION—FOURTH PERIOD**

**Governor-General**

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

**Senate Office Holders**

*President*—Senator Hon. Scott Ryan

*Deputy President and Chair of Committees*—Senator Susan Lines

*Temporary Chairs of Committees*—Senators Bernardi, Fawcett, Gallacher, Ketter, Kitching, Leyonhjelm, Marshall, McCarthy, O'Sullivan, Reynolds, Sterle, Whish-Wilson and Williams

*Leader of the Government in the Senate*—Senator Hon. George Henry Brandis QC

*Deputy Leader of the Government in the Senate*—Senator Hon. Mathias Cormann

*Leader of the Opposition in the Senate*—Senator Hon. Penny Wong

*Deputy Leader of the Opposition in the Senate*—Senator Hon. 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 Parliament*—Senator Hon. Nigel Scullion

*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

*Acting Deputy Leader of the Australian Greens in the Senate*—Senator Rachel Siewert

*Chief Government Whip*—Senator David Christopher Bushby

*Deputy Government Whips*—Senators David Julian Fawcett and Dean Anthony Smith

*The Nationals Whip*—Senator John Williams

*Chief Opposition Whip*—Senator Anne Elizabeth Urquhart

*Deputy Opposition Whips*—Senators Jennifer McAllister and Christopher Ronald Ketter

*Australian Greens Whip*—Senator Rachel Siewert

Printed by authority of the Senate

### Members of the Senate

Senator	State or Territory	Term expires	Party
Abetz, Hon. Eric	TAS	30.6.2022	LP
Anning, Fraser <sup>(8)</sup>	QLD	30.6.2019	IND
Bartlett, Andrew <sup>(6)</sup>	QLD	30.6.2019	AG
Bernardi, Cory	SA	30.6.2022	IND
Bilyk, Catryna Louise	TAS	30.6.2019	ALP
Birmingham, Hon. Simon John	SA	30.6.2022	LP
Brandis, Hon. George Henry, QC	QLD	30.6.2022	LP
Brockman, Slade <sup>(4)</sup>	WA	30.6.2019	LP
Brown, Carol Louise	TAS	30.6.2019	ALP
Burston, Brian	NSW	30.6.2019	PHON
Bushby, David Christopher	TAS	30.6.2019	LP
Cameron, Hon. Douglas Niven	NSW	30.6.2019	ALP
Canavan, Hon. Matthew James	QLD	30.6.2022	LNP
Carr, Hon. Kim John	VIC	30.6.2022	ALP
Cash, Hon. Michaelia Clare	WA	30.6.2022	LP
Chisholm, Anthony David	QLD	30.6.2022	ALP
Collins, Hon. Jacinta Mary Ann	VIC	30.6.2019	ALP
Cormann, Hon. Mathias Hubert Paul	WA	30.6.2022	LP
Dastyari, Sam	NSW	30.6.2022	ALP
Di Natale, Richard	VIC	30.6.2022	AG
Dodson, Patrick	WA	30.6.2019	ALP
Duniam, Jonathon	TAS	30.6.2019	LP
Farrell, Donald Edward	SA	30.6.2022	ALP
Fawcett, David Julian	SA	30.6.2019	LP
Fierravanti-Wells, Hon. Concetta Anna	NSW	30.6.2019	LP
Fifield, Hon. Mitchell Peter	VIC	30.6.2022	LP
Gallacher, Alexander McEachian	SA	30.6.2019	ALP
Gallagher, Katherine Ruth	ACT		ALP
Georgiou, Peter <sup>(3)</sup>	WA	30.6.2019	PHON
Gichuhi, Lucy Muringo <sup>(2)</sup>	SA	30.6.2019	IND
Griff, Stirling	SA	30.6.2022	NXT
Hanson, Pauline Lee	QLD	30.6.2022	PHON
Hanson-Young, Sarah Coral	SA	30.6.2019	AG
Hinch, Derryn Nigel	VIC	30.6.2019	DHJP
Hume, Jane	VIC	30.6.2019	LP
<i>Vacancy</i> <sup>(12)</sup>	SA	30.6.2019	NXT
Ketter, Christopher Ronald	QLD	30.6.2019	ALP
Kitching, Kimberley <sup>(1)</sup>	VIC	30.6.2022	ALP
<i>Vacancy</i> <sup>(11)</sup>	TAS	30.6.2022	JLN
Leyonhjelm, David Ean	NSW	30.6.2019	LDP
Lines, Susan	WA	30.6.2022	ALP
Macdonald, Hon. Ian Douglas	QLD	30.6.2019	LP
Marshall, Gavin Mark	VIC	30.6.2019	ALP
McAllister, Jennifer	NSW	30.6.2022	ALP
McCarthy, Malarndirri Barbara Anne	NT		ALP
McGrath, Hon. James	QLD	30.6.2022	LNP
McKenzie, Bridget	VIC	30.6.2022	NATS
McKim, Nicholas James	TAS	30.6.2019	AG
Moore, Claire Mary	QLD	30.6.2019	ALP

Senator	State or Territory	Term expires	Party
<i>Vacancy</i> <sup>(7)</sup>	NSW	30.6.2022	NATS
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
<i>Vacancy</i> <sup>(10)</sup>	TAS	30.6.2022	LP
Patrick, Rex Lyall <sup>(9)</sup>	SA	30.6.2022	NXT
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
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
Steel-John, Jordan <sup>(5)</sup>	WA	30.6.2022	AG
Sterle, Glenn	WA	30.6.2022	ALP
Urquhart, Anne Elizabeth	TAS	30.6.2022	ALP
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

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

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

<sup>(2)</sup> Chosen by the Court of Disputed Returns to fill a disqualification (vice B Day), pursuant to section 44(v) of the Constitution.

<sup>(3)</sup> Chosen by the Court of Disputed Returns to fill a disqualification (vice R Culleton), pursuant to sections 44 and 45 of the Constitution.

<sup>(4)</sup> Chosen by the Parliament of Western Australia to fill a casual vacancy (vice C Back), pursuant to section 15 of the Constitution.

<sup>(5)</sup> Chosen by the Court of Disputed Returns to fill a disqualification (vice S Ludlam), pursuant to section 44(i) of the Constitution.

<sup>(6)</sup> Chosen by the Court of Disputed Returns to fill a disqualification (vice L Waters), pursuant to section 44(i) of the Constitution.

<sup>(7)</sup> Vacancy created by a disqualification.

<sup>(8)</sup> Chosen by the Court of Disputed Returns to fill a disqualification (vice M Roberts), pursuant to section 44(i) of the Constitution.

<sup>(9)</sup> Chosen by the Parliament of South Australia to fill a casual vacancy (vice N Xenophon), pursuant to section 15 of the Constitution.

<sup>(10)</sup> Vacancy created by the resignation of Senator Stephen Parry on 1 November 2017.

<sup>(11)</sup> Vacancy created by the resignation of Senator Jacqui Lambie on 14 November 2017.

<sup>(12)</sup> Vacancy created by the resignation of Senator Kakoschke-Moore on 22 November 2017.

#### **PARTY ABBREVIATIONS**

AG—Australian Greens; ALP—Australian Labor Party;  
CLP—Country Liberal Party; DHJP—Derryn Hinch's Justice 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 Pye  
Clerk of the House of Representatives—D Elder  
Secretary, Department of Parliamentary Services—R Stefanic  
Parliamentary Budget Officer— J Wilkinson

## TURNBULL MINISTRY

Title	Minister
<b>Prime Minister</b>	Hon. Malcolm Turnbull MP
<b>Minister for Indigenous Affairs</b>	Senator the Hon. Nigel Scullion
<b>Minister for Women</b>	Senator the Hon. Michaelia Cash
<i>Minister Assisting the Prime Minister for the Public Service</i>	<i>Senator the Hon. Michaelia Cash</i>
<i>Minister Assisting the Prime Minister for Counter-Terrorism</i>	<i>Hon. Michael Keenan MP</i>
<i>Minister Assisting the Prime Minister for Cyber Security</i>	<i>Hon. Dan Tehan MP</i>
<i>Assistant Minister to the Prime Minister</i>	<i>Senator the Hon. James McGrath</i>
<i>Assistant Minister for Regulatory Reform</i>	<i>Senator the Hon. James McGrath</i>
<i>Assistant Minister for Cities and Digital Transformation</i>	<i>Hon. Angus Taylor MP</i>
<b>Minister for Agriculture and Water Resources</b>	Hon. Malcolm Turnbull MP
<i>Assistant Minister for Agriculture and Water Resources</i>	<i>Senator the Hon. Anne Ruston</i>
<i>Assistant Minister to the Deputy Prime Minister</i>	<i>Hon. Luke Hartsuyker MP</i>
<b>Minister for Foreign Affairs</b>	Hon. Julie Bishop MP
<b>Minister for Trade, Tourism and Investment</b>	Hon. Steve Ciobo MP
Minister for International Development and the Pacific	Senator the Hon. Concetta Fierravanti-Wells
<i>Assistant Minister for Trade, Tourism and Investment</i>	<i>Hon. Keith Pitt MP</i>
<b>Attorney-General</b> (Vice-President of the Executive Council) (Leader of the Government in the Senate)	Senator the Hon. George Brandis QC
Minister for Justice	Hon. Michael Keenan MP
<b>Treasurer</b>	Hon. Scott Morrison MP
<b>Minister for Revenue and Financial Services</b>	Hon. Kelly O'Dwyer MP
Minister for Small Business	Hon. Michael McCormack MP
<i>Assistant Minister to the Treasurer</i>	<i>Hon. Michael Sukkar MP</i>
<b>Minister for Finance</b> (Deputy Leader of Government in the Senate)	Senator the Hon. Mathias Cormann
Special Minister of State	Senator the Hon. Mathias Cormann
<b>Minister for Infrastructure and Transport</b> (Deputy Leader of the House)	Hon. Darren Chester MP
<b>Acting Minister for Regional Development</b>	Hon. Darren Chester MP
<b>Acting Minister for Local Government and Territories</b>	Hon. Darren Chester MP
Minister for Urban Infrastructure	Hon. Paul Fletcher MP
<b>Minister for Defence</b>	Senator the Hon. Marise Payne
<b>Minister for Defence Industry</b> (Leader of the House)	Hon. Christopher Pyne MP
Minister for Veterans' Affairs	Hon. Dan Tehan MP
<i>Minister Assisting the Prime Minister for the Centenary of ANZAC</i>	<i>Hon. Dan Tehan MP</i>
Minister for Defence Personnel	Hon. Dan Tehan MP
<b>Minister for Immigration and Border Protection</b>	Hon. Peter Dutton MP
<i>Assistant Minister for Immigration and Border Protection</i>	<i>Hon. Alex Hawke MP</i>
<b>Minister for Health</b>	Hon. Greg Hunt MP
<b>Minister for Sport</b>	Hon. Greg Hunt MP
Minister for Aged Care	Hon. Ken Wyatt AM MP
Minister for Indigenous Health	Hon. Ken Wyatt AM MP
<i>Assistant Minister for Health</i>	<i>Hon. Dr David Gillespie MP</i>

Title	Minister
<b>Minister for Industry, Innovation and Science</b>	Senator the Hon. Arthur Sinodinos AO
<b>Minister for Resources and Northern Australia</b>	Senator the Hon. Matt Canavan
<i>Assistant Minister for Industry, Innovation and Science</i>	<i>Hon. Craig Laundy MP</i>
<b>Minister for Communications</b>	Senator the Hon. Mitch Fifield
<b>Minister for the Arts</b> (Manager of Government Business in the Senate)	Senator the Hon. Mitch Fifield
<b>Acting Minister for Regional Communications</b>	Senator the Hon. Mitch Fifield
<b>Minister for Employment</b>	Senator the Hon. Michaelia Cash
<b>Minister for Social Services</b>	Hon. Christian Porter MP
Minister for Human Services	Hon. Alan Tudge MP
<i>Assistant Minister for Social Services and Disability Services</i>	<i>Hon. Jane Prentice MP</i>
<i>Assistant Minister for Social Services and Multicultural Affairs</i>	<i>Senator the Hon. Zed Seselja</i>
<b>Minister for Education and Training</b>	Senator the Hon. Simon Birmingham
<i>Assistant Minister for Vocational Education and Skills</i>	<i>Hon. Karen Andrews MP</i>
<b>Minister for the Environment and Energy</b>	Hon. Josh Frydenberg MP

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*.



## SHADOW MINISTRY

Title	Shadow Minister
<b>Leader of the Opposition</b>	Hon. Bill Shorten MP
<b>Shadow Minister for Indigenous Affairs and Aboriginal and Torres Strait Islanders</b>	Hon. Bill Shorten MP
<i>Shadow Assistant Minister for Indigenous Affairs and Aboriginal and Torres Strait Islanders</i>	<i>Senator Patrick Dodson</i>
<i>Shadow Cabinet Secretary</i>	<i>Senator the Hon. Jacinta Collins</i>
<i>Shadow Assistant Minister for Preventing Family Violence</i>	<i>Terri Butler MP</i>
<i>Shadow Assistant Minister to the Leader (Tasmania)</i>	<i>Senator Helen Polley</i>
<b>Deputy Leader of the Opposition</b>	Hon. Tanya Plibersek MP
<b>Shadow Minister for Education and Training</b>	Hon. Tanya Plibersek MP
<b>Shadow Minister for Women</b>	Hon. Tanya Plibersek MP
Shadow Minister for Skills, TAFE and Apprenticeships	Senator the Hon. Doug Cameron
<i>Shadow Assistant Minister for Schools</i>	<i>Andrew Giles MP</i>
<i>Shadow Assistant Minister for Universities</i>	<i>Terri Butler MP</i>
<i>Shadow Assistant Minister for Equality</i>	<i>Terri Butler MP</i>
<b>Leader of the Opposition in the Senate</b>	Senator the Hon. Penny Wong
<b>Shadow Minister for Foreign Affairs</b>	Senator the Hon. Penny Wong
Shadow Minister for International Development and the Pacific	Senator Claire Moore
<b>Deputy Leader of the Opposition in the Senate</b>	Senator the Hon. Don Farrell
<b>Shadow Special Minister of State</b>	Senator the Hon. Don Farrell
Shadow Minister for Sport	Senator the Hon. Don Farrell
<b>Shadow Treasurer</b>	Hon. Chris Bowen MP
Shadow Assistant Treasurer	Hon. Dr Andrew Leigh MP
Shadow Minister for Competition and Productivity	Hon. Dr Andrew Leigh MP
Shadow Minister for Charities and Not-for-Profits	Hon. Dr Andrew Leigh MP
Shadow Minister for the Digital Economy	Ed Husic MP
Shadow Minister for Consumer Affairs	Tim Hammond MP
<i>Shadow Assistant Minister for Treasury</i>	<i>Hon. Matt Thistlethwaite MP</i>
<b>Shadow Minister for Environment and Water</b>	Hon. Tony Burke MP
<b>Shadow Minister for Citizenship and Multicultural Australia</b>	Hon. Tony Burke MP
<b>Shadow Minister for the Arts</b>	Hon. Tony Burke MP
Manager of Opposition Business in the House of Representatives	Hon. Tony Burke MP
<i>Shadow Assistant Minister for Citizenship and Multicultural Australia</i>	<i>Senator the Hon. Jacinta Collins</i>
<i>Shadow Assistant Minister for Citizenship and Multicultural Australia</i>	<i>Julie Owens MP</i>
<b>Shadow Minister for Families and Social Services</b>	Hon. Jenny Macklin MP
Shadow Minister for Housing and Homelessness	Senator the Hon. Doug Cameron
Shadow Minister for Human Services	Hon. Linda Burney MP
Shadow Minister for Disability and Carers	Senator Carol Brown
<i>Shadow Assistant Minister for Families and Communities</i>	<i>Senator Louise Pratt</i>
<b>Shadow Minister for Infrastructure, Transport, Cities and Regional Development</b>	Hon. Anthony Albanese MP
<b>Shadow Minister for Tourism</b>	Hon. Anthony Albanese MP
Shadow Minister for Regional Services, Territories and Local Government	Stephen Jones MP
<i>Shadow Assistant Minister for Infrastructure</i>	<i>Pat Conroy MP</i>
<i>Shadow Assistant Minister for External Territories</i>	<i>Hon. Warren Snowdon MP</i>

Title	Shadow Minister
<b>Shadow Attorney-General</b>	Hon. Mark Dreyfus QC MP
<b>Shadow Minister for National Security</b>	Hon. Mark Dreyfus QC MP
Deputy Manager of Opposition Business in the House of Representatives	Hon. Mark Dreyfus QC MP
Shadow Minister for Justice	Clare O'Neil MP
<i>Shadow Assistant Minister for an Australian Head of State</i>	<i>Hon. Matt Thistlethwaite MP</i>
<b>Shadow Minister for Employment and Workplace Relations</b>	Hon. Brendan O'Connor MP
Shadow Minister for Employment Services, Workforce Participation and Future of Work	Ed Husic MP
<i>Shadow Assistant Minister for Workplace Relations</i>	<i>Lisa Chesters MP</i>
<b>Shadow Minister for Climate Change and Energy</b>	Hon. Mark Butler MP
<i>Shadow Assistant Minister for Climate Change</i>	<i>Pat Conroy MP</i>
<b>Shadow Minister for Defence</b>	Hon. Richard Marles MP
Shadow Minister for Veterans' Affairs	Hon. Amanda Rishworth MP
Shadow Minister for Defence Personnel	Hon. Amanda Rishworth MP
<i>Shadow Assistant Minister for the Centenary of ANZAC</i>	<i>Hon. Warren Snowdon MP</i>
<i>Shadow Assistant Minister for Cyber Security and Defence</i>	<i>Gai Brodtmann MP</i>
<i>Shadow Assistant Minister for Defence Industry and Support</i>	<i>Hon. Mike Kelly AM MP</i>
<b>Shadow Minister for Innovation, Industry, Science and Research</b>	Senator the Hon. Kim Carr
<i>Shadow Assistant Minister for Manufacturing and Science</i>	<i>Hon. Nick Champion MP</i>
<i>Shadow Assistant Minister for Innovation</i>	<i>Senator Deborah O'Neill</i>
<b>Shadow Minister for Health and Medicare</b>	Hon. Catherine King MP
<i>Shadow Assistant Minister for Medicare</i>	<i>Tony Zappia MP</i>
<i>Shadow Assistant Minister for Indigenous Health</i>	<i>Hon. Warren Snowdon MP</i>
<b>Shadow Minister for Agriculture, Fisheries and Forestry</b>	Hon. Joel Fitzgibbon MP
<b>Shadow Minister for Rural and Regional Australia</b>	Hon. Joel Fitzgibbon MP
<i>Shadow Assistant Minister for Rural and Regional Australia</i>	<i>Lisa Chesters MP</i>
<b>Shadow Minister for Resources and Northern Australia</b>	Hon. Jason Clare MP
<b>Shadow Minister for Trade and Investment</b>	Hon. Jason Clare MP
Shadow Minister for Trade in Services	Hon. Dr Andrew Leigh MP
Shadow Minister Assisting for Resources	Tim Hammond MP
<i>Shadow Assistant Minister for Northern Australia</i>	<i>Hon. Warren Snowdon MP</i>
<b>Shadow Minister for Immigration and Border Protection</b>	Hon. Shayne Neumann MP
<b>Shadow Minister for Finance</b>	Dr Jim Chalmers MP
<b>Shadow Minister for Small Business and Financial Services<sup>(2)</sup></b>	Senator Katy Gallagher
Manager of Opposition Business in the Senate	Senator Katy Gallagher
<i>Shadow Assistant Minister for Small Business</i>	<i>Julie Owens MP</i>
<b>Shadow Minister for Communications</b>	Hon. Michelle Rowland MP
Shadow Minister for Regional Communications	Stephen Jones MP
<b>Shadow Minister for Ageing and Mental Health<sup>(3)</sup></b>	Hon. Julie Collins MP
<i>Shadow Assistant Minister for Ageing</i>	<i>Senator Helen Polley</i>
<i>Shadow Assistant Minister for Mental Health</i>	<i>Senator Deborah O'Neill</i>
<b>Shadow Minister for Early Childhood Education and Development<sup>(1)</sup></b>	Hon. Amanda Rishworth MP

Each box represents a portfolio except for <sup>(1)</sup> which is in the Education portfolio, <sup>(2)</sup> which is in Treasury portfolio and <sup>(3)</sup> which is in the Health portfolio. **Shadow Cabinet Ministers are shown in bold type.**



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*Monday, 4 December 2017*

**The PRESIDENT (Senator the Hon. Scott Ryan)** took the chair at 10:00, read prayers and made an acknowledgement of country.

## DOCUMENTS

### Tabling

**The Clerk:** Documents are tabled pursuant to statute as listed on the Dynamic Red.

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

## COMMITTEES

### Meeting

**The Clerk:** Proposals to meet have been lodged as follows:

Community Affairs Legislation Committee—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Tuesday, 5 December 2017, from 5 pm.

Community Affairs References Committee—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Tuesday, 5 December 2017, from 5 pm.

Joint Standing Committee on Electoral Matters—public meeting during the sitting of the Senate on Wednesday, 6 December 2017, from 11 am.

Environment and Communications References Committee—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 12.10 pm.

Finance and Public Administration Legislation Committee—public meeting during the sitting of the Senate on Thursday, 7 December 2017, from 3.30 pm, for the committee's consideration of the 2017-18 supplementary budget estimates.

Legal and Constitutional Affairs References Committee—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 1.55 pm.

Joint Standing Committee on Migration—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Tuesday, 5 December 2017, from 6.30 pm.

Joint Standing Committee on the National Capital and External Territories—

private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 7 December 2017, from 10 am, for the committee's inquiry into Australia's Antarctic Territory

public meeting during the sitting of the Senate on Thursday, 7 December 2017, from 10.10 am, for the committee's review of the National Capital Authority.

Rural and Regional Affairs and Transport References Committee—private briefing during the sitting of the Senate today, from 4.30 pm, for the committee's inquiry into the regulation of remotely piloted and unmanned aircraft systems.

**The PRESIDENT (10:01):** I remind senators the question may be put on any proposal at the request of any senator. There being none, we will proceed.

## COMMITTEES

### Senators' Interests Committee

#### Citizenship Register

**Senator BILYK** (Tasmania) (10:01): As chair of the Senate Standing Committee of Senators' Interests. I seek leave to make a brief statement about the Citizenship Register.

Leave granted.

**Senator BILYK:** I wish to update the Senate about the resolution concerning the establishment of a Citizenship Register agreed on 13 November. At the deadline of 5.00 pm on Friday, 1 December 2017 all senators had provided the Registrar of Senators' Interests with statements and where necessary supporting evidence. In line with the resolution of the committee, the documents will be published on the committee web page at 12 noon today.

## BILLS

### Fair Work Amendment (Repeal of 4 Yearly Reviews and Other Measures) Bill 2017

#### Second Reading

Consideration resumed of the motion:

That this bill be now read a second time.

**Senator CASH** (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (10:02): The Fair Work Amendment (Repeal of 4 Yearly Reviews and Other Measures) Bill 2017 implements simple, sensible measures to fix some clear issues with the operation of the Fair Work Act. This should not be controversial legislation. Indeed, until recently this reform was not controversial. The need for this legislation has united unions and employer groups, with the Australian Council of Trade Unions, the Australian Industry Group and the Australian Chamber of Commerce and Industry writing a joint letter to me urging that this legislation be progressed as a priority.

The President of the Fair Work Commission, the independent umpire, Justice Iain Ross, advised me in August that there were approximately 75 enterprise agreement approval applications in limbo which were awaiting clarity on this bill. Many of these businesses have since had to renegotiate their agreements. Clearly, stunts by Labor are affecting the commission's capacity to do its job. Unfortunately, again, stunts by Labor are affecting the ability of businesses and unions to offer certainty over their employment arrangements. It reflects very poorly on the Labor Party that they have tried to hold this legislation hostage to a political stunt. It reflects poorly on Labor that they would put political pointscore ahead of the interests of employers, unions and everyday workers. It reflects poorly on the Labor Party that they cannot bring a commonsense approach to what is and what should be a commonsense bill.

The bill repeals the requirement for four-yearly reviews of modern awards. The Productivity Commission found that the current system is hugely resource intensive for all involved—a statement of the obvious for unions and employer groups who have endured long hours or spent hundreds of thousands of dollars during the current drawn-out process. It is estimated that by removing the automatic requirement for lengthy reviews every four years



approximately \$87 million in regulatory costs will be saved for employers and unions over the next decade. As the ACTU, Ai Group and ACCI quite rightly pointed out:

The cycle of almost continuous review sits uncomfortably with the stated objective in the Act of a modern awards system that is 'simple, easy to understand, stable and sustainable'.

This legislation is a simple but important way to reduce complexity in Australia's workplace relations system. To ensure an appropriate transition period, the bill will allow the current four-yearly review to conclude under the existing framework. However, it will remove the requirement for a new review to commence in 2018, which is when the next phase is scheduled to commence.

The bill makes another commonsense change to the Fair Work Act, by allowing the Fair Work Commission to overlook minor procedural or technical errors when approving an enterprise agreement, as long as it is satisfied that the employees were not likely to have been disadvantaged by the errors. The inflexibility here is well known. There are numerous examples of minor errors, like inadvertently providing an incorrect phone number or web address, that have prevented the Fair Work Commission from approving enterprise agreements that are supported by employees. Here are just a few examples to illustrate how the current inflexible approach has impacted enterprise agreement approvals. Peabody Moorevale provided three pages stapled together to each employee who was to be covered by the agreement. One of these pages was the notice of employee representational rights, known as the NER. The others were simply bargaining representative nomination forms. DP World Brisbane printed the NER on a piece of paper with the company letterhead. This error meant that the agreement was not approved. Adaptalift asked employees to vote on a proposed enterprise agreement on the 21st day after the last NER was given, rather than at least 21 days after the last NER was given. This error also meant that the agreement could not be approved. Finally, Kimberly-Clark in South Australia, which employs around 500 workers, submitted their agreement to the Fair Work Commission for approval late last year. Three months later, the company was told by the Fair Work Commission that their form contained the phone number for the Fair Work Ombudsman, rather than the Fair Work Commission infoline.

These decisions demonstrate the problems faced by employers and employees in getting agreements affected by these types of errors approved by the Fair Work Commission. This issue will not be completely fixed until this legislation is passed. This sort of ridiculous inflexibility does not protect workers. It just delays potential pay rises and creates uncertainty. Where there is a clear problem with the legislation, which there is in this case, it is the responsibility of all legislators to fix it.

Finally, this bill will also implement the sensible reform suggested by former Federal Court judge Peter Heerey following his inquiry into complaints about former Fair Work Commission vice-president Michael Lawler. If there are allegations of misbehaviour or incapacity against Fair Work Commission members, the parliament currently has no formal mechanism to consider these allegations. The bill will allow parliament to take appropriate action by quickly establishing an inquiry, so they can be well informed in the event that they may need to ask the Governor-General to terminate an appointment.

There you have it. Three simple commonsense changes to fix three clear problems. This legislation, as such, should be noncontroversial and beyond politics. Considering obviously that it was Labor that introduced the Fair Work Act, you would think that they may take

responsibility to help with fixing these problems, in particular given the joint letter to me by the Australian Council of Trade Unions, the Australian Industry Group, and the Australian Chamber of Commerce. Instead, what we're about to see is that this legislation is yet again going to be held to ransom by another stunt on penalty rates.

But Labor's hypocrisy on the issue of penalty rates has been thoroughly exposed. When Mr Shorten was national secretary of the Australian Workers' Union his union cut deals to lower penalty rates, including in the retail and hospitality industry. Mr Shorten's union did deals with, for example, Big W, Target and Just Jeans, cutting penalty rates for workers in Queensland from 200 per cent, under the award, to 150 per cent, the same rate the Fair Work Commission is modifying the award rate to over a number of years. Under a deal made by Mr Shorten's union, workers at Rydges Tradewinds in Cairns got no penalty rates at all. What about the company called Clean Event? Bill Shorten stripped penalty rates for low-paid cleaners, with no compensation, while his union accepted payments from the company.

For years, big unions and big businesses have been making agreements to cut Sunday penalty rates in retail and hospitality industries. Mr Shorten apparently thought it was fair that, for work on a Sunday, a bed and breakfast needed to pay \$10 more per hour than a five-star hotel; a family owned take-away needed to pay \$8 more an hour than McDonald's; a family pizza take-away needed to pay \$8 more an hour than Pizza Hut; a family bookshop needed to pay \$8 more an hour than Target; a boutique clothes shop needed to pay \$7 more an hour than David Jones; and a family greengrocer needed to pay \$5 more per hour than Woolworths.

Since these sorts of union deals have been exposed, the wheel of Labor's penalty rates campaign has fallen off. Those opposite have argued it is okay for unions to cut penalty rates, because they offset it with a higher base rate of pay. This has been put to the test and it has been found to be false. For example, workers at Big W were employed on an agreement negotiated by the SDA and Mr Shorten's former union, the AWU. On Sundays, workers under the agreement receive \$7.74 per hour less than the award. Those who work a full Sunday shift need to work more than 50 hours during the week to make up for what they lost on Sunday as a result of the union deal. Workers at David Jones got \$7.52 an hour less under the agreement. If they work a full Sunday shift, they need to have worked 49 more hours during the week to make up what they lost on Sunday as a result of the union deal. Workers at Pizza Hut under the agreement got \$8.13 per hour less. If they work a full Sunday shift, they need to have worked 45 hours more during the week to make up for what they lose on Sunday as a result of the union deal. Workers at McDonald's under the agreement got \$8.08 per hour less on Sunday than the award. If they work a full Sunday shift, they need to have worked 37 more hours during the week, as a result of a union deal. So, Mr Shorten and the Labor Party are completely comfortable cutting penalty rates for themselves. However, when small business gets a small break they are completely opposed to it. Labor opposes penalty rate modifications only when an independent umpire modifies them for small business.

Let us not forget the process that led to these modifications. It was put in place by the former Labor government. The terms of reference for the review were set up by Mr Shorten when he was the responsible minister. As minister, Mr Shorten amended the Fair Work Act to require the commission to specifically review penalty rates as part of its review of awards. The fact that the Labor Party are now attempting to reverse a Fair Work Commission decision

that they themselves are responsible for, while holding to ransom a bill that is supported even by the ACTU, is as ironic as it is damning. The bill in its present form should be supported by all senators without Labor's amendments. I commend the bill to the Senate.

Question agree to

Bill read a second time.

### In Committee

Bill—by leave—taken as a whole.

**Senator RHIANNON** (New South Wales) (10:16): I will not be proceeding with the Greens amendments on sheet 8088.

**Senator CAMERON** (New South Wales) (10:16): by leave—I move opposition amendments (1) and (2) on sheet 8173:

(1) Clause 2, page 2 (table item 3, column headed "Provisions"), omit "3 and 4", substitute "3, 4 and 5".

(2) Page 19 (after line 23), at the end of the Bill, add:

#### **Schedule 5—Protecting take-home pay for all workers**

##### ***Fair Work Act 2009***

#### **1 At the end of Division 2 of Part 2-3**

Add:

#### **135B Protecting penalty rates**

(1) A penalty rate in a modern award cannot be varied to make the penalty rate lower than that in force under the award on 30 June 2017.

(2) From the commencement day, a determination of the FWC made on or after 22 February 2017 that would reduce a penalty rate in a modern award so that the penalty rate would be lower than that in force under the award on 30 June 2017 has no effect.

(3) In this section:

**commencement day** means the day on which Schedule 5 to the *Fair Work Amendment (Repeal of 4 Yearly Reviews and Other Measures) Act 2017* commences.

#### **2 At the end of section 193**

Add:

##### ***Effect of removing or reducing penalty rates—award covered employees***

(8) Despite anything else in this section, an enterprise agreement that is not a greenfields agreement does not **pass the better off overall test** under this section if:

(a) a penalty rate under the relevant modern award for an award covered employee, or a prospective award covered employee, is removed or reduced under the agreement; and

(b) because the employee usually works, or will usually work, on a day in relation to which a penalty rate is payable under the relevant modern award, the removal or reduction in the penalty rate disproportionately affects the employee as compared with employees who do not usually work on that day.

##### ***Effect of removing or reducing penalty rates—prospective award covered employees***

(9) Despite anything else in this section, a greenfields agreement does not **pass the better off overall test** under this section if:

(a) a penalty rate under the relevant modern award for a prospective award covered employee is removed or reduced under the agreement; and

(b) because the employee will usually work on a day in relation to which a penalty rate is payable under the relevant modern award, the removal or reduction in the penalty rate will disproportionately affect the employee as compared with employees who will not usually work on that day.

### **3 Application of item 2**

The amendment made by item 2 of this Schedule applies in relation to enterprise agreements made on or after the commencement of the item.

I see the minister is trying valiantly to get her mojo back, but it won't be that easy. Labor will do everything within our power to stop the cuts to penalty rates that this minister and this Liberal government support. Because of this government, 700,000 people already had their penalty rates cut on 1 July this year. These same people, some of the lowest paid in Australia, who are already feeling the impact of wage stagnation and the increased cost of living, face a pay cut on 1 July every year for the next three years. This place supported Labor's private member's bill to prevent the cuts to penalty rates now and into the future; unfortunately this lousy Liberal government is using its numbers in the House to frustrate the will of this place and the Australian people. Labor will not give up.

These amendments effectively mirror the private member's bill introduced into the House by Mr George Christensen. The effect is to restore penalty rates to the level they were at before the cuts commenced on 1 July. The commencement date of these amendments has the effect of restoring penalty rates from the date this bill comes into operation. This means there will be no back-pay liability for businesses who, in reducing the penalty rates they have been paying since 1 July, have been following the law. We cannot restore the wages that have been lost to workers between 1 July and now because of this government's refusal to support my penalty rates bill, which did pass this place in time to stop the cuts. These amendments give this parliament the chance to stop the cuts now and going forward.

It's interesting to note that we have support in the lower house. Mr Christensen, the member for Dawson, said:

... I am breaking ranks with the government, and I do so for a number of reasons. First of all, legislation concerning people's livelihoods and their ability to put food on the table should be considered very carefully. It must be fair and it must be fair for all.

Mr Christensen and I would disagree on a whole range of things, but we would certainly agree on this—that it is an important issue that people who depend on penalty rates can have those penalty rates maintained in order to continue putting food on the table. Mr Christensen went on to say:

Penalty rates exist in awards for specific reasons. They recognise the fact that Saturdays and particularly Sundays are not like other days of the week. These are the days when children are not at school. These are the days when children participate in sporting, family and other activities.

He went on to say:

These are the days when the majority of working Australians take time off.

Mr Christensen said:

Weekends are important.

He went on to say that he believed the Fair Work Commission had got it wrong. Labor have been saying that for some time. Any decision of the Fair Work Commission that the

commission itself concedes creates hardship for working families is not a decision that we will support. It is a decision that was wrong. It is a decision that puts the impact on ordinary Australians, Australians battling to make ends meet under this government.

This is the last chance for the Senate to make sure that Sunday penalty rates can be restored this year. This year, Christmas falls on a Monday. For many Australian families, Christmas Eve is the time they truly celebrate Christmas, but for members of many of these families Christmas Eve will be a workday or a work night. We have always said that penalty rates are compensation for working arrangements that are unfriendly to family life. Nothing could be more unfriendly to family life than working on Christmas Eve, which is the time when one's family come together to celebrate a special time of the year.

The Senate has the opportunity now to restore the compensation laws workers are entitled to. I am asking those senators who supported the bill I put forward to stop the cuts to penalty rates to support these amendments. And I would also be asking Mr Christensen to support what we are adopting here, which is fundamentally his bill. There are no excuses for Mr Christensen in the lower house. He should accept the bill as it comes forward from this place—that is, in the form I am confident it will because the majority of senators in this place do understand the importance of penalty rates. They are not about trying to attack workers and their unions every time they stand on their feet, as this minister does—this minister who has no credibility in this place, who has misled this place on at least five occasions and who is about trying to stop any legitimate questions about her activities. This is a minister with no credibility; this is a minister that should resign. This minister should get out of this place as soon as practicable and let workers get decent rates of pay and decent penalty rates. That's what my amendments are. I support the amendments.

**Senator RHIANNON** (New South Wales) (10:22): The Greens do support this amendment. We must ensure that penalty rates aren't traded off for other conditions, and that's what we can achieve here. This is an incredibly important moment. We know that wages growth is at a record low and that the workers who receive penalty rates really depend on them. They are absolutely essential for so many workers—we've had the evidence before parliamentary inquiries and we know it from our own experience. So many of the workers who depend on penalty rates really have their backs against the wall, at the moment, with the way things are going in Australia.

There is a very useful study that's come out from the Australia Institute. Their Centre for Future Work released a report that warned that at current levels of wages growth it would take 17 years for higher base wages for retail workers to offset penalty rate cuts. There is an idea that penalty rates are just an add-on to the base rate that workers get, but that base rate is not delivering the living standards people have a right to expect. That's why we need to ensure that penalty rates are not traded off for other conditions.

We believe that the parliament should also reverse the Fair Work Commission's decision to cut penalty rates for some of the most insecure and low-paid workers. Ensuring workers are properly compensated for working unsociable hours really goes to the essence of how we should work in this place. Yes, we at times have unsociable hours, but at the end of the day it is only for a few weeks a year. For some workers, this is what their work is like every day. As the previous speaker, Senator Cameron, set out, we're on the eve of Christmas, when we have some of the biggest public holidays in this country, and, because Christmas Eve falls on a

weekend, the hardship that will bring will be enormous. There will be some people who will not see their families that weekend because of Saturday and very late-night shopping. This is very savage and a reminder why we need to protect these conditions.

The Australian community continually sees this place passing laws that benefit just a small section of wealthy people in this country. We have an opportunity here to right some of those wrongs—to ensure that penalty rates are protected and locked in the law.

**Senator CASH** (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (10:25): The government opposes Labor's amendments. These amendments undermine the independence of the Fair Work Commission and have serious implications for enterprise bargaining. The government's position has always been clear—setting minimum pay and conditions is the job of the Fair Work Commission. The amendments would prevent the commission from ever varying a modern award to make a penalty rate lower than those applied under the award as at 30 June 2017. This ties the independent Fair Work Commission's hands, making it impossible for the commission to make sure modern awards are a fair and relevant safety net for Australian employees and employers.

The commission said that its decision is expected to deliver an increase in the level and range of services in both the retail and hospitality industries, with a consequent increase in employment—that is, more hours of work for existing employees or the engagement of new employees. Its decision means that small business will be able to compete on a level playing field with big business, which has done deals, as I've already articulated in my summing-up speech, with unions to reduce Sunday penalty rates through enterprise agreements. The Department of Employment's submission to the Senate inquiry into penalty rates found that around 65 per cent—70 out of 108—of a sample of large enterprise agreements covering 200 or more employees, which identified the fast food, retail, hospitality or pharmacy modern awards as their parent award, already cut penalty rates for at least one group of workers. Fifty-five of these 70 agreements covered at least one union. Why is it that Labor does not want to allow small business to be able to better compete and gain the benefits the full bench of the Fair Work Commission said would result from its decision? Those opposite clearly do not want to support small business.

In addition, Labor's amendments would not allow penalty rates to be reduced or removed in an enterprise agreement if it would disproportionately affect employees who work on days where penalty rates are payable as compared to other employees. Just how this would be operationalised remains a mystery. It would be very difficult to determine whether someone usually works on a specific day and what is meant by 'disproportionately affects'. The amendments would significantly reduce the scope available for parties to bargain—and I refer to recent figures: the negotiating outcome of at least 65 per cent of a sample of large agreements involved some change to Sunday penalty rates.

Enterprise bargaining allows employers and employees to tailor the conditions of employment to their business, supporting productivity and economic growth. The amendment would stop bargaining in its tracks. The Fair Work Commission already has to compare all the conditions, including pay an employee would receive under the relevant award including casual loadings and penalty rates, when applying the better off overall test. Currently, employees are able to trade off some allowances and penalties for conditions they value more

highly or a higher base rate of pay. The amendments would significantly impede this flexibility and undermine the traditionally bipartisan intent of facilitating bargaining and productivity at the workplace level. On that basis, the government does not support the amendments.

**Senator HANSON-YOUNG** (South Australia) (10:28): I, of course, stand in support of this amendment. I think it's absolutely essential that we get it through the Senate today and we get it through the parliament this week. We are in the last sitting week before the Christmas break. While those of us here, in this place, will be able to go home and spend time with our families, we know that there are thousands and thousands of workers, right across the country, who will miss out on spending Christmas with their families because they are working.

In my home state of South Australia, we know that there are 270,000 South Australians who rely on some form of penalty rate. Most of those people, of course, are single parents who struggle every day, week in, week out, to provide for their kids and to put food on the table and rely overwhelmingly on those penalty rate wages to pay for the meals, the rent, the school uniforms and—heavens above!—some school holiday activities while they are at it.

We know that overwhelmingly penalty rates are relied on by women more than men, which is why, with the change by the Fair Work Commission, this amendment is absolutely essential to ensure we protect female workers across the country. Single mums, single parents and female workers rely over and over again on these penalty rates. Let's not forget about the thousands and thousands of young people right across the country who can't get full-time work or enough work to pay for their living costs and so rely, week in, week out, on those Sunday penalty rates.

It is just remarkable that, when we hear the government talk about doing the right thing by Australian workers, when we hear the government saying everybody should go out and get a job and do what they can and be as ambitious as possible, here we have them lining up with the Grinch of Christmas to strip penalty rates on Sundays and to not work with the Senate to fix this. Malcolm Turnbull has a choice. We're three weeks out from Christmas. Is he going to work with the Senate to make sure we protect penalty rates or is he going to allow workers on Christmas Eve to be stripped of decent pay? Will Malcolm Turnbull be the Grinch of Christmas or won't he? It's going to be his call once the Senate passes this amendment.

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (10:31): I also rise to speak in support of this amendment—to the Fair Work Amendment (Repeal of 4 Yearly Reviews and Other Measures) Bill 2017—to protect penalty rates. It's really important we look at this in its broader context. When you look in this place at any public policy, what you see is a government—and, indeed, it must be said this also happened under previous governments—that is continuing to let down and fail young people, people living at the margins and people who are vulnerable in our country.

Let's look at the way we tax profits from selling assets. The way we tax those profits is we give people discounts. And yet, when we look at the way we tax income from work, we know that people who are simply earning an income through paid work rather than through assets have a greater tax burden. We know that older Australians who own vastly more assets than younger people see a tax system where the odds are stacked in favour of older Australians against young people. Just look at the indexation rate for the pension. We're not saying for a moment that the pension is something that allows people to live a particularly comfortable

life. Indeed, we would like to see the pension increased. But we've made a decision in this country to index the pension at a higher rate than we index support for young people when they receive youth allowance, further exacerbating the gap between younger people's incomes and older people's. We have great intergenerational inequity occurring here in Australia and this change to penalty rates, unless we put in protections, will further increase that great intergenerational gulf that seems to be growing year on year.

We have people in this place who benefited from free education seeking to impose huge debts on young people through TAFE and university fees. So, basically, we have young people in this country starting out with massive personal debt. It eats into their discretionary income. They have a tax system that is stacked against them. We know that that is manifest through our negative gearing laws. We have created a whole asset class of older property investors. It's generally younger people who pay rent to them—again, another transfer of wealth from the young to the old. These are young people who start their careers with massive education debt and who then have a tax system weighted against them and are priced out of the property market. They can't afford to buy their own homes and, through rent, are transferring wealth across to older generations.

Just look at the great intergenerational theft that exists with the lack of action to address global warming. We've got a generation that has benefited from consuming and polluting with impunity. Now, because we have governments that don't have the courage or, indeed, the foresight to transition our economy away from polluting industries to sustainable industries, we risk turning what is already marginal farmland to unproductive land. We risk losing major tourism assets. We're seeing the slow decline of the Great Barrier Reef through those unprecedented bleaching events. We're seeing public infrastructure suffering as a result of the extremes of weather. We have a younger generation in this country that is being screwed over by people who had it pretty bloody good, who had free education and who were able to consume and pollute with impunity at a time of high wage growth and at a time when we recognised that our prosperity was built on the back of people who worked hard to contribute to their country.

That is why we will be supporting the proposed amendment to protect penalty rates. We will support any measure that seeks to address many of the structural problems that exist in our economy. Indeed, before the last election, we were the only party to go into that election promising to legislate to protect penalty rates. We are pleased that the Labor Party is now taking the opportunity to join us and reverse the Fair Work Commission's ruling. We absolutely, unequivocally support this amendment. We do need to do something about the fact that we are seeing young people lumbered with massive debt. We also need to recognise that, according to the Australia Institute, if this were to go ahead, it would take 17 years until higher base wages for retail workers would offset the lower penalty rate cuts—17 years to address the inequity created by this change.

Far too often parliaments act in the interests of the wealthy. They act in the interests of their big corporate mates, they act in the interests of big business and they act against the interests of regular people. We need to do everything we can to make life easier for future generations. Again, we have to ask ourselves the question when we make a change: who benefits and who pays? At a time of stagnating wage growth, at a time when the gulf between those who have assets and those who don't is growing, at a time when we are seeing the first



generation in history who will be handed down worse living conditions than those that we enjoyed, it's time for those of us in this parliament to act and to act quickly. This amendment goes some small way towards doing that—it's why we'll support it—but we have to do so much more.

**Senator LEYONHJELM** (New South Wales) (10:38): I oppose Labor's amendment. It prevents a regulated penalty rate from being reduced—ever. So, in the wisdom of Labor, the Greens and the Nick Xenophon Team, the penalty rates in force from 30 June 2017 are perfect for all time. I would like to pose a quiz to Labor, the Greens and the Nick Xenophon Team, and I will make it multiple choice. What is the perfect Sunday penalty rate for hospitality workers: 150 per cent, 175 per cent, 200 per cent or 225 per cent? The correct answer is 175 per cent. Let's try again. What's the perfect Sunday penalty rate for retail workers: 150 per cent, 175 per cent, 200 per cent or 225 per cent? The correct answer is 200 per cent.

We have a recent example of a country where democratically-elected politicians did the electorally popular act of putting a floor on wages and a cap on prices. It is called Venezuela. A country that should be one of the richest in the world is now filled with untold misery, where the price of bread is regulated but there is no bread for sale, and wages are regulated at generous levels but great swathes of the population are unemployed. Socialist price-fixing may be popular but it is the most irresponsible thing you could do. Senators planning to support this recommendation should hang their heads in shame.

**Senator PATRICK** (South Australia) (10:39): As I was not able to contribute to the second reading debate on the Fair Work Amendment (Repeal of 4 Yearly Reviews and Other Measures) Bill 2017, I wanted to make some brief remarks about the position of the Nick Xenophon Team on the penalty rates amendment moved by Senator Cameron. At the outset I want to make it clear that NXT is on the record as opposing the Fair Work Commission's decision to cut penalty rates to low-paid workers. It is the formal position of the Nick Xenophon Team that workers should not have their pay rates cut at a time of low wage growth. The NXT also supported a bill by the member for Dawson, Mr George Christensen, which seeks both to stop those cuts and to put an end to sweetheart deals between big unions and big business to avoid paying penalty rates through a distortion of the enterprise bargaining agreement process—something small business cannot do.

This amendment replicates the private member's bill moved in the House of Representatives by Mr Christensen and seconded by my colleague the member for Mayo, Rebekha Sharkie. It also gives effect to a recommendation made by former Senator Xenophon in the Education and Employment References Committee inquiry into penalty rates. This amendment goes one step further than the bill by the opposition. It overturns the decision of the Fair Work Commission but also ensures that workers are not penalised by enterprise agreements which seek to trade away their penalty rates.

The practice of trading away penalty rates, usually by the Shop, Distributive and Allied Employees Association, is why former Senator Xenophon moved for an inquiry. This inquiry heard important evidence about the practice of trading away penalty rates engaged in by major retailers and the SDA, which leave many workers worse off than if they were employed under relevant modern awards. I want to make it clear that trading away a penalty rate for another benefit, such as a higher base rate of pay, may not be objectionable practice as a

general principle, so long as the individual worker is in fact better off. It becomes an objectionable practice when a worker who benefits and relies on penalty rates, when predominantly working evenings, weekends and public holidays, loses out because of a higher base rate that has been secured for a traditional Monday-to-Friday, nine-to-five worker.

Unfortunately, it appears that enterprise agreements where many workers are not better off overall are all too common, especially in the fast food, hospitality and retail sectors. These deals have negatively affected hundreds of thousands of workers, and it has been estimated that each year these deals cost approximately 250,000 employees more than \$300 million collectively. This amendment would put an end to those deals. While the ACTU has labelled the bill moved by the member for Dawson as counterproductive and warned that it could make workers worse off, introducing a dangerous distraction that will potentially threaten the take-home pay of an entirely new group of workers, I take comfort in the fact that the opposition has decided to adopt the bill. If the proposal moved by the member for Dawson were to put these workers at risk, I'm sure the opposition would not be moving it.

Before I conclude, I would like to address the claim that around 700,000 people would have an effective pay cut because of the penalty rate decision. This figure has been repeated by the Leader of the Opposition, Mr Shorten, many times. On ABC TV's *Q&A* program on 26 June, 2017, the opposition spokeswoman for justice, Clare O'Neil, said:

... on Sunday, in fact, this penalty rate cut will take effect – 700,000 of the poorest-paid people in the country are going to have an effective pay cut.

The great team at RMIT ABC Fact Check looked into this claim and their verdict was that it was fanciful. In a piece for *The Conversation*, The University of Melbourne's Dr Josh Healy applied Australian Bureau of Statistics estimates of people who work on Sundays and/or on varying days and came up with the figure of 355,000 people potentially affected. Professor Mark Wooden of the University of Melbourne tells Fact Check:

Given the broad assumptions made, the 700,000 figure is not credible and far too high, but no one really knows what the net effect will be.

Although there has been some debate about the numbers, what is known is that there will be a large number of workers who will be negatively affected by the decision of the Fair Work Commission to cut penalty rates. This amendment will protect not only these workers but workers who end up worse off because of deals between unions and big business that trade away penalty rates without any real benefit.

**The CHAIR:** The question is that opposition amendments (1) and (2) on sheet 8173, moved by Senator Cameron, be agreed to.

The committee divided. [10:49]

(The Chair—Senator Lines)

Ayes .....35  
Noes .....25  
Majority.....10

AYES

Bartlett, AJJ  
Burston, B  
Carr, KJ

Bilyk, CL  
Cameron, DN  
Chisholm, A

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CHAMBER

## AYES

Dastyari, S  
 Dodson, P  
 Gallacher, AM  
 Georgiou, P  
 Hanson-Young, SC  
 Ketter, CR  
 Lines, S  
 McCarthy, M  
 Moore, CM  
 Patrick, RL  
 Rhiannon, L  
 Siewert, R  
 Steele-John, J  
 Urquhart, AE (teller)  
 Whish-Wilson, PS

Di Natale, R  
 Farrell, D  
 Gallagher, KR  
 Griff, S  
 Hinch, D  
 Kitching, K  
 McAllister, J  
 McKim, NJ  
 O'Neill, DM  
 Polley, H  
 Rice, J  
 Singh, LM  
 Sterle, G  
 Watt, M

## NOES

Abetz, E  
 Bernardi, C  
 Brockman, S  
 Cash, MC  
 Fawcett, DJ  
 Hume, J  
 Macdonald, ID  
 McKenzie, B  
 Paterson, J  
 Reynolds, L  
 Ryan, SM  
 Seselja, Z  
 Williams, JR

Anning, F  
 Birmingham, SJ  
 Bushby, DC  
 Duniam, J  
 Fierravanti-Wells, C  
 Leyonhjelm, DE  
 McGrath, J  
 O'Sullivan, B  
 Payne, MA  
 Ruston, A  
 Scullion, NG  
 Smith, D (teller)

## PAIRS

Marshall, GM  
 Pratt, LC  
 Wong, P

Sinodinos, A  
 Fifield, MP  
 Brandis, GH

*Senator Collins did not vote, to compensate for a vacancy caused by the resignation of Senator Nash.*

*Senator Canavan did not vote, to compensate for a vacancy caused by the resignation of Senator Kakoschke-Moore.*

*Senator Brown did not vote, to compensate for a vacancy caused by the resignation of Senator Parry.*

Question agreed to.

**The CHAIR** (10:52): The question is that the bill, as amended, be agreed to.

The committee divided. [10:53]

(The Chair—Senator Lines)

Ayes .....34

Noes .....26

Majority.....8

## AYES

Anning, F  
 Bilyk, CL  
 Carr, KJ  
 Dastyari, S  
 Dodson, P  
 Gallacher, AM  
 Griff, S  
 Hinch, D  
 Kitching, K  
 McAllister, J  
 McKim, NJ  
 O'Neill, DM  
 Polley, H  
 Rice, J  
 Singh, LM  
 Sterle, G  
 Watt, M

Bartlett, AJJ  
 Cameron, DN  
 Chisholm, A  
 Di Natale, R  
 Farrell, D  
 Gallagher, KR  
 Hanson-Young, SC  
 Ketter, CR  
 Lines, S  
 McCarthy, M  
 Moore, CM  
 Patrick, RL  
 Rhiannon, L  
 Siewert, R  
 Steele-John, J  
 Urquhart, AE (teller)  
 Whish-Wilson, PS

## NOES

Abetz, E  
 Birmingham, SJ  
 Burston, B  
 Cash, MC  
 Fawcett, DJ  
 Georgiou, P  
 Leyonhjelm, DE  
 McGrath, J  
 O'Sullivan, B  
 Payne, MA  
 Ruston, A  
 Scullion, NG  
 Smith, D (teller)

Bernardi, C  
 Brockman, S  
 Bushby, DC  
 Duniam, J  
 Fierravanti-Wells, C  
 Hume, J  
 Macdonald, ID  
 McKenzie, B  
 Paterson, J  
 Reynolds, L  
 Ryan, SM  
 Seselja, Z  
 Williams, JR

## PAIRS

Marshall, GM  
 Pratt, LC  
 Wong, P

Sinodinos, A  
 Fifield, MP  
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*Senator Brown did not vote, to compensate for a vacancy caused by the resignation of Senator Parry.*

Question agreed to.

Bill reported with amendments; repot adopted.

### Third Reading

**Senator CASH** (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (10:56): I move:

That this bill be now read a third time.

The government can no longer support the Fair Work Amendment (Repeal of 4 Yearly Reviews and Other Measures) Bill 2017, given it contains these entirely unrelated amendments relating to penalty rates. This is nothing more and nothing less than a stunt by the Labor Party. Labor doesn't care about penalty rates. If it did, it would immediately demand that all unions who have done deals with big businesses to cut penalty rates repay those workers. This is nothing more and nothing less than a stunt by Labor and the Greens, and the government will not support it and we will not be supporting the amended bill.

**Senator CAMERON** (New South Wales) (10:57): I take the view that this is exactly why people see the coalition as not being fit for government. They do not support penalty rates for workers. They want to attack working people in this country at every opportunity they get. And it's this minister who leads the charge every time she is on her feet—a disgraced minister, a minister who has misled this place at least five times and a minister who has engaged in a cover-up for her office and her actions over the last few weeks. This is a minister who has no credibility. This is a government with no credibility. This is a government that is chewing itself up. This is a government at war with itself. This is a government not fit to govern this country, a government who would attack the poorest people in this country—the working poor who depend on their penalty rates to put food on the table, get the kids off to school and put shoes on their kids' feet. This is a government who are supporting the cuts to penalty rates that allow them to do that. This is a government who deserve absolute condemnation. This is a government who will not last much longer. This is a government who, when we next go to the election, will get thrown out on their neck, because they are divided, they are partisan, they are ideologically driven and they don't have the views and the rights of ordinary working people in this country at the forefront of their thoughts, ever. They are an absolute disgrace. This bill is so important; it's not a stunt. This is a bill that looks after 700,000 workers who are having their wages cut. This is a bill that ensures that workers can put food on the table, buy their kids some schoolbooks and maybe have a meal out once in a blue moon. Anyone who votes against this is saying to the ordinary working people in this country: 'We do not care for you. We do not care one iota for your welfare, your family.' This is a bad government and the sooner they go the better.

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

The Senate divided. [11:05]

(The President—Senator Ryan)

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

AYES

Bartlett, AJJ  
Cameron, DN  
Chisholm, A  
Di Natale, R

Bilyk, CL  
Carr, KJ  
Dastyari, S  
Dodson, P

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CHAMBER

## AYES

Farrell, D  
Gallagher, KR  
Hanson-Young, SC  
Ketter, CR  
Lines, S  
McKim, NJ  
O'Neill, DM  
Polley, H  
Rice, J  
Singh, LM  
Sterle, G  
Watt, M

Gallacher, AM  
Griff, S  
Hinch, D  
Kitching, K  
McAllister, J  
Moore, CM  
Patrick, RL  
Rhiannon, L  
Siewert, R  
Steele-John, J  
Urquhart, AE (teller)  
Whish-Wilson, PS

## NOES

Abetz, E  
Bernardi, C  
Burston, B  
Canavan, MJ  
Duniam, J  
Fierravanti-Wells, C  
Georgiou, P  
Leyonhjelm, DE  
McGrath, J  
O'Sullivan, B  
Payne, MA  
Ruston, A  
Scullion, NG  
Williams, JR

Anning, F  
Brockman, S  
Bushby, DC  
Cash, MC  
Fawcett, DJ (teller)  
Fifield, MP  
Hume, J  
Macdonald, ID  
McKenzie, B  
Paterson, J  
Reynolds, L  
Ryan, SM  
Seselja, Z

## PAIRS

Marshall, GM  
McCarthy, M  
Pratt, LC  
Wong, P

Sinodinos, A  
Birmingham, SJ  
Cormann, M  
Brandis, GH

*Senator Collins did not vote, to compensate for a vacancy caused by the resignation of Senator Nash.*

*Senator Smith did not vote, to compensate for a vacancy caused by the resignation of Senator Kakoschke-Moore.*

*Senator Brown did not vote, to compensate for a vacancy caused by the resignation of Senator Parry.*

Question agreed to.

**Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017****Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017****Second Reading**

Consideration resumed of the motion:

That these bills be now read a second time.

**Senator PATERSON** (Victoria) (11:07): I advise senators I'll be speaking only briefly in continuation of my remarks when we considered the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017 and related bill a number of weeks ago. I just want to revisit an issue in light of some new research which has been released into this topic. It is well worth the time of all senators to carefully consider. When I spoke on this issue a few weeks ago, I was marvelling at the strange set of reasoning that the Labor Party had clearly gone through to arrive at their position to oppose these measures. They are, in my view, very reasonable measures, which include things such as requiring that there be a number of independent directors on the boards of industry superannuation funds, increasing the level of reporting standards, requiring that AGMs take place and giving APRA more powers to make sure that, effectively, the money that superannuants trust their superannuation funds to look after is carefully stewarded and spent wisely. That's a pretty reasonable set of amendments, in my view, and it is something that the Labor Party have been fighting tooth and nail for for some time in this place.

Why is it that the Labor Party, who would normally be in favour of these sorts of regulatory oversights and reasonable measures to ensure that people's financial investments are being carefully stewarded, are opposing them? It doesn't make sense. If this were a private bank, a private super fund or a commercial super fund, they'd be all for it, and yet, when it comes to industry super, all of a sudden they're in favour of less regulation, less oversight and less red tape. At the time, I thought it might have something to do with the close relationship that organisations like the Cbus super fund evidently have with the CFMEU, given the findings of the royal commission that the private information of Cbus superannuants is passed on to the CFMEU, in contravention of many laws. But there is more evidence of this close relationship that might possibly explain why the Labor Party is opposed. It comes in the form of a very excellent research paper, produced by my former colleagues and ongoing friends at the Institute of Public Affairs—in particular, Mr Simon Breheny and Mr Morgan Begg. It's entitled 'Rivers of gold: how the trade union movement is funded by industry super' and was released only last week. There are many interesting findings in the paper, but one which particularly stood out for me was: between the financial years 2013-14 and 2016-17 industry super funds paid a grand total of \$18,438,516 to unions. That is an extraordinary sum of money. While we often hear in these debates that unions have the exact same status and control over industry super funds that employer organisations have, the equivalent amount to paid employer and industry groups was only \$2,076,756—so a massive, massive weight in favour of unions.

Unions have received almost \$20 million over a handful of years from Industry Super. That fact might possibly play on the minds of some senators in their decision-making on this bill.

The ICAC broke down between the unions how much each received. The CFMEU received \$2.8 million; United Voice received \$2.3 million; and the ACTU received \$2 million. It is important to mention these are payments made from industry super funds to unions in directors' fees only. These are the funds that are paid for the service of, presumably, union employees on the boards of industry super funds. They don't include all the other financial transactions between Industry Super and unions, including—as we know and as has been reported on previously—some interesting marketing arrangements between these organisations that seem, on the face of it, quite generous. It is a possible reason that the Labor Party is opposing these reforms today. I don't think it is a very good reason to oppose the reforms; I think they deserve the careful consideration and support of all senators. I would urge them to do so.

**Senator O'NEILL** (New South Wales) (11:12): Before I commence my formal remarks, I have to explain why Labor is opposing this legislation, which Senator Paterson has tried, in what I would describe as Orwellian fashion, to portray as improving the superannuation situation. It is absolutely not the case. What we're seeing here is an attack on the vital role of superannuation in this country. It's been made crystal clear that Labor opposes both of the bills that are before us this morning, the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017 and the Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017. And the reason is simple: it's the viability of the compulsory superannuation system that was first instituted under the Hawke-Keating Labor government. This lot over here are now standing up saying that they now want to support the superannuation industry—they will look after it; they are all into transparency—but let's not forget the history of where this started. They said the Australian economy would tank if we dared to create a superannuation system. They said that it was going to fail the country and that small businesses would never cope. And now, as we've got a fantastic body of wealth in our country to provide for superannuation and the benefit of Australians, they think they should own it because it's got something to do with money. They continue to misrepresent to the Australian people that they can actually even manage money. Certainly, they are not managing the economy very well; certainly, they are not managing the budget very well. God help them if they get their hands into the super of people who are working very well for this country, who have a right to a dignified retirement and who have a right to the benefit of the funds that are going into their superannuation plans, particularly those who are in Industry Super. This is nothing but a countervailed attack on the rights of decent workers who are getting good service from the superannuation companies that look after them.

Labor is the party of compulsory universal superannuation and will always ensure Australia's retirement income is strong and sustainable—giving older Australians the financial support and the security that they deserve. The only reason that the Turnbull government is trying to make these changes is to attack union trustees and industry super. And by extension, if they are successful in this shameful bid to attack union trustees—and the employers who are on those boards—the only person who will suffer is the Australian who has worked hard their entire life and who relies on proper management of their funds. They tried this game on in 2015, and here they are trying it again.



The 50-50 representational model has been the foundational structure of occupational super—50 per cent union representatives standing up for the employees in that industry, 50 per cent employers—but we never hear them talk about that. This is the model where the employers and the workers have actually got it together and done a great job, and are outperforming the retail sector that's associated with the big banks that these guys are in cahoots with. The model is working. It's not only working, it's working much better than what they are proposing should be copied in this legislation. And the title of the bill—who do this government continue to think that they're going to fool? We all know that this bill from the Turnbull government is not improving accountability or member outcomes in super, and it is not strengthening trustee arrangements. It's doing the exact opposite. Do you know why, Mr Acting Deputy President Sterle? Because they just can't stand the thought of good outcomes for hardworking Australians. Just this morning in this place, we've had this government attack the penalty rates again: the penalty rates of ordinary working Australians. Anytime they see a hardworking Australian getting ahead, they want to get in the way of that. That's what this legislation is attempting to do.

Superannuation, as we know, is absolutely fundamental to retirement. There are three pillars of retirement: the age pension, compulsory superannuation and voluntary savings. Compulsory superannuation has a fundamental role in ensuring that older Australians who have worked all their lives do not retire in poverty. It has a fundamental role in ensuring that older Australians retire with financial security. Compulsory superannuation—perhaps its most important role—has a fundamental role in ensuring that older Australians can retire with dignity. As our population ages, compulsory superannuation is only going to increase in importance. It's of increasing importance to our federal budget, and it's also increasing in importance to that large group of older Australians. The structure of superannuation tax concessions means that it has a fundamental role to play in the budget bottom line.

Offering incentives through the tax system is an important way to encourage Australians to save for their retirement, and that's what's been going on. That's particularly important in a system where contributions are compulsory. But the fact of the matter is that this government simply doesn't seem to have ever understood the purpose of superannuation, particularly for hardworking, average earners in this country. The flat and generous taxation structure of the superannuation system has meant that those on the highest incomes, by definition, received the greatest tax incentive to put money into their superannuation funds. This suggests that self-funded retirees are not necessarily entirely well-described as self-funded. They have actually benefited from generous tax concessions, which come at the expense of the budget bottom line. But that is part of the structure that we've instituted, and it is part of the way in which older Australians live in a dignified retirement. The reality is that those on the lowest incomes do not have the advantage of this incentive.

The Labor Party has continually argued for tax concessions to be targeted where they are needed most: to low-to-middle income earners and, particularly, to women. Those opposite have struggled with this concept. If they get this bill through, they will add further disadvantage to those who I've just described. Without the pressure of the Labor Party and the unions—yes, the unions; so maligned in this place by those opposite—those opposite would have made sure that individuals earning up to \$37,000 would continue to be penalised for contributing to their superannuation fund. So Australians who might be listening to this need

to understand that, if you earned under \$37,000, this government was trying to have a go at you. Only the unions and Labor standing up together has prevented that attack. We're fighting here today because only Labor and the unions together will stand up for ordinary working people.

The government didn't want to keep the low-income superannuation contribution, the LISC. They wanted to make sure that low-income earners paid more tax on their superannuation contributions than they even pay on their take-home pay, and, having had a go at that, they are here chasing penalty rates as well. Every single chance they get they try to put their hands in the pockets of hardworking Australians, the ordinary families out there. They put their hands in to try and take money away from them, while at the other end of town, the big end of town, anything goes—make all you like, and we'll leave you alone.

We know that those who would be most penalised by not retaining the LISC are women. Without the advocacy of unions and the Labor Party we would have had a situation where individuals earning less than \$37,000 would have been taxed for putting money into their superannuation fund. This is an example of the blind ideological attack that is the signature of this government. Given the fundamental role of superannuation in retirement, why would the government want to abolish a model that benefits working Australians?

Analysis of APRA data informs us that, on average, industry funds have outperformed retail—which stands for bank owned—and corporate superannuation funds. That's just the fact of it. Together these union representatives and employers have done a better job of managing people's superannuation than the banks. That's it. It's very, very simple. It doesn't stop those guys opposite, the government, attacking the model that's actually working the best.

A former research head of APRA stated that industry funds have averaged two to three per cent better than retail funds over a period of 20 years. I'd prefer to see that two to three per cent in the hands of retiring Australians who are part of industry super rather than allow a model that has not worked for the retail sector to be imposed on a sector which has a model that is working better. It simply doesn't make sense, except if you think that the banks should have their own way pretty well all the time and if you believe it's okay to fleece ordinary working Australians, which is clearly what this government believes.

Unlike industry super funds, banks and insurance companies use their super funds to generate corporate profits, which are returned as dividends to shareholders—but not to shareholder policy owners. Retail funds are set up to make profits. Industry funds are set up to benefit consumers. There's a vast difference. So, again, I have to ask the question: why does this government want to abolish a model that benefits working Australians?

**Senator Polley:** They don't care!

**Senator O'NEILL:** They don't care, as Senator Polley says. They don't care—or, perhaps, they don't understand. It's pretty dangerous when a government doesn't understand. When you put not understanding and not caring together, you've got a big problem, and that's what we're seeing from this government.

It's clear to everyone that there's only one reason this government is running this piece of legislation. It's an ideological agenda. It's all about attacking the unions. We see it time and time again. We've seen it through Senator Cash and her involvement in the attacks on the

AWU, a union that has, 100 per cent of the time, provided documents that have been requested of it, both by the royal commission into the unions and by the ROC. But that wasn't good enough. They had to overreach, they had to stretch out and they had to go and have a raid. It was a bit of entertainment for those opposite—another attack on the unions.

It's just plain wrong, and it's a massive abuse of the power of government—and we're still left with the question: what did Minister Cash actually know? She is refusing to answer questions. She was hauled back to the Senate to answer questions last Friday by a vote of this Senate. That was the only way we could get her there. She's running. She can run, but she can't hide. She can't hide the fact that she represents a government whose No. 1 priority is to attack working people and the unions that support them and to attack the Labor Party that stands up for fairness for all Australians.

I want to speak briefly about a particular union, the SDA, which the government has continued to blindly attack throughout this year. The SDA is one of the largest trade unions in the country. Its membership exists right across this country in every community—in retail, in fast food, in warehousing, in hairdressing, in pharmacy and even in modelling. The SDA's continued and consistent advocacy has helped ensure that Australian retail and fast-food workers are among the most highly paid in the world. That's what a union does for you. It stands up for you collectively.

When a boss says, 'Sorry, there's not quite enough cash in the till this week and I'm going to drop your wages'—that's the way it is when you haven't got a union to represent you—unions say: 'No, there are standards. You should expect a reasonable rate of pay. These are conditions that you should expect in a safe workplace. They're the things that unions have been fighting for.' Thanks to the action led by the SDA, 27 expired Domino's enterprise bargaining agreements were finally terminated. Thanks to the leading advocacy of the SDA, more than 20,000 Domino's workers will get a pay rise.

The SDA is launching a very important campaign to stop customer abuse of retail workers, particularly at this time over Christmas. Sometimes Christmas is the season of joy, but sometimes there is a lot of pressure. People who are standing and waiting to be served perhaps forget their manners sometimes. This is the work of the unions, which is far different to the way in which it's characterised by those opposite: the SDA union is running a campaign to encourage better behaviour in the shops to provide a safe working place for their outward-facing retail employees.

It seems, sadly, that every other day there's another story of sexual harassment of women in the workplace. The coverage has been focused most recently on the media industry, both here and overseas. But it's not limited to the media industry. The latest ABS personal safety survey indicated that more than one in two women had experienced sexual harassment, and, following the #MeToo campaign, no-one can be surprised by that statistic. On the weekend the New South Wales branch president of the SDA, Bernie Smith, stated that one in eight SDA members experiences sexual harassment from customers. So what is this union doing? It is responding to the challenge of that reality and taking on a social advocacy role to change the systematic abuse that is, overwhelmingly, faced by retail and food workers. That's what unions do.

The leaders of those unions and the people representing those unions are standing up in the boardrooms discussing future investments to make sure that the people that they have worked

with on the floor get a fair return on their investment. In an article in *The Sydney Morning Herald* over the weekend Jenna Price described some of the experiences that are going on that the union is rallying and fighting against to make sure those experiences are more acknowledged in the Australian community and to drive the change that's needed. This is a description of a few:

Try working in your local bakery where a customer paws the girl behind the counter (for girl she is, in Year 10 in her first job, and she's being told she has luscious lips). Or a customer waits to rape the woman locking up the shop at night. Try stacking shelves while some arsehole rubs his unzipped pants across your buttocks. Or dealing with a customer whose only request of you is to have "quick sexual intercourse", or with a customer who is buying a Bluetooth speaker for the shower and suggests you have a shower with him. Or the young retail worker approached by two twenty-something guys who said they were doing a bet.

"They needed me to give them a kiss. I felt very awkward and confused as my training instructs me to be polite and acquiesce to customers, but I felt violated. After a few minutes of awkwardness a colleague saw I was distressed and when they spoke to her she awkwardly told them I had other work to do, so they left."

These are the real lived experiences of people who are being represented by unions.

After a lifetime of working in an industry, facing the public where that sort of behaviour has happened, the least people can expect is that the people who have been working to get them the advantage of their superannuation savings have been getting them the best amount that they possibly can. But unions do these things at the same time—advocating for the financial health and wellbeing but also the social health and wellbeing of workers of this country.

I would also like to refer to the Health Services Union, who helped ensure thousands of New South Wales health workers, including former employees who've worked as casuals, won the right to include time as casual workers towards their long service leave entitlements for the first time. I would like to acknowledge the very hard work of all the members of that union who worked to achieve that outcome. I would particularly like to acknowledge Gerard Hayes for his fantastic leadership in that union.

Does the Turnbull government believe in decent wages for workers? Do they believe in the social advocacy of unions? Clearly not. Let's have a look at who the Turnbull government are listening to and working for. The Turnbull government are focused in their efforts not on the support of workers but on tax cuts to millionaires and multinationals—those that don't even pay tax in the first place. And, of course, they continue to attack unions and protect the banks.

This bill also indicates that the government wants to turn the super industry into the banking industry, and you have to ask why. After all we've seen about the toxic culture of banks, why on earth would this government, at this point of time, want to force a model that replicates the banks' practices rather than allow industry super, which is doing two to three per cent better on average over 20 years? Why do they want to meddle in this space? It's clearly just an ideological attack. It seems that every single day we read a new article about a scandal in the banks—scandals that hurt families and particularly hurt small businesses, who are the employers in the regions across this country.

Labor have been calling for a royal commission into the banks for years, and, instead, we've had delay after delay from the Turnbull government—until Malcolm Turnbull was

attacked by his own backbench and had to face a discussion with the banks, where they've written their own terms for a royal commission. In closing, this piece of legislation is opposed by Labor for all of the reasons that I put forward in my comments here today. I urge those on the crossbench to support us in rejecting this attack on workers' wages and futures.

**Senator WHISH-WILSON** (Tasmania) (11:32): It seems a bit like groundhog day. It seems like only yesterday we were in here debating an almost identical bill. The Greens actually believe that the legislation before us is precisely the wrong model for the superannuation industry. We've argued for some time now that what's not broken doesn't need fixing, and no-one yet has provided a compelling argument that the model we have before us, administered by Industry Super Australia, is broken. Where is the evidence that the current system is not working? It wasn't provided when we debated this bill earlier in the year and it hasn't been provided to us now.

In my contribution today, I also want to talk a little bit about the announcement of a royal commission last week and address some of the concerns around the terms of reference and how they may be targeting industry super funds. Before I get to that, these superannuation bills introduced by this government risk dismantling the not-for-profit superannuation sector and giving the banks a leave pass on some new transparency and disclosure requirements. Australians will be concerned that the government's agenda is not about improving governance and transparency but about advancing the commercial interests of the banks.

The Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017 will dismantle the successful industry super and not-for-profit super governance model, and the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017 will enhance trustee obligations and regulatory powers in the default super sector, but not the 83 per cent of retail sector assets dominated by the big-bank-owned funds. The government still haven't advanced any evidence that their proposals will improve returns for members. They've talked about risk management and improving governance, but at the end of the day the track record is clear: for the 10 years to 30 June 2017, SuperRatings data shows on average that industry super funds have outperformed bank-owned super funds by more than two per cent a year.

Meanwhile, in the banking sector, ANZ have to pay an extra \$10.5 million to 160,000 customers after ASIC found they incorrectly processed member super contributions and failed to deal with the loss in active member balances correctly. CommBank had to repay an estimated \$105.6 million for charges fees where no advice was provided. As of 19 May 2017, CBA had repaid or offered to repay only \$5.85 million of that. We've had ASIC alleging that Westpac's subsidiaries provided personal advice to customers, recommending that they roll out their other superannuation funds into Westpac-related superannuation accounts, even though they were not legally allowed to provide personal financial advice. We've seen with NAB, the last of the big four, that super trustee NULIS Nominees had to repay \$34.7 million to 220,000 super accounts in February 2017. It charged planned service fees between September 2012 and October 2016 to clients for general advice where no plan adviser had been appointed to provide advice. So here are some examples where we've seen bad behaviour in the profit sector of the retail industry, and there's been no discussion whatsoever about that from the other side of the chamber in this debate.

For those who are new to this debate and are listening in, essentially—and at the risk of oversimplifying things—we have two sectors in superannuation. We have a for-profit sector, often called the retail sector, and we have a not-for-profit sector, which is often associated with the unions and employer representatives. The government previously introduced into this place a bill to try to bring in independent directors and change the equal representation law that is in place between employer representatives and workers. They've said that's necessary to provide new expertise and better governance, to reduce the risks to industry super members. But, as I've previously shown, industry super funds have outperformed for-profit retail funds.

The one thing that might not be known by those listening to this debate is that when the Liberal-National Party say that union reps sitting on the board are making complicated investment decisions—and I listened to the contributions from other senators when this debate was on a few weeks ago when they were asking: where do union reps get their expertise in providing financial advice or looking at asset allocation between portfolios? What they neglected to tell you was that these industry super funds use IFAs, independent financial advisers. They outsource their financial advice and most of their asset allocation decisions to highly qualified and experienced experts. That's why their funds have done so well. So, to somehow portray a risk to members because union reps are making decisions and say that these union reps should be on the shop floor doing some welding or boilermaker work and not sitting on the board of an industry super fund, is actually wrong. They're there to represent the workers but they're not necessarily making the financial decisions; those decisions are being outsourced to IFAs.

We've also got some very progressive models that the industry super funds have run. I initiated a Senate inquiry a couple of years ago that looked at infrastructure spending in this country. It found that some of the industry super fund long-term allocations going to infrastructure have been some of the most productive and high-returning in this country, investing in long-term assets—and not just investing but also managing assets. They have been very progressive and very successful. I also like the fact that workers' super funds are being directly invested in our economy, not only helping to produce long-term productive infrastructure for this nation but also providing jobs to workers and stimulus to our economy. That's something that the Greens support, and industry super funds are to be commended for some of the great investment work that they've done and are continuing to do in those sectors.

To somehow portray this as being a matter of expertise—that there are risks to the governance of these structures and that those risks come directly from the fact that union reps, who are there to represent workers, are risking the returns of investors—is false. The real reason that the government has brought on these bills is that the salaries those union reps—and they're on record about it; there's no lack of disclosure—get paid are put back into the unions. And this government has done everything it can since it's been elected in the last two parliaments to attack unions. This is all about an ideological agenda by the Turnbull government to attack unions and workers. There is no evidence that the current structures as they exist are broken and don't provide good returns for investors, super fund members in the industry super sector or their workers. This is part of an ideological attack.

Before I go into a little more detail, I want to address the royal commission that was announced last week. I want to say, more broadly, that it's in absolutely no-one's interest for

this royal commission—a royal commission that the Greens have campaigned on for nearly four years, especially the financial services sector, the banks, the insurance companies—to be some kind of half-baked, whitewashed, Clayton's royal commission, or for it to be a royal commission that is overtly political and set up to target, as has been portrayed by some in the media, industry super funds or the government's enemy, the unions. I've got a couple of things to say on this. While the terms of reference are more prescriptive in targeting industry super funds, the parliamentary commission of inquiry bill that the Greens initiated in this place that went through—with the support of Labor, the crossbench and Senator Williams—also allowed a commissioner to look at industry super funds. It wasn't discussed then, and there was no mud throwing going on at that time. I just want to make it clear: this place has already sent a bill down to the other place, the House, for a royal commission that reports to parliament that included this more broadly in its terms of reference.

I also want to say that, if the government's view was that they needed a royal commission and a commissioner to look at industry super funds and to discover some kind of rorting of members, misconduct, or fraud, a royal commission has, just recently, looked at industry super funds. I've got the terms of reference here, and the section from the recent government inquiry into unions and union misconduct, and it found almost nothing. What's there to see here? Once again, I think the inclusion of something a bit more descriptive about industry super in the royal commission terms of reference last week was simply something to soften the belly-flop, or the backflip, that Mr Malcolm Turnbull did last week. He was throwing a bit of red meat to some of his more conservative backbenchers and frontbenchers to soften the blow.

I don't believe it will be the case that a royal commission set up for only 12 months is going to spend all its time focusing on industry super funds. They already disclose all their payments; they've got nothing to hide. A royal commission's already looked at it. But, most importantly, we're already here with the government's agenda debating legislation before us to change—to break open and break apart—the industry super fund model. Why would the government want a royal commission and a commissioner to look at this issue in detail, when they've already made up their minds about their legislative agenda?

We have two bills before us to dismantle the not-for-profit sector in industry super. So why bother? That's another reason why I don't believe that the royal commission announced last Friday will spend a lot of time focusing on this particular issue. Lastly, having sat on numerous Senate inquiries for a number of years, as have other senators in this chamber, I believe that the commissioner—especially with a 12-month time frame, which, by the way, is not long enough; the Greens' parliamentary commission of inquiry bill, supported by the Senate, was for at least two years—is going to have so much work to do dealing with those issues that cause the most harm and are the most urgent or pressing. This issue about industry super funds is not urgent or pressing. There is nothing to see here, as the recent Abbott commission into union corruption found. There will be plenty of work for a commissioner to look at. I think there's going to be a tsunami, an avalanche, of information provided to that commissioner. Let me say, in relation to that 12-month time frame: 12 months is not long enough.

I don't agree with Senator O'Neill that the banks wrote the terms of reference for the royal commission announced last week. The reason I don't believe that is that some of those terms

of reference were taken almost directly from the Greens' bill that passed this place. I'm unhappy with some of the omissions from those terms of reference. There are things I would have like to have seen in the terms of reference, but I don't believe they've been written by the banks. Let me warn the Prime Minister and the big banks and the financial services companies: if you think this issue has been political to this point—a 'political football' was the way it was described—you just wait and see what political is going to be if this royal commission is a whitewash or is even seen to be a whitewash.

This will be the most scrutinised royal commission in this country's history—there's that much public interest in it. If this is even seen to be a whitewash, just you wait to see what political is going to be, especially in the 12 months going into a federal election. With Labor wanting to own the royal commission—they were happy throwing mud at the announcement last week; fair enough; that's politics—and Labor campaigning on this going into a federal election, if the banks actually want to have trust restored in the financial system and in themselves, then I warn them and the government to make sure this is not a whitewash or a clayton's royal commission. This royal commission has to have the powers and the resources to get to the bottom of some systemic issues in this country that have caused misconduct—the misconduct that a number of senators in this Senate have witnessed and felt helpless that they couldn't do anything about—so that those issues can be fixed and so that victims of financial crime and misconduct can get properly compensated.

Until the banks get out of the bathtub fully scrubbed up, this issue is not going to go away. I will make that really clear today. For all of the people who think that this is going to be a whitewash, that it's going to be a furphy and that the banks only want a limited royal commission, so it's going to be a waste of time and money—it can't happen. It's going to be a whole lot worse. The door is now open and it's not going to be closed until this issue is dealt with. To finish on this legislation: the government can ask a commissioner in the next 12 months to look at these issues, but we clearly have an agenda before us today to change and dismantle the industry super model.

There are a couple of other things I want to say. There are some things, some of the high-level objectives of this bill, that I will admit, on face value, seem quite reasonable, but, regrettably, this reform package requires significant amendment to deliver on any potential to improve member outcomes, accountability and transparency. It fails to include all superannuation products in the strength and outcomes test and assessment framework. As I mentioned before, the vast majority—nearly 83 per cent—of bank-owned and other retail superannuation assets are held outside MySuper and will be excluded from the requirement. This is the case notwithstanding that such products, on average, underperform MySuper products, where the majority of industry super funds are held. It provides APRA with new powers to administer the superannuation sector, but in a manner that seems ineffective when it comes to bank-owned and other vertically integrated retail super funds. In particular, the enhanced power to issue directions to connected entities would typically exclude the bank-owned funds, parent companies and party-related service providers.

By the way, while we're talking about a royal commission, the terms of reference that have been set out in the last week actually allow very good and in-depth insight into vertically integrated business models, the conflicts of interest, the high fees, and the money that goes towards profits for the big banks and financial services companies. To those who think it's just



about targeting superannuation funds, the terms of reference and the advice that I have show it will easily allow a commissioner to look at the for-profit sector and the problems inherent within that for-profit sector, not to mention the allocation of the for-profit super funds' or investment funds' revenues going into things like unethical investments—investments like Adani that will end up ruining the environment. Anyway, I digress.

The look-through reporting requirements for operating expenses have been modelled on the look-through reporting requirements for investment, which have allowed two-thirds of the super funds owned by the big four banks, Macquarie and AMP to disclose absolutely zero investment expenses or member investment fees. They fail to address the key areas of longstanding inefficiency and opacity in the system and, in particular, the underperformance of the retail sector, which I have already alluded to. They've reduced retirement savings across the system to the tune of \$135 billion since 1996 and increased the fiscal impost on the federal budget in the form of increased age-pension outlays. I could go on; there are a number of faults. But, luckily, we have another superannuation bill which we'll be debating very soon, so I will be able to continue this discussion.

To wrap up, this is precisely the wrong model. The simple adage is: if it ain't broke, why fix it? This government is only trying to fix it because it wants to attack the unions and workers. This is part of an ideological crusade to not only undermine the unions and workers in this country but provide a leg-up for their big-business mates in the banking sector.

**Senator BROCKMAN** (Western Australia) (11:52): If you had listened to the last two contributions, you would have heard that we have the union movement, unicorns and rainbows, and big banks are terrible. To quote Senator Whish-Wilson: 'there's nothing to see here' when we're talking about industry super funds. I think there is something to see. The reason there is something to see is that, for the exact same reason that many people have been arguing for a closer look at the banks, people have been arguing against the idea of strong vertical integration and banking institutions having links through the financial services sector from top to bottom. And yet when we look at the structure of the industry super funds and the entities that have been created to provide services to those industry superannuation funds, we start to see a very strong web of the same people providing services to the industry super fund network in a way that looks highly vertically integrated to me. I think that is something that does need a much closer look.

Industry Super Holdings describes itself as providing 'services to Australian based superannuation funds and fund members and managing a range of equity and debt portfolios'. ISH has been bankrolled by \$830 million of retirement savings from 28 superannuation funds. Senator Whish-Wilson's contribution described how industry super funds were looking after members' money. Yes, they are. When they're looking after members' money, you've got to ask: where is that money going? The major shareholders of ISH are organisations like AustralianSuper, Cbus and HESTA. AustralianSuper recently sold down its stake and reduced its shareholdings. Perhaps it just wanted to reduce its shareholdings, but that has allowed others to buy in. We've now got Cbus, CareSuper, Energy Super, Hostplus, Maritime Super, HESTA, Media Super, MTAA and Vision Super. All are contributors to this Industry Super Holdings, which is, as I said, a large holding company. It has never paid a dividend to shareholders. It has \$71 billion of assets under management—\$71 billion of Australians' retirement savings. This is a significant entity.

Obviously, we've got Industry Super Australia. It used to be the Industry Super Network, which obviously is the lobbying and advertising vehicle for the industry super funds. We've seen recently in the media a very large campaign for them. I've seen it at least tens of times myself. I'm sure everyone's very aware of it, because it's quite striking. The imagery is the fox in the henhouse. It has very ominous music. The fox is, of course, the banks. 'We don't want the banks having anything to do with superannuation; we've got to protect the industry super funds' patch.' You could rewrite and reproduce that ad; instead of the fox being the banks, you could make the fox the union movement and you would have a very similar message in my opinion. So we've got Industry Super Australia. Obviously, they're a very effective lobbying outfit. We also have Industry Fund Services, with 23 of the 28 Industry Super Holdings shareholders using Industry Fund Services as a service provider. Then we've got links to Industry Funds Investments Limited. Again, very similar people are involved. We have Super Members Investments Limited, the IRIS fund, the AUSfund, IFS Insurance Solutions, IFM Investors—investment and fund managers for 24 of the 28 industry funds. We've got Industry Fund's financial service. We've got the Industry Funds Management (Nominees 2).

So we've got a huge interconnected network of service providers to the industry super funds with a significant lack of transparency and—this is the concerning piece—similar people involved across those organisations. For example, Mr Garry Weaven, who is chair of Industry Super Holdings, is also a senior member of Industry Super Australia. He is also intimately involved with The New Daily, which is an online industry super news website. He has also been involved with ME Bank, which, obviously, has links to the industry super funds as well. There are people like Linda Rubinstein. She has a significant number of roles across this network of interconnected companies. Again, we've got a large, vertically integrated set of arrangements with very little oversight as to what is going on within that with Australian retirees' savings. So at least one of these figures—Garry Weaven, Michael Migro and Linda Rubinstein—is on the board of every entity in the ISH group. Garry Weaven, in addition to being chair of ISH, is chair of The New Daily and IMF Investors. He is also a director of Industry Super Australia. Michael Migro, in addition to being an ISH director, is director of IFM Investors and Industry Super Fund Services and all of its related entities, including AUSfund and IRIS fund. Linda Rubinstein, in addition to being the ISH director, is chair of IFS and all of its related industries, including AUSfund and IRIS fund, and she is a director of IFM. So we have a situation where we've got a significant amount of money—\$71 billion in Australians' hard-earned savings—encapsulated in this network of interactions with a significant lack of transparency.

We heard some very strong words from our previous two contributors in this debate about what this bill was going to do. The bill was going to 'dismantle'; it was going to 'abolish'; it was going to 'break apart'. What is the core thing that people seem to be railing against that is going to have this outcome? Having one-third independent directors. Think about that for a moment—that having one-third independent directors, not Liberal Party appointees, is going to dismantle, abolish or break apart. Who are those opposites really trying to convince? Who are they talking to? I don't think they're talking to the people saving for their retirement; they're talking to the unions. No-one in their right mind, quite frankly, could say that having one-third independent directors, which was recommended by the Cooper review—a review set up by the Labor Party—could in any way dismantle, abolish or break apart the industry super funds. What it will do is add a modicum of independent directorial skill to those boards.

Whilst a variety of directors with a range of skills is important, independent directors are vital, particularly in sectors like this where the risks from the kind of vertical integration that I described earlier are apparent. We need to be able to look transparently. We need to ensure that the only thing that the directors care about when they're making decisions on behalf of their industry super funds is the retirement savings of their members. That is the only thing they should be talking about. The idea that having one-third independent directors dismantles anything, abolishes anything or breaks apart anything is just a nonsense.

The Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017 and the cognate bill represent an important reform that strengthens Australia's compulsory superannuation system, in particular for default MySuper products. The package was developed with the clear objective to improve outcomes for consumers. It should never be forgotten that the superannuation sector has grown to over \$2 trillion. This is the result of the government forcing people to save part of their own money. In that environment, where the government has compelled people to put part of their money aside for their retirement, it's not enough to merely say, 'Oh, there's nothing to see here.' We have to have the structures and systems in place to ensure that decisions are made solely for the benefit of superannuants. This is Australians' own money. Australians have the right to expect that the industry is held to the highest standards of transparency and accountability—no more closed shops or cosy deals. That's what Australians want. They deserve nothing less than the maximum level of transparency and the highest quality of oversight for their retirement savings.

The change is also designed to make superannuation more consumer friendly and to make superannuation providers more accountable for how they use their members' money. These bills enact more robust prudential standards, improved enforcement and greater transparency. This will boost confidence that super savings are being managed in the best interests of members. Many of these measures have been on the policy agenda for several years and have been recommended by past reviews into superannuation. As I said, some of these things were recommended under reviews of the system undertaken by past Labor governments, but ignored.

Who could possibly argue against independent directors? In normal circumstances, the closed shop of big business and big unions with the lack of transparency would be ringing alarm bells in the opposition and the Australian Greens. Yet, in this case, what do we hear? We hear, 'Nothing to see here.' Surely, everyone in the space would appreciate that the lack of independent board members leads to a potential perception, and a potential reality, of actions that are not in the best interests of Australian superannuants. There can be no argument that members of superannuation funds, the hardworking people of Australia, deserve the best and brightest minds sitting around the board tables of Australian superannuation funds, and this includes industry superannuation funds. That is why the government is committed to legislating consistent and appropriate standards of governance, including minimum levels of independence, across the entire superannuation sector.

The superannuation sector has evolved considerably since the introduction of compulsory superannuation in 1992. Not only has it evolved; it has grown. It is now a significant part of our financial sector. As such, it has a lot of power and influence over other parts of the financial sector, and on that basis it needs to face similar governance rules. Governance

arrangements simply have not kept up. Superannuation is larger and more complex, with a more diverse membership. Funds themselves have evolved. They have opened up to competition so that they can appeal to a wider variety of members. They are competing actively for market share beyond their traditional industry based membership. These things need to be taken into account.

An industry super fund that represents a particular industry no longer just has members from that industry. As such, the governance arrangements, particularly in terms of having more independent directors, are vital. Some trustee boards do not have governance arrangements that reflect the important role they play in ensuring that the retirement savings of their members are invested to maximise returns. These standards would not meet the expectations of the Australian people. Endeavouring to lift the independence of the superannuation sector should not just be a priority of ours; it should actually be a priority of the industry itself. The risks are all on the downside. Strengthening trustee board structures, through increased independence, is in everyone's best interests. The government makes no apologies for putting the interests of superannuation members ahead of any self-interest of the industry. In particular, the statutory minimum requirement for one-third independent directors, including an independent chair, is a very significant reform and, to me, it should be something that could be supported by everyone in this chamber. I personally think that there is an argument for having 100 per cent independent directors, selected solely on their ability to oversee the money of Australian retirees, who—I once again remind all in this place—are forced to save their money. They are forced to put their money into super. It is not a choice.

There have been numerous inquiries that have recommended a majority of independent directors, including the Financial System Inquiry and an inquiry by the Financial Services Council at one point. The one-third benchmark, as I have said, matches the proposal put forward in the Cooper review. The Cooper review was commissioned by the then Labor government, and that is a good start. It is also a very modest start. It does not dismantle; it does not destroy; it does not do any of the things that the other side are arguing it does. Without a minimum standard, fund members may be exposed to detrimental outcomes that can arise through poor decision-making or failure to deal with conflicts of interests appropriately.

We've clearly got what should be a fairly non-contentious change, and yet those opposite are doing all they can to undermine and frustrate one-third independent directors—not appointees of the Liberal Party and not appointees of any particular part of business, but independent directors who are there solely to look after the members' interests. Yet that can't be supported in this place. I find that staggering.

**Senator WILLIAMS** (New South Wales—Nationals Whip in the Senate) (12:08): I would like to contribute to this debate on a change in the management of industry super funds from—as Senator Brockman just said—a 50:50 ratio of union officials and management to one-third union officials, one-third management and one-third independent. I have some real concerns about some of the management of these industry super funds—real concerns. I'm glad to see they will be included in the terms of reference for the royal commission. I noted Senator Whish-Wilson on TV on the weekend saying, 'This is terrible, including the industry super funds in the royal commission.' But when Senator Whish-Wilson put forward—I think it was last May—the commission of inquiry bill, which actually passed the Senate here on the

voices, one of his terms of reference was donations made by financial services entities to political parties. It was actually in that commission of inquiry that I gave Senator Whish-Wilson a commitment that I would support it; it was conditional on that. It is amazing—I can't hold this photo up; that would be a prop.

But let's go back to 2007. I refer to AustralianSuper. Here is a photo of the inaugural AustralianSuper trustee board—I will give it to Senator Payne to have a look at when I've finished with it. The following directors are representatives of AustralianSuper: there's a bloke up the back, Greg Combet. Here's a bloke in the front, his name is Mr Bill Shorten. Alongside him is a fellow I know pretty well, Senator Doug Cameron. They were the inaugural directors of AustralianSuper.

It's amazing: in 2007 AustralianSuper made a donation. How much, you ask? \$27,500. Senator Payne, I wonder where the donation went? It actually went to the Australian Workers' Union. It was listed by AWU on the AEC declarations as a donation. And shortly after—you're not going to believe what I'm going to say, Mr Acting Deputy President Leyonhjelm—the Australian Workers' Union made a donation of \$25,000, to who? Mr Bill Shorten's election campaign. Isn't that amazing? To someone who is a director of AustralianSuper. Or is it just coincidental that \$27,500 is donated from AustralianSuper to the Australian Workers' Union and, shortly afterwards, \$25,000 goes to Mr Shorten's election campaign? You wonder why we're a little cynical about the management of these industry super funds. It was listed on the website of the AEC declarations as a donation. For how long? For 10 years—from 2007 until 2017, when this particular donation was highlighted in the media. Then it was changed: 10 years later it was changed to being listed as 'other receipt'. I think that is quite strange, and some questions need to be answered.

Let's look at industry super funds. There is one union that benefits more than any other from cash flows courtesy of the retirement savings of hardworking Australians. That prize goes to none other than—you'd have heard of them, Mr Acting Deputy President—the CFMEU. According to AEC disclosures over the 10 years to 2015-16, the CFMEU was the beneficiary of payments from no less than four industry super funds—Cbus, First Super, BUSSQ and Mine Wealth and Wellbeing—worth more than, listen to this figure, \$12 million. We are about to see that this is just the tip of the iceberg.

The bulk of this \$12 million comes from just one fund: the industry fund representing timber workers, good hardworking Australian workers. It's called First Super. The CFMEU has fessed up to the payment of more than \$830,000 from First Super in 2006-07; almost \$850,000 in 2007-08; almost \$890,000 in 2008-09; and this almost doubles in 2009-10 to nearly \$1.6 million, followed by three consistent years of over \$1.6 million a year in the 2010-11, 2011-12 and 2012-13 financial years. That is more than \$9 million from one super fund going to the CFMEU in just seven years. 'Why is it so?' Professor Sumner Miller would ask.

However, a curious thing happens in the three years from 2013-14. The CFMEU claims it has received not one cent from First Super. According to the Australian Electoral Commission, which records these transactions, the numbers aren't out for 2016-17, but it will be interesting to see if the same thing happens again. According to First Super's financial statement for the year ending 30 June 2016, eight coordinators were employed by the CFMEU and supplied on contract to First Super. The total payments for that year were \$1.762

million and \$1.72 million for the previous year to 30 June 2015. In the latest financial statement of the fund, the CFMEU received over \$1.5 million to employ just six full-time and two part-time coordinators. How's that for good pay! I will repeat it: the CFMEU received over \$1.5 million to employ just six full-time and two part-time coordinators—so it works out at about \$200,000-plus for each of the full-time workers and, of course, less for the part-time workers. These payments are not disclosed in the CFMEU financial statements, despite the CFMEU and First Super being related entities. Further, as noted above, there are no payments from First Super to the CFMEU disclosed to the AEC for these years, perhaps in breach of the AEC rules. This equates to an average salary of just over \$220,000 per coordinator.

First Super is spending the retirement savings of hardworking people in the timber and furniture industry, many of whom are on annual salaries of around \$40,000. They'd love to get the \$250,000 or so a year they'd get if they were with the CFMEU. They are fighting every day just to keep their jobs—and fighting off the Greens, of course—and they are getting duded by their own super fund, which is paying CFMEU operatives on average \$220,000 a year. These are \$40,000-a-year timber workers. What are those operatives doing to earn more than five times the average salary of a timber worker?

Who is running this mob? It's Mr Michael O'Connor, a man well known to the shadow industrial relations minister. The CFMEU in Australia is Australia's most militant union. The union or its representatives have been respondents in at least 40 separate matters before the court, facing a total of 1,779 suspected contraventions. Over \$10 million in penalties has been awarded against the CFMEU by courts across the country—more than \$10 million in fines. Coincidentally, this is about the same amount of money that the CFMEU has pocketed from the retirement savings of the members of First Super. The CFMEU's history of thuggery and abuse on work sites around the country is well documented, but the fact that this union is the beneficiary of the retirement savings of ordinary timber workers is something that this parliament needs to fix.

So what is wrong with having independent directors on the board? I'll tell you why it's being opposed—and probably by the Greens as well. Look up the history. Google 'CFMEU donations to the Greens'. I can't believe that the CFMEU would donate to the Greens. It's the Construction, Forestry, Mining and Energy Union. What do the Greens despise? They despise construction; they hate forestry and cutting down trees; they vehemently oppose mining; and, when it comes to energy, it has to be the expensive renewables. Why does the CFMEU donate to the Greens? I just can't fathom that.

This legislation will bring about a bit of fairness by ensuring that a third of the board of directors is actually independent—not linked to the employers, not linked to the workers and not linked to the unions. Millions of dollars pours into the Labor Party coffers from the union movement to help them with their election campaigns. And, as we know, when it comes election campaigns, it's no money, no mission. It's as simple as that. But those opposite have a full flow of money, and I'm very suspicious that a lot is coming out of the retirement savings of ordinary, hardworking Australians—and that is wrong. I repeat what Senator Whish-Wilson had in his terms of reference for his commission of inquiry. It says at part 4: 'Donations made by financial services entities'—such as industry super—'to political parties'. That was in the Banking and Financial Services Commission of Inquiry Bill 2017, which

passed this parliament in, I think, May this year. So I'm very pleased to see that that will be drawn into the royal commission.

I'm glad that we are having a royal commission. In my opinion, we should have had it years ago. In 2013, the Senate Economics Legislation Committee, chaired by Mark Bishop, a Labor senator—a pretty decent bloke and a good bloke to work with—recommended a royal commission. But what did Mr Shorten do when he was part of the government? Nothing. What did Mr Bowen do? Nothing. If we had had it earlier we may have headed off the alleged catastrophes that AUSTRAC have now brought into the public arena.

So I would ask that those sitting on the crossbenches seriously consider what this legislation does. It brings in fairness. What is wrong with having a third of the directors on the board of an industry super fund being independent—and perhaps having even more financial and business experience to invest the money wisely? Nothing whatsoever. That is why we need crossbench support here. We need the crossbenchers to shape up and say, 'If there are 12 on the board of the directors, we'll have four from an industry super fund, four from the employers and four totally independent.' There's nothing wrong with that whatsoever. So I urge the crossbenchers to consider that and support this legislation.

**Senator ANNING** (Queensland) (12:19): This is not my first speech. I rise to speak to the Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017 currently before the Senate. This legislation seeks to ensure that, within three years, all superannuation boards have at least one-third independent non-executive directors and an independent chairman. The clear purpose of this legislation is to prevent conflicts of interest and to better protect fund members' interests.

The government has developed this legislation in response to concerns expressed by the regulator, APRA, that some trustees of superannuation funds did not appear to be putting the best interests of members first. Concerns have been expressed that some industry super funds have boards stacked with union officials whose first loyalty may be to their unions and not just the superannuation fund members. This is a clear conflict of interest. This may mean that members' funds may not be invested with the sole aim of maximizing returns, but may instead be invested in a manner that supports the political goals of unions. What this legislation does not consider, however, is the excess fees charged by retail super funds. In contrast, on not-for-profit industry superannuation, the Rainmaker report on revenue collected from Australia's \$2.1 trillion in superannuation assets found that the banks pocketed almost \$9 billion in fees, taken directly from the superannuation of ordinary working Australians. In fact, a report by the Grattan Institute found that, thanks to the retail superannuation sector, super fees overall in Australia were around three times the median OECD rate.

The involvement of banks in running retail super funds puts them centre stage in the fee gouging of Aussie workers. It is disappointing that the government has ignored this pressing issue and only focused on the role of unions in super funds. In addition to the fee rip-off, which the bill before us ignores, concerns have been expressed that imposing a quota for independent directors may lead to less qualified directors ending up on boards. Given the issue of the banks charging excessive super fees, there is a real risk that the proposed legislation may lead to boards stacked with banking and finance professionals who will reduce the accountability of boards to fund members and will further drive up fees. Other concerns have included that tinkering with the corporate governance of funds that are

currently performing well may place at risk the rates of growth achieved by existing directors. A number of organisations have approached me and expressed grave concerns. Whether the proposed change is good or bad is clearly going to depend on how the position of 'independent director' is defined in the legislation. I am not confident that the definition proposed by the government in the current bill achieves the necessary balance.

While supporting the intent of the government to fix the real problem identified by APRA, I also wish to ensure that changes made do not accidentally force well-run super funds to shed highly qualified and capable directors because they fail to comply with the government's requirements. I am therefore foreshadowing an amendment to the definition of 'independent director'. Instead of the long and involved definition proposed by the government, my proposal is to simply adopt the existing corporate definition. Given that the government's declared intent for this and other related bills is to bring superannuation fund governance into line with standard corporate governance principles, I cannot see that my proposed amendment would be objectionable to the government.

**Senator McKENZIE** (Victoria) (12:24): It gives me great pleasure today to rise to talk about the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017. As a government, we are interested in ensuring the economic security of all Australians. If you look at our work over the previous years, it's been about delivering on a strong plan for our economy to grow jobs and ensure that all Australians, whether they are from regional Australia or capital cities, have access to well-paid employment. Similarly, though, as a government we want to ensure that as Australians near retirement they will receive their superannuation in a way that benefits their retirement. At the end of the day, it is Australians' money. Their employer puts it into their superannuation accounts every single week and it is there to accrue and provide for their retirement.

I want to thank my colleague Senator Williams for his earlier contribution on this bill around how sometimes industry super funds are used, or should I say misused, to fund election campaigns—the Leader of the Opposition's election campaign and so on. That is not the way that we want the retirement savings of hardworking Australians to be used. Through the passage of this bill, we are seeking to ensure that the governance of those industry super funds is appropriate, that it meets with community expectations. Currently, as we know, the governance model sees half of an industry super fund board being made up of employers and half being members of a union. I have looked at the AustralianSuper trustee board photo and there's a very young Billy Shorten and, prior to coming to this place, a Mr Doug Cameron and a Mr Greg Combet. We see that, with these industry funds, maybe it's a pathway to parliament.

**The ACTING DEPUTY PRESIDENT (Senator Leyonhjelm):** Senator McAllister?

**Senator McAllister:** Mr Acting Deputy President, you might remind Senator McKenzie that she ought to refer to Mr Shorten and Senator Cameron by their correct titles.

**The ACTING DEPUTY PRESIDENT:** Thank you.

**Senator McKENZIE:** My apologies. I did say prior to coming to this place, it's Mr Doug Cameron. I hope he's no longer on that board, given that he is now a senator. But, yes, Leader of the Opposition Bill Shorten was a member of the inaugural AustralianSuper trustee board. I



think what we have to ensure is that we have good governance of the industry superannuation boards.

There is currently \$2.3 trillion in the superannuation industry in entrustment for the retirement of Australians, and the majority of that is located within industry super funds. We need to ensure that they are being governed in the best interests of their members, rather than the best interests of the Labor Party and the retirement savings of their members. We want to ensure that Australians have more control over their superannuation providers and a stronger regulator to ensure their money is being managed in their best interests. That is an entirely appropriate thing to do. I know those opposite would like to characterise this as an anti-union measure, an anti-worker measure; it is not. It is about ensuring proper oversight of Australian's hard-earned superannuation, so that it is not funnelled off to people's election campaigns but being reinvested to ensure that their money grows and provides a nest egg for their retirement, which is the entire purpose of the superannuation system. It needs to be managed in their best interests, which is why these proposals will ensure the governance of superannuation industry funds with a third of the board to come from employer groups—let's face it, that is the group putting money into the industry super fund on behalf of hardworking Australians. A third will be from the union movement, and a third will be independent directors. When we look at issues of failure of governance, right across organisations and corporations in this country, many times it is a failure of governance; it is a failure of leadership at the board level to rein in managing directors, to ensure appropriate oversight on strategic plans and to ensure that the organisation is following its mission. The mission of industry super funds should be to maximise the retirement savings for each and every one of their members. It should not be about allowing funding for a variety of campaigns in the Australian Labor Party. I know Matt Thistlethwaite, from the other place, was also heavily involved in industry super funds. I haven't done an audit of ALP senators and ALP members from the other place who have sat on industry super fund boards and compared it to this side of the chamber, but I bet that the other side of politics has many more board members of industry super funds than my side of politics does. We want to put confidence and trust back into the system that that money is being used and spent appropriately.

The superannuation member outcomes package represents important reforms that strengthen the foundations of Australia's compulsory superannuation system, in particular for default MySuper members. The package has been developed with a clear objective to improve outcomes for consumers. Consumer focused reforms make superannuation more consumer friendly and make superannuation providers more accountable for how they use their members' money. You can't just drop it into somebody's election campaign. I know that some of the members—maybe the majority of members—of industry super funds may even vote for the ALP, but, I tell you what—they will not be happy to know the hard-earned money of their blood, sweat and tears, which should be providing for their retirement, is being funnelled into certain election campaigns, here or there—wherever the Labor Party sees a need. It is absolutely inappropriate. Ensuring that our boards are governed appropriately and that we're maximising the return for those hardworking Australians as they enter retirement is the focus of these reforms. I hope the chamber supports what is an equitable distribution of responsibility around the board—a third to unions, a third to employers and a third to independent directors, who come with fresh eyes and no baggage on what is sometimes a very complicated and ideologically driven conversation when it comes to the 'unions v employers'

situation. We don't want that sort of argument occurring with the hard-earned savings of Australian workers.

Many of the measures in this legislation have been on the policy agenda for several years and have been recommended by past reviews into superannuation. The proposed parliamentary amendments to the portfolio holdings disclosure measure in the bill will increase transparency by extending the portfolio holdings disclosure to assets held by associated and non-associated pooled superannuation trusts. These changes will guarantee that the assets held by pooled superannuation trusts will be required to be disclosed in respect of each investment option, provided by a registrable superannuation entity licensee, and make it explicitly clear that all investment options are subject to the new PHD requirements. We want to clarify that choice products that have multiple investment options are also subject to these requirements. We want to ensure that superannuation for Australians is very clear and easy to understand. Many of us, myself included, just press the button on the default setting when we start a new job, and we trust that that industry super fund is looking after our retirement savings. There have been some issues where that hasn't been the case. For ultimate clarity we need to ensure that the governance of those boards actually holds true and actually makes sure they are solely and wholly focused not on the re-election of Labor Party candidates in any given election but on maximising the retirement savings for Australians.

There are people in the superannuation industry and system that support the government's reform agenda in this space. I'd like to quote Jeremy Cooper, the ALP-appointed chair of the 2010 super system review. He said to the Senate Economics Legislation Committee hearing on 10 October this year:

... providing for independent directors shouldn't diminish the representation of members but actually enhance it.

This is about enhancing the representation of working Australians in their own industry super fund, so I'm looking forward to those opposite supporting these measures and increasing the input of independent directors into the governance of industry super fund boards. He went on to say:

So, rather than the model being broken, I think this is the 21st-century answer to our highly successful superannuation system—how we can govern it better and, most particularly, how we can make people who are forced to save into it feel confident that the standards of governance is at or near world's best practice.

And shouldn't that be what we're aiming for? We are a developed country. We have a strong financial system. Shouldn't we be ensuring that the \$2.3 trillion of working Australians' retirement savings is governed with world's best practice? If the ALP-appointed chair to the 2010 super system review, Jeremy Cooper, can get on board, I call on Labor Party senators to similarly back this legislation, back Australian workers and give them the confidence that their retirement savings are being managed and acquitted for with the highest possible standards, with world's best practice standards for governance.

In the same hearing, Mr Cooper went on to say:

... for funds in the equal representation frame at the moment, the reform is sympathetic to that model in the sense that they merely need to rearrange themselves ... to allow for one-third representation by independent directors. To me, that does not disrupt the benefits of equal representation: you still have member representatives and employer representatives—

So no-one is kicking the unions off the table. Let's stop the scare campaign. What we need to do is ensure that, rather than have two sides of what can sometimes be quite a difficult conversation in this country, we have some independent directors there to bring some sanity, some calm and some expertise to the management of Australian workers' industry super retirement funds.

Professor Graeme Samuel was appointed by the board to conduct an independent review into governance arrangements at the CFMEU. The CFMEU trusted Graeme Samuel, a former ACCC commissioner, to look into their governance arrangements. If the CFMEU can trust Graeme Samuel, I wonder why those opposite do not back his evidence to the Senate Economics Legislation Committee inquiry hearing this year into this legislation when he said:

... I don't draw a great distinction between the structures of corporate governance; I'm more concerned about the reality of it.

So let's stop having an esoteric argument about who has more numbers where. Let's actually focus on the reality for maximising the retirement savings of working Australians and giving them the confidence that their hard-earned money and the profits from it are actually delivering for them in retirement. He went on to say:

Where you've got proprietors or sponsors that are heavily involved in the board ... there's a tendency for the skills metrics to be less relevant.

Do you know what he's saying? Mr Samuel is basically saying that, when you look at that industry super fund board I was speaking about earlier, with the opposition leader, Bill Shorten, Mr Combet, and, at the time prior to his senatorship, Mr Doug Cameron, the skills metric is not such a great concern, because, really, we're interested in other things. If we went through the board appointments of industry super funds, we would see they're either holding bays for soon-to-be senators or members or, indeed, retirement packages for former senators and former members.

*Senator O'Neill interjecting—*

**Senator McKENZIE:** Acting Deputy President, I'm seeking your protection from Senator O'Neill.

**The ACTING DEPUTY PRESIDENT (Senator Ketter):** Yes. Order on my left! Senators are entitled to be heard in silence.

**Senator McKENZIE:** Thank you, Mr Acting Deputy President, for your protection. What Graeme Samuel is actually saying is that there's a tendency for skills metrics to be less relevant; there are other things. When we're looking at who are going to be the union reps on these boards, other things come into play—not the skill sets or the capacity for good governance of the retirement savings of workers. That's where independent directors become much more relevant; it's where the skills metrics and the qualities that they can provide become more relevant. Now, isn't that a good thing? No-one is saying there shouldn't be union representation on the industry super fund board, and nor is anyone saying there shouldn't be employer representatives, but there should be a recognition that, by setting up this type of arrangement for the retirement savings of workers—hardworking Australians who put their money into an industry super fund, which is often the default setting—we're not actually getting the skill set we need to govern the board and deliver on what should be about

maximising retirement savings, not making sure we're funnelling money to Labor Party campaigns right around the country.

Let's get real here. If it were about getting rid of union representation on industry super funds, it would look a lot different to this particular set of reforms. These are reforms recommended through a range of inquiries. There was the ALP appointed chairman. Graeme Samuel was appointed to look into the governance of the CFMEU.

*Senator O'Neill interjecting—*

**Senator McKENZIE:** Senator O'Neill, if the CFMEU can handle his expertise on governance, I don't know why you can't. Maybe I need to look to the senators opposite who looked to the CFMEU for their backing to get into this place. Maybe they'd look a little more kindly. I know that you're not a CFMEU girl, but—

**The ACTING DEPUTY PRESIDENT:** Senator McKenzie, I ask you to address your comments through the chair, please.

**Senator McKENZIE:** That is highly appropriate, Mr Acting Deputy President, and so I shall. Thank you for that timely reminder of the standing orders.

**The ACTING DEPUTY PRESIDENT:** Interjections are disorderly, I remind the chamber, and senators are entitled to be heard in silence.

**Senator McKENZIE:** Thank you very much, Mr Acting Deputy President, for your protection again. If the CFMEU can back Graeme Samuel, get on board, boys and girls, because this is about fairness and ensuring those boards have the highest quality governance and the skill set that they need. Let's face it, if we look at the membership, you might park someone you are thinking about for a future Senate spot or it might be somewhere you quickly park retiring senators or members who may have no other place to go and still need to pay the mortgage. We need to have at the forefront of our minds, as we address these bills and the measures before us, how we ensure the retirement savings of working Australians in industry super funds are best acquitted. I think that is by increasing the number of independent members on the board.

I could go to more. We've got some support from David Murray and Gene Tilbrook, the acting chairman of the Australian Institute of Company Directors. Fantastic. They might have something to say about good corporate governance and what that might look like. Does it require certain skill sets? Yes, it does. But let's look at what Gene Tilbrook actually said:

A system that is trusted with the retirement savings of all Australians needs the highest standards of governance ...

And that does not mean a 50-50 split; it means ensuring the boards of the industry super funds have the skill sets they need to deliver. We should all be backing that. We should all have in our minds ensuring that we are maximising the retirement savings of hardworking Australians. We can do that by increasing the number of independent directors and the skill sets available to those boards as they make those decisions. Gene Tilbrook closed by saying:

The inclusion of independent directors is widely recognised as a critical element of good corporate governance.

*(Time expired)*

**Senator PATRICK** (South Australia) (12:45): I rise briefly to put on the record the position of the Nick Xenophon Team on the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017 and the Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017. At this point in time the Nick Xenophon Team is not prepared to support the strengthening trustee arrangements bill.

The Nick Xenophon Team is continuing to negotiate in good faith with Minister O'Dwyer on the accountability and member outcomes in the superannuation measures bill. We hold real concerns about the transparency measures in relation to choice products. We support transparency measures, but we cannot support this bill until we are satisfied there will be consistency, to the extent that it is possible, across MySuper and choice products. I understand the opposition has amendments to move in relation to this issue, but the Nick Xenophon Team is not satisfied that they will have the desired effect. The Nick Xenophon Team is continuing discussions with the minister's office and with the sector in relation to this issue. Mr Acting Deputy President, I understand these bills are being debated as a package; however I ask that the question on the strengthening trustee arrangements bill be put separately.

**Senator FIERRAVANTI-WELLS** (New South Wales—Minister for International Development and the Pacific) (12:46): I too rise to make a contribution on the Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017. Given the compulsory nature of our superannuation system, the government ultimately bears responsibility for the prudent management of and confidence in our superannuation system.

APRA-regulated superannuation funds hold \$1.4 trillion in compulsorily deferred wages on behalf of ordinary, hardworking Australian people. There can be absolutely no argument that members of superannuation funds—those hardworking Australian people—have to have the best and the brightest minds sitting around the board tables of the superannuation funds in Australia. That is why we as a government are committed to legislating appropriate standards of governance. Being consistent with these appropriate standards of governance means that we need to include minimum levels of independence across the entire sector.

We have seen the superannuation industry evolve considerably since the introduction of compulsory superannuation in 1992—and this has been a very, very positive thing—but, at the same time, governance arrangements have not kept up with this growth. This is despite the fact that superannuation funds have become larger. They have certainly become more complex and they certainly have more diverse memberships. The funds themselves have evolved and have been opened up to competition so that they can appeal to a wider range of members. They are competing actively for market share beyond what have been their traditional membership bases, including multiple employers across multiple industries.

We know that some trustee boards do not have appropriate governance arrangements in place to reflect the very important role they play in ensuring that the retirement savings of their members are appropriately dealt with. These standards need to meet the expectations of the Australian people. In some cases, they do not. Therefore, endeavouring to lift the level of independence in the superannuation sector should be a priority not just for the government and for all of us but also for the industry itself. Strengthening trustee board structures through greater independence is, in my view, in everyone's interests.

This bill includes the previously introduced measure aimed at increasing independence of the boards of superannuation funds in Australia. This has been a measure on the policy agenda for several years and has been recommended by previous reviews that have been undertaken in relation to superannuation. This government makes no apology for seeking to put the interests of the superannuation fund members ahead of the self-interest of the industry. So I'd like to take the time, if I may, to make a closer examination of some of the schedules to the superannuation package and to look at some of the ways that this is going to be beneficial. During the course of my intervention, I will also reflect on something that is very important in the Illawarra. It is something that has been raised with me repeatedly by the victims of financial fraud who have been actively seeking changes to legislation, and seeking to have issues that arose out of the Trio collapse dealt with appropriately.

Let's look at schedule 1 of this bill. Schedule 1 creates a statutory minimum requirement for one-third of the directors to be independent directors, including an independent chair on the superannuation trustee boards. We think that, without this minimum standard, fund members may be exposed to detrimental outcomes that can arise through poor decision-making or failure to deal with conflicts of interest appropriately—and haven't we seen that in recent years! This schedule includes a new definition of 'independent' that will ensure that a director of a superannuation trustee board is able to exercise independent judgement.

Let's look at schedule 2, with regard to the board of the Commonwealth Superannuation Corporation. This schedule will enable the trustee for the Australian government's main civilian and military superannuation schemes to comply with new independent requirements. This goes, in particular, to strengthening trustee arrangements.

I want to focus now on improving accountability and members' outcomes in the superannuation bill. From the government's perspective, this bill will give everyday Australians more control over their superannuation providers, and a stronger regulator to ensure their money is being managed in their best interests. The Superannuation Member Outcomes Package represents an important set of reforms that strengthen the foundation of our compulsory superannuation system, in particular for default MySuper members. This is a package that has been developed with the unequivocal, clear objective of improving outcomes for consumers.

The superannuation sector has grown to over \$2 trillion. This has been largely as a consequence of the mandatory nature of the system. And, of course, all Australians rightly expect that the superannuation industry be held to the highest standards of transparency and accountability. Consumer-focused reforms to make superannuation much more consumer-friendly and superannuation providers more accountable for how they use their members' money will be welcomed. Add to that stronger prudential standards, better enforcement and more transparency, and it will lead to a boost in the confidence people have that their super savings are being managed in their best interests.

Many of the measures, including these measures, have been on the policy agenda for several years and, as I've indicated before, been recommended by past reviews into superannuation. This legislation includes important measures aimed at increasing choice and transparency. It also includes important measures aimed at strengthening supervision of the sector but also boosting trustee accountability and improving member engagement. It also closes a legal loophole that has been used, regrettably, by unscrupulous employers to short-

change employees who choose to make salary sacrifice contributions into their superannuation accounts.

I'd like to examine a number of the schedules and make some general observations in relation to that. Firstly, in relation to schedule 1 of the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017, the annual MySuper outcomes assessment, an outcomes test will strengthen obligations on trustees to consider the appropriateness of the MySuper product on an ongoing annual basis. This test will be in two stages. One will require trustees to consider what MySuper is offering—its design, investment scope, insurance framework and scale—and the other will require that trustees compare their MySuper products with other MySuper products. We believe that, to ensure that the financial interests of members are promoted, trustees should give consideration to the overall quality of their products. This test is designed to inform a trustee's assessment of their product. It won't weaken or lessen their obligation to promote the financial interests of their members through net returns. The importance of net returns, clearly, in promoting the financial interests of the members of the fund should remain foremost in any trustee's mind.

Through the outcomes test, the APRA, the Australian Prudential Regulation Authority, will be able to obtain a more comprehensive view of how funds are working to improve the quality of their products and have stronger grounds to engage with trustees, most especially, where there are concerns about their products. There will obviously be requirements to publicly release information and so, ultimately, this will all add to transparency. There will also be provisions about authority to offer, with only suitable trustees being able to offer MySuper products, and products being removed when they are no longer suitable. These authorisation changes will improve the quality of the products on offer.

Schedule 3 deals with director penalties. The current gap in the criminal and civil penalty framework concerning the conduct by a director or trustee of a superannuation fund will be addressed as a result of the changes to this schedule. Directors will now be held accountable for their conduct in the same way as directors of managed investment schemes. They will be subject to both civil and criminal penalties if they fail to execute their responsibilities to act in the interests of their members or if they use their position to further their own interest to the detriment of members.

I want now to come to schedule 4, which deals with approval to own or control an RSI licence. Members will have a greater level of protection against fraud when a change of ownership or control of a trustee takes place. As I said, we have seen this spectacularly in the past. As I indicated earlier in my speech, one was in relation to the Trio collapse, and I know that many of the victims of that collapse took advice from providers in the Illawarra and they have been arguing consistently for quite a number of years to seek redress. The provisions of schedule 4 will go a long way to ensuring and affording necessary protections against fraud, especially when a change of ownership or control of a trustee takes place—that was one of the complexities in relation to the Trio collapse. Given the detrimental outcomes that can arise through the mismanagement of funds, we believe that no-one should be able to own or control a super fund without APRA's approval. This change will make the superannuation industry broadly consistent with the change of ownership requirements of other industries regulated by APRA.

Schedule 5 will deal with APRA's directions power. APRA has powers across the credit union, the banking, the friendly society, the insurance and the superannuation sectors. Now, as a consequence of the legislation, those powers will be harmonised. When APRA has prudential concerns and, again, harking back to things that have happened in the past, when those circumstances do occur where prudential concerns or APRA's concerns are engaged, it will be able to intervene early and address those concerns so that action can be taken early in the piece—it's the old adage of prevention being better than cure—and, therefore, act in the best interests of its members, rather than delaying it. The new powers will enable APRA to take action to ensure that the intent of the law is given effect to, including the new outcomes test and the enhanced and better management-reporting requirements that have been delivered as part of this package.

I now look at schedule 6, which deals with portfolio holdings disclosures. This measure will enable members and interested parties to see where superannuation funds are investing their contributions. Importantly, this will ensure that members' contributions are invested appropriately and, therefore, it will empower members not only to know that but to make their funds a lot more accountable. Of course, the changes in this particular area will reduce the complexity of the current law. It was introduced in 2012, but has never commenced. The bill will limit portfolio holdings disclosure to assets held directly and to investments through associated entities, including initial investments made into non-associated entities.

We know how important our superannuation system is, and the important bearing it has on the retirement incomes of each and every Australian, especially those Australians who have invested heavily and want to know not only that they are getting a good return but also where their money is being invested. Requiring funds to disclose their portfolio holdings is also consistent with best international practice. Of 25 markets looked at by international financial market analysts Morningstar, Australia is currently the only market with no implemented regulation form of portfolio holdings disclosure.

In the limited time available to me, I will also briefly mention that schedule 7 looks at annual members' meetings. This is a measure to improve accountability and ensure that members have full opportunity to ask questions and get appropriate answers, not just of the trustees but of their fund's officers, auditors and actuaries. Schedule 8 deals with issues from choice of fund to workplace determinations and enterprise agreements. Given compulsory super's important contribution to individual retirement incomes, individuals should be able to know where their funds are invested. Other schedules deal with reporting standards and with ensuring salary sacrifice integrity.

**Senator RUSTON** (South Australia—Assistant Minister for Agriculture and Water Resources) (13:07): I too would like to make a contribution on these two very important bills, the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017 and the Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017. I stand here today because I think these two bills are tremendously important to every Australian, when you consider that a substantial amount of their salary or wage every week goes towards superannuation. This system was designed many years ago to make sure that we as a country could support our workers in their retirement, to give them the flexibility to look after their own interests on retirement. At least 9.5 per cent of every Australian's wage or salary goes into their superannuation account.



Our younger generation, especially, will have the benefit of this kind of superannuation for their entire working lives; unlike you and I, who possibly haven't had that luxury. It just so important for these young people. It seems to me a tremendously reasonable thing to expect a very high level of transparency, accountability and oversight to make sure that that massive amount of money—I understand we have \$2.5 trillion worth of funds—is managed in a manner that maximises opportunities for young Australians, and for all Australians, when they retire, because they will rely on the returns of these superannuation investments.

Our ageing population and the lengthening time spent in retirement continue to reinforce and underline the absolute importance of us making sure that we do the very, very best we can to ensure that those people who have been entrusted with this money do the very best they can to make sure that it is managed and invested in the way that is likely to deliver the best possible return. It seems pretty reasonable that we should be expecting a level of transparency and accountability that equates to the magnitude of the amount of money that they have available to invest.

One of the things that I've heard in the contributions from the other side is a suggestion that these particular measures, these two particular bills, are in some way unfairly targeting one component of the superannuation industry. Having had a chance to have a quick look through these bills, it seems quite clear that every superannuation fund, no matter whether an industry fund, a union fund or a banking fund—whatever it is—will be required to meet the same requirements of transparency and accountability. Every measure applies equally to every fund. I'm a little bit confused as to why we would be suggesting that this is in any way unfair or unbalanced, in terms of the debate that has been ensuing on the other side of the chamber. As I said, I would think that anything that strengthens the level of accountability and transparency in anything that we do as governments or anything that we do on behalf of other members of the public can only be a good thing. To suggest that one group or one type of product is being unfairly targeted, or that one type of product is superior to another—once again, it is really important that everybody gets an opportunity to have a level of understanding of what's going on here.

There are a number of measures that are included in the two bills, and Minister Fierravanti-Wells has just gone through, in quite significant detail, the various schedules in the legislation. The request or the suggestion that there should be a level of independence of the people that sit on these particular boards—and, as I say, this is trillions of dollars worth of people's money that we're handling here and looking after—does seem to me to be a reasonably sensible measure that we should be considering. To suggest that the employees that sit on some of these boards are the ones who are actually delivering that level of independence—I suppose you would have to start questioning the level of independence that some of the people that are purportedly there as employees are providing to the board. You have to consider that they're at a level within the organisations that they have come from that is much higher than the average everyday worker. I mean, we're not talking about people who are miners, timber workers or retail and hospitality workers; those aren't the people that are being put forward as the employee representatives onto many of these organisations. We're talking about people at the level of chief investment officer.

When you look through a number of the people who are on these boards in these particular roles, they are actually making massive amounts of income. My understanding is that the

median salary received by these particular chief investment officers on the funds averaged out at about \$420,000. My understanding is that there were a series of bonuses that were paid in addition to that sort of money. In the case of UniSuper and AustralianSuper, the bonuses in the 2016-17 financial year totalled three-quarters of a million dollars. We're not talking about people who are at the grassroots, who actually understand what the difference between having superannuation and not having it means. For that reason, the government believes that these reforms and the presence of independent directors on these funds' boards can serve no other purpose than being beneficial to the delivery of a good outcome for all workers. To that end, it's somewhat puzzling why those opposite would suggest that this isn't a good thing to do.

I now turn to the level of transparency, accountability and oversight that is being suggested in the first of these two bills, the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017. Overall, it's designed to enable the people who are investing in these organisations to have a greater level of granularity, I suppose, in seeing what's actually happening within the organisation, and so to have a greater capacity to see where their money is being invested and how it's being invested, and, most particularly, to give them the opportunity to have some oversight as to when money is being spent outside of what we would consider direct investment. I would suggest that the majority of Australians whose money is in these funds would actually think that the money was all being invested in assets that were returning on that investment—stocks, shares, property and the like. I would suggest that it is very unlikely that many Australian workers would actually think that a superannuation fund would be, for instance, spending huge amounts of money on sponsorship or on marketing.

Whilst there may be some very good reasons for spending money on sponsorship and marketing for a super fund—we all know that marketing is a legitimate business expense, and that sponsorship also has a role to play—I don't think it's unreasonable for those sorts of expenses and expenditures to be made publicly available to the people who are putting their money in. They can, first of all, see what it's being spent on, and then decide whether that's a sensible thing to be spending it on. I think the AEC has stated that around \$53 million has been paid to trade unions over the past 10 years from these funds. This would suggest there is every reason that it should be made publicly available. If the funds can demonstrate the value to their members, and the members are convinced of the value of the this kind of sponsorship or marketing expenditure—well, that's all fine. But I think they have every right to know. Particularly when you're talking about the kinds of sums that we're talking about here, they have every right to know.

The expectation that a super fund is required to disclose what it's spending—and to disclose and demonstrate to its members that what it is spending is in the best interests of all of its members—doesn't seem to me to be an unreasonable thing. I call on everybody in this chamber to stand up and tell us why, if they think that that isn't a good thing. It's all well and good to say that we need to do these things, but we have to give the power to an oversight body to make sure that they are being delivered.

In the case of superannuation, the Australian Prudential Regulation Authority, APRA, is the appropriate body through which we need to determine that this level of transparency is being upheld: to require that there is a level of oversight and supervision, I suppose, of funds; to allow APRA to go into super funds and ask them questions about how they're spending

their money; to ask them questions about what their investment strategy is; and to ask them to justify to why they believe that their investment strategy is the best investment strategy in the current economic climate. For the fees that are being paid—for not just the board fees but for all of the fees that get paid within the organisation—once again, there needs to be a capacity for APRA to go in there and ask questions as to whether the level of fees and the levels of payments are appropriate for that type of activity, and whether they are value for money for the people whose money we're investing. Obviously, insurance arrangements are very important. APRA should have the ability to ask questions of super funds in relation to their insurance arrangements.

Those are just a few examples of things that I would think it would not be unreasonable for a member of a super fund to be expecting the prudential regulator to have the ability to go in and ask about. The most important thing is for the regulator to have the ability to take action if they think that the operation of any super fund is not necessarily in the best interests of its members. Once again, it strikes me as tremendously reasonable that an independent regulator has the power to ask simple and obvious questions—questions that anybody in this chamber would think they should have the right to have answered—when you consider that it's the money of the people of Australia, the workers of Australia, which is being invested here. I think it's entirely reasonable that they should not only have the right to be able to ask questions about how it's being spent but also have the confidence and the security to know that the regulator has the power and the capacity to be able to go in and, if they believe that the actions of any super fund are not in the best interests or it is not delivering the best outcomes, take action. Once again, I fail to see why you couldn't accept or support that as an option.

There is the requirement for direct accountability to the members—to the people who are actually paying the money. If I were investing in a business or a publicly listed company, I would have every right to turn up at least once a year to ask questions of the board, the chief executive and the management team about the performance of that company throughout the year. So I think it is completely reasonable for members—bearing in mind, nobody has to turn up to a corporate AGM, so nobody has to turn up to an industry fund or a superannuation fund AGM—to have the right to attend an AGM, if they wish to. It is entirely reasonable to ask a superannuation fund to have an annual general meeting, just like a publicly listed company, because it empowers members to have greater involvement and a greater say in what's happening with their super fund.

These are just three simple overarching improvements that we are seeking to make through the first of these two bills, the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017, and I am absolutely at a loss as to why everybody wouldn't be overwhelmingly embracing these changes. As a government, we are very keen to make sure that there is a level of transparency because, to be perfectly fair, when you see cases like Chiquita Mushrooms or Clean Event, they raise questions about the operations and the integrity of the actions of some of these funds and the unions, and what they are doing here. So I would have thought that having broader transparency and accountability would protect everybody in this space, and everybody would be able to say: we have strong, rigid infrastructure in which we operate and, to that end, we can be confident that everybody's best interests are being looked after.

Equally, with the second of these bills, Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017, as I said briefly in my opening remarks, to ask for one-third of the directors of a superannuation fund to be independent seems pretty sensible to me. If you have a look at corporate Australia, there is a trend towards independent directors. This is for a whole heap of reasons, not the least of which is that it gives the board a greater range of skills and experiences to enable it to perform better. Nobody could disagree that the broadest and best range of skills that you're able to bring to your board does nothing but accentuate value to the board; it certainly doesn't detract from it. To suggest that a third of the board directors on super funds be independent strikes me as a fantastic opportunity for these funds to be able to get some skills that they may otherwise not get, because it is compulsory. In no way does this actually alter the balance between employers and employees and how they are represented in these funds. We can still have a level of equity. We're just suggesting that one-third of them need to be independent so we can bring in some skills that otherwise may not be available to these boards, if they are restricted in their membership criteria. To say that one-third of the members can't be union officials, can't be bank executives and need to be free from conflict sounds pretty sensible to me. Free from conflict—you can't be a beneficiary of a sponsorship, for instance, from one of these super funds and sit on the board; and you can't come from a financial institution. I suggest that, like the first bill, all this bill serves to do is strengthen the protection for everybody, to give a greater advantage to those superannuation funds. Once again, I'm really surprised that anybody in this chamber wouldn't seek to support the bill. As I said to start with, we're talking about the vehicles through which compulsory superannuation is invested in Australia on behalf of all taxpayers. In any other circumstance you would think that the core goal of the organisation entrusted to do that would be to try to deliver, through the operation of the institution, the best possible outcomes in terms of return on investment to people whose money they have been entrusted to invest. Why would you throw away any opportunity—as these bills are offering to those funds—to enable those funds to be strengthened, to be more transparent, to be more accountable, to have greater scope and to have access to greater skills? It really does defy common sense.

The question that many Australians should probably be asking of those who will vote against these bills is: 'Why are you voting against these bills?' If you genuinely have a reason for voting against these bills, not just some sort of myth that this is some 'go get the unions' type of activity, then you need to come out and tell me why strengthening accountability, transparency, governance and providing additional skills and access to those skills can possibly be a bad idea. On the basis of believing this is absolutely in the best interests of every single Australian who has a massive investment in their future, in their retirement, in these superannuation funds, I stand here today to commend both of these bills to the house.

**Senator DUNIAM** (Tasmania) (13:26): What a difference a week makes when you consider the pace of debate in this place compared to last week. I suppose the current subject matter might mean a slightly lower degree of interest. That is not to say superannuation isn't important, but, for those in the gallery, it's probably a slightly dryer debate than the one you missed out on last week. Anyway, thank you for being with us.

It is a pleasure to join my colleagues to contribute to the debate on the two bills we're debating at the moment: the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017 and the Superannuation

Laws Amendment (Strengthening Trustee Arrangements) Bill 2017. As many of those who've spoken before me in this debate have said, the focus of the legislation we're debating at the moment is on putting consumers at the heart of it and making sure that the superannuation sector is governed and regulated properly. It is on making sure that the members—who often have very little say and very little power—have a greater degree of oversight and a degree of control over the choices made around their future savings—savings for their retirement, which are exceptionally important.

It is a pleasure, as I have said, to contribute to this debate. Turning briefly to the elements of both pieces of legislation, as Senator Ruston, the previous speaker in this debate, and also Senator Fierravanti-Wells have said, one does have to wonder why there is a degree of opposition to some of the measures we're talking about here. They are very straightforward and they are improvements. They are enhancements to existing regulation. They are a better safety mechanism and a better regime that ensures members' interests are looked after.

I will look at Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017 first. As Senator Ruston mentioned, there are three broad areas. I will go into a little more detail and then consider them as a whole. The superannuation industry requires trustees to assess on an annual basis whether the outcomes that have been delivered by MySuper products are promoting the financial interests of MySuper members. That is a key element of this legislation, so it's incredibly important.

What is superannuation there for? It is there for those who contribute to it for their future, for their savings and for their retirement. Superannuation helps people to stand on their own two feet when they are no longer receiving an income from employment. If they weren't born wealthy, this is their way of making sure that their retirement is comfortable and that they are going to be well looked after, so superannuation is about the members. They're the people putting the funds in; they're the ones who, ultimately, are going to be taking the funds out; and we need to make sure that their interests are protected and guarded at all costs.

As stated previously, the legislation allows Australian Prudential Regulation Authority, APRA, to refuse or cancel an authority to offer a MySuper product if it has reason to believe the registrable superannuation entity or licensee may fail to comply with its obligations. I think that degree of control on the part of the regulator is important. We need a safety mechanism or a safety switch to ensure that those entities who are in the market purporting to offer a particular form of service actually do that and that they're held to account, and to ensure that their members can rest assured that they will actually have what they are told they will have.

The legislation also enables the imposition of civil and criminal penalties on the directors of those registrable superannuation entities or licensees who fail to execute their responsibilities to act in the best interests of members or who use their position to further their own interests to the detriment of members. I think that's a pretty straightforward element of this legislation. We wouldn't tolerate it in the private sector when it comes to the directorship of private entities here in Australia and we certainly wouldn't tolerate it when it comes to senior office holders in government—be they elected officials or appointed officials—so why would it be any different here? We need to make sure there is consistency, and I have heard 'consistency' uttered in this debate previously. This legislation does bring consistency about,

but, on such an important issue, by making sure there is no ability for people to use their position to further their own interests to the detriment of members.

The legislation allows APRA to refuse authority for a change of ownership or control, where it has concerns about the person seeking ownership or control, and to give a direction to a person to relinquish control of an RSE licensee and remove or suspend an RSE licensee where it is subject to the control of its owner. It also aligns APRA's directions powers in relation to the superannuation industry with its broader directions powers in the banking and insurance industry, again, to bring about consistency and to ensure that APRA, in discharging its duties, is doing so in a consistent fashion. This, again, blows out of the water the argument that somehow it is a targeted attack on certain sectors and certain entities. This proves that this is about consistency and making sure a level playing field, if you will, is applied to this. It also requires RSE licensees to hold annual members meetings, which provides, as Senator Ruston said earlier on, a greater degree of direct accountability between members and their funds to understand—in the same way a shareholder can with a private entity in which they may hold shares—why decisions are made and to seek explanations for decisions which do not deliver the best outcomes. Often there are good explanations for these sorts of things happening, but this legislation will ensure that members do have the capacity at least to ask those questions.

The legislation will also require superannuation funds to disclose on a semi-annual basis investments they hold directly or through associated entities and initial investments into non-associated entities. The T word, transparency—something which we are big on and which I will come to more broadly later on—is a critical part of this legislation. If there's nothing to hide, then there's nothing to worry about and then there's nothing to oppose in this legislation. There's no need to be concerned about things like transparency. We here in politics are subject to extreme levels of transparency—people know what time we fly; what airline we are on and how much it costs; how many reams of paper are used in our electorate offices; how often we fill up our cars with petrol or diesel. Transparency is a good thing. We in this place spend taxpayers' money and we are accountable to the taxpayers of Australia, and so should the directors and managements of superannuation funds be accountable to their members. So those are some of the areas in the first bill I mentioned, the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017.

Of course the other piece of legislation we are talking about today is the Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017, which is the one that I think has garnered the highest degree of interest, certainly in terms of the limited media interest there has been in this legislation. It requires registrable superannuation entity licensees to have at least one-third independent directors and it requires the chair of the board of directors to be one of those independent directors.

I'm going to go over some of the ground that has already been gone over in this debate. Having that independence in what is a significant and important entity, and one that holds in its hands the future of many Australians, ensuring that decisions are made in accordance with members' wishes, is a good thing. It's something that many have talked about with great positivity. I will come to some of the comments made by observers and stakeholders alike with regard to the three broad areas of the legislation. In summary, they are: governance

arrangements relating to trustees—who they are and how they are appointed—which I have just gone over; the members' outcomes—ensuring that members have a capacity to have some oversight over their superannuation funds and decisions that are made, and that the best decisions are being made in their interests—and, of course, delivering on member choice as well.

Noting that, as I understand it, 20 per cent of all members of superannuation funds in this country can't choose where they'll be making their compulsory superannuation contributions, it is important that in that situation there is a degree of accountability for people who manage those funds. Also, when you can't make a choice about where your superannuation contributions are going to be made, you will see people with multiple accounts. This results in higher fees, so that, at the end of the day, there is less for them to draw on in their retirement. This bill is doing away with this duplication and the rigid approach that has been taken by some entities to not allow individuals to choose the fund they contribute to.

I think that choice is a good thing in this country. It helps people to be more self-sustaining in their retirement. That's why I think all the elements of this bill are critically important and are great initiatives, and that's why I think they have been so broadly welcomed. I will outline some of those endorsements a little later on, but the key points are: it is about improving standards of accountability, transparency and the like, and it is also about making sure consumers are at the heart of the decision-making process.

I note the significance of superannuation in the quarter of a century—the 25-odd years—that compulsory superannuation contributions have been a part of the way of life in Australian society. They have grown from around \$136 billion in 1992, when I was about nine years of age, to nearly \$2.5 trillion. That's a significant amount of money in anyone's terms. The important thing to remember in all of this is that those funds are the Australian people's funds. They are the funds that people will be drawing on and relying upon in their retirement, so that they don't have to rely on the taxpayer. I think we would all agree that, if we can, it's best to ensure that people have the capacity to rely on their own savings rather than on the pension. I accept and understand that there are, unfortunately, some people who will not have that opportunity and who are unable to put away superannuation contributions to a level that would mean they would be completely self-sustainable financially in retirement. But this is something we should foster, and this legislation will enhance our ability as a country to ensure that that does happen here.

The word 'expectation' has been used a lot in the debate. In this day and age, I think expectations are critical. For those consumers who can choose which super fund they contribute to, they will vote with their feet. So, enhancing the ability for people to have a choice over which super fund they use is, I think, an exceptionally good thing, and it is consistent with what we're doing in other parts of the economy and other parts of the business world. If you look at banking, the shift in the way banks have been interacting with their consumers, the abolition of ATM withdrawal fees, and the different ways that banks try and attract business has been possible because there is that flexibility and choice on the part of members. Enhancing that flexibility and ability for consumers to choose meets their expectations. It's 2017 and people want to make sure they have the best product for them.

It's also about how members' money is going to be used. They want to know that the directors and the people who are making the decisions around how the money—that people

have put away every fortnight or every month—which is stored away in large funds, is being used to enhance the outcomes for them at the end of their careers, when they have finished working. They want to make sure that they have more money there than they put in, and the biggest amount possible. I think that's what we all want. For the sake of clarity, I should put on the record—and it's an important point to make—that there is a misnomer out there that politicians are on a massive defined pensions scheme. I can assure you that that is not the case. It's a normal pension scheme, like that of any other public servant or any private sector employee. So we too want to make sure that our contributions to our superannuation schemes are performing in the best way possible. The independence and transparency that these bills will bring about will help in making sure that superannuation funds perform to the best level possible. We live in an age of scrutiny: there is greater scrutiny of government, as I said before, and of individual members of parliament, corporate entities, banks and, of course, superannuation funds. It is to be expected.

People are more engaged with how their funds are to be used. In Tasmania, one business I've seen, Tas Ethical, assists Tasmanians in making decisions around how their money is invested. That is a sign that the community are more interested in making sure that their money is used in accordance with things that they think are right, and the proper use of their funds, as opposed to just investing and not having any oversight or understanding of how the money will be used. Having said that, though, for a great number of younger Australians—and I think I can still cling on to that moniker of 'younger Australian' for myself—there is not a great deal of interest in how superannuation funding is used, managed and allocated. Particularly in this day and age where young people will transition from one line of work to another, they will probably have multiple funds and not a great degree of interest, at a younger age, in how their superannuation is being managed. That is something that I think is probably on a downward trend.

We all need to think about our retirement. We have an ageing population and, as Senator Ruston said, the cost to the taxpayer of supporting the ageing population through pension and other health-related costs is going up, and it is something that we need to manage. I think there is a realisation on the part of some young Australians that we need to make sure that our superannuation is working for us, because one day we will be relying on it. The capacity to rely on pensions for years and years to come will, I think, be diminished, given the amount that it will cost the taxpayer with our ageing population. So I think it is sensible in that respect. As I say, it is about—consistent with the trend in Australia for people to have greater levels of knowledge—being informed about how their funds are being spent, and knowing whether that is supportive of a cause that they would identify with. For some people it may be the environment and for others it may be related to animal welfare or the like. People are seeking to have the capacity to make a choice, and these bills are providing that.

I will go to some of the endorsements that have been pronounced in relation to this legislation, starting with the governance and management arrangements around superannuation funds and the chair of the 2010 super system review. Many of these are contributions that were made to the Senate Economics Legislation Committee, which inquired into this legislation, chaired by the hardworking Senator Jane Hume from Victoria. Jeremy Cooper, who was appointed by the former Labor government to conduct the super system review, said:



... providing for independent directors shouldn't diminish the representation of members but actually enhance it. So, rather than the model being broken, I think this is the 21st-century answer to our highly successful superannuation system—how we can govern it better and, most particularly, how we can make people who are forced to save into it feel confident that the standards of governance is at or near world's best practice.

David Murray, who was appointed by this government to the 2014 financial system inquiry, made a contribution to the same Senate committee I mentioned earlier. He said:

When a governing body sits to serve the interests of the people it's meant to serve, it shouldn't be constrained by peripheral interests. That's why, in my view, independence is very important—independence from the executive and independence from peripheral interests.

I think that's absolutely right. People make claims about interference with decision-making processes and undue influence being exercised. Well, here we are talking about some independence being injected into the directorships of these entities so that we make sure there is true independence in the interests of members.

Louise Petschler, General Manager Advocacy at the Australian Institute of Company Directors, said:

The AICD considers that introducing a requirement for at least one-third of the board to be comprised of independent directors will strengthen governance within the superannuation sector.

That is comprehensive. There's no two ways to read that. It is a fairly clear indication that they accept and believe in these amendments.

The final one I'll refer to is Bill Kelty, the former union leader. In an article published in *The Australian* sometime back, he said:

This is compulsory legislation, therefore the level of trust and accountability must not be less than what ... corporations in Australia apply, it should be greater.

Those sorts of endorsements and key points are critical to ensure that we have the best system possible, that it is world's best practice. It is for those reasons that I'm supporting this legislation; I think young Australians will benefit.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (13:47): It gives me great pleasure to rise this afternoon to speak on the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017 and the cognate bill—two bills that are part of the coalition's commitment to deliver for Australians and part of our commitment to bring necessary reform across all elements of the finance sector. These bills will give Australians more control over their providers and a strong regulator to ensure their money is being managed in their best interests—and that's what this comes down to. This is about being on the side of the consumer and making sure that the consumer, the working man and woman who are putting money into these huge industry super accounts—the people who own the money, the people who earned the money—will have more control. This package represents important reforms that will strengthen the foundations of Australia's super system, in particular, for default MySuper members. The package has been developed with that clear objective: to improve outcomes for consumers.

The super sector has grown to over \$2 trillion, largely as a result of the mandatory nature of the system we have here in Australia. The Australians who are earning this money expect the industry to be held to the highest standards of transparency and accountability. This bill includes previously introduced measures aimed at increasing choice and transparency. It also

includes new measures to strengthen supervision of the super sector, boost trustee accountability and improve member engagement. Many of the measures in this bill have been on the policy agenda for several years and have been recommended by past reviews into the super industry. The bill also closes a legal loophole that has been used by unscrupulous employers to short-change employees who choose to make salary sacrifice contributions into their super accounts.

It's best that we go through the bill and look at it in detail, in terms of how the schedules are going to operate. In schedule 1, the outcomes test will strengthen the obligation on trustees to consider the appropriateness of their MySuper product on an ongoing annual basis. The outcomes test will comprise two stages: one which requires trustees to consider their MySuper offering—the design, investment, insurance strategies and scale—and another which requires the trustee to compare their MySuper product with other MySuper products. We believe that, in order to promote the financial interests of their members, trustees should give consideration to the overall quality of their MySuper product. The outcomes test is designed to help inform a trustee's assessment of their MySuper product; it is not meant to weaken or lessen the trustee's primary obligation to promote the financial interests of their MySuper members through net returns. The importance of net returns in promoting the financial interests of members should remain at the forefront of the trustee's mind when assessing the MySuper product.

Through the outcomes test, the Australian Prudential Regulation Authority, APRA, will be able to obtain a more comprehensive view of how funds are working to improve the quality of their MySuper products, and will have stronger grounds to engage with trustees where it has concerns. Trustees will also be required to publicly release the outcomes test determination and a summary of the assessment and comparisons that led to the determination. The government has also tasked APRA with applying a modified version of the outcomes test in relation to Choice products that will require relevant trustees to regularly assess how outcomes are delivered across their business operations and whether they are providing quality, value-for-money outcomes for Choice members.

Schedule 2 concerns the authority to offer a MySuper product: we want APRA to ensure that only suitable trustees are able to offer MySuper products, and that MySuper products are removed from trustees when they are no longer suitable. The MySuper authorisation changes will improve the quality of MySuper products by allowing APRA to refuse or cancel an authority to offer a MySuper product if APRA has a reason to believe the trustee may fail to comply with its obligations. The changes will provide APRA with more scope to ensure that trustees who are authorised to offer a MySuper product are in a position to provide products of sufficient quality to promote the financial interests of members.

We also need to make sure that we address director penalties, which are touched upon in schedule 3. The current gap in the criminal and civil penalty framework concerning misconduct of a director or a trustee will be addressed as a result of these changes. Directors will now be held accountable for their conduct in the same way as directors of managed investment schemes. A directors may be subject to both civil and criminal penalties if they fail to execute their responsibilities to act in the interests of members or if they use their position to further their own interests to the detriment of members.

Schedule 4 will give members a greater level of protection against fraud when a change of ownership or control of a trustee takes place. Given the potential detrimental outcomes that may arise through the mismanagement of funds, we believe that no-one should be able to own or control a fund without APRA's approval. This change will make the industry broadly consistent with the change-of-ownership requirements of other industries regulated by APRA.

In schedule 5, APRA's powers across the credit union, banking, friendly society, insurance and super sectors will now be harmonised. When APRA has prudential concerns, it will be able to intervene early to address its concerns in a way that ensures required actions are in the best interests of members. APRA's new powers will provide it with the ability to take action to ensure that the intent of the law is realised, including the new outcomes test and enhanced management reporting requirements being delivered as part of this package.

In schedule 6, we'll see a measure that will enable members and interested parties to see where funds are investing member contributions. This will ensure, amongst other things, that member contributions are being invested appropriately by empowering members and interested parties to make their funds more accountable. The changes will significantly reduce the complexity of the current law, which was introduced in 2012 but has never commenced. The bill limits portfolio holdings disclosure to assets held directly in investments through associated entities, including initial investments made into non-associated entities. We know that the performance of the super system has a direct bearing on the retirement incomes of each and every Australian. That's why it's important that members can see where their funds are being invested and can compare the relative performance of their funds to other funds. Requiring super funds to disclose their portfolio holdings is also consistent with international best practice. Australia is currently the only market of 25 international markets looked at by financial analyst Morningstar with no implemented, regulated form of portfolio holdings disclosure.

In schedule 7, we are improving accountability because we're requiring funds to hold annual member meetings where members have the opportunity to ask questions and get answers not just of their trustees but also of their executive officers, auditors and actuaries. All members will finally have the opportunity to ask questions about all areas of the fund's performance and operations. Trustees will have another way that they can improve their engagement with their members. Members will also be provided with key documents which outline their fund's performance and operations. To ensure that annual members' meetings suit their funds' members, trustees will have the option to hold their annual members' meetings electronically.

In schedule 8, we look at the choice of fund to workplace determinations and enterprise agreements. Given compulsory super's important contribution to individual retirement incomes, individuals should be able to decide where their compulsory super goes. This measure will provide choice of fund for more Australians employed under federal EBAs and workplace determinations. Expanding choice should reduce the need for multiple accounts, involving multiple fees and insurance premiums. This can help to improve people's super savings and standard of living in retirement. Giving more employees choice of fund also aims to promote member engagement and reduce fees through increased competition.

In schedule 9, we look at reporting standards. This measure will amend the Financial Sector (Collection of Data) Act 2001 to provide APRA with the ability to obtain information

on expenses incurred by funds. This additional information will enable APRA and, ultimately, members to understand the full picture of how funds are using member contributions and will enable APRA to consider whether expenses of individual funds are in line with their obligations as a trustee.

In schedule 10 we close a longstanding loophole, to prevent employers from using people's salary-sacrificed super contributions to reduce their super guarantee obligations. The changes will prevent employers from using—

Debate interrupted.

### QUESTIONS WITHOUT NOTICE

#### Prime Minister

**Senator McALLISTER** (New South Wales—Deputy Opposition Whip in the Senate) (14:00): My question is to the minister representing the Prime Minister, Senator Brandis. Following the Queensland election, the Prime Minister said it was 'fought very much, as we know, on state issues'. The New South Wales Nationals leader and Deputy Premier, John Barilaro said:

What really got up my goat ... on Sunday was to hear the Prime Minister of this nation say there were no federal issues that affected the state election. That's just a joke.

Is New South Wales Deputy Premier Barilaro correct?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:00): Mr President, the first time I'd even heard of Mr Barilaro was on Friday morning, when he burst forth into lurid light, courtesy of the Alan Jones radio program. Now, Mr Barilaro did offer some interesting observations, but I'm more interested, Senator McAllister, in the observations that were made the following day in National Party heartland in New England, when the people of New England re-elected the once and future Deputy Prime Minister of Australia, Mr Barnaby Joyce—who, I suspect, has heard of Mr Barilaro—with the biggest swing to the government in any by-election in Australian history. So, Senator McAllister, if I may say so with respect, if you're going to ask one of these cute, tricky, political questions, you might at least direct your mind to the more recent election—not the Queensland election and not the dribblings of some obscure politician, who nobody outside of New South Wales has ever heard of—but the most recent and most emphatic statement of electoral opinion which we saw the day before yesterday. It was not from the Queensland election, which was the previous week, and not from Mr Barilaro, who nobody has ever heard of, if they don't live in New South Wales, but from the people of New England who re-elected Barnaby Joyce, with, as I say, the biggest swing to a government candidate at a by-election in Australian history. If you want to see a scene of domestic bliss, just have a look at Mr Joyce and Mr Turnbull standing side by side in Tamworth last Saturday night—that is the spirit of this government.

**The PRESIDENT:** Senator McAllister, on a supplementary question.

**Senator McALLISTER** (New South Wales—Deputy Opposition Whip in the Senate) (14:02): Mr Barilaro went on to say:

Turnbull is the problem, the Prime Minister is the problem.

Does the Prime Minister accept that he is the problem and, if not, has the Prime Minister made contact with Mr Barilaro to discuss his concerns?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:03): If Mr Barilaro said that, then that opinion is no doubt an opinion that Mr Barilaro holds, which is not shared by anybody else.

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

**Senator McALLISTER** (New South Wales—Deputy Opposition Whip in the Senate) (14:03): Given that Mr Barilaro's views are shared by members of Mr Turnbull's own backbench, will the Prime Minister accept Mr Barilaro's advice to 'give Australians a Christmas gift and go before Christmas'?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:03): It demonstrates the obscurity of Mr Barilaro, Senator McAllister, that, even though you're from New South Wales yourself, you have trouble pronouncing his name. We have all heard the old saying, 'free advice is worth what you pay for it'. On this occasion, Mr Barilaro's musings are worth considerably less than that.

### National Security

**Senator IAN MACDONALD** (Queensland) (14:04): My question is to the Attorney in his role of being in charge of security matters. I ask the Attorney if he's aware of the concerns that most Australians—like I—have about foreign interference in Australia's security, as was regrettably evidenced last week in this chamber. I'm asking if the Attorney could update the Senate on what the government intends doing to address the threat of foreign interference within Australia?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:06): Yes, Senator Macdonald. As I've said before, and I'll say it again: the issue of foreign interference in our politics is an extremely serious problem. So I can tell the Senate that, later this week, the government will introduce a milestone legislative package to reform Australia's espionage and foreign interference legislation. As I have told the chamber during previous question times, in May of this year the Prime Minister commissioned me to conduct a comprehensive review of our espionage, foreign interference and related laws. That work—a very substantial body of work—was undertaken, led by my department, and included contributions from ASIO, the Australian Federal Police, the Commonwealth Director of Public Prosecutions and other portfolios as well. That review is now complete and the bills have been drafted and are ready for introduction this week.

This is not the first legislative or policy initiative that the Turnbull government has enacted in relation to foreign interference threats. Earlier this year, we passed the telecommunications sector security reforms and established the Critical Infrastructure Centre, both aimed at protecting Australia's communications and national infrastructure from threats of espionage and sabotage. However, the legislation that will be introduced this week will be the most significant reform ever to the laws relating to espionage and foreign interference. It will be world-leading among our like-minded international partners and, indeed, has been developed

in collaboration and discussion with our like-minded international partners, including counterpart agencies in the United States and the United Kingdom. It will completely reshape the way foreign interference and related activities are investigated and disrupted in this country.

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

**Senator IAN MACDONALD** (Queensland) (14:06): I thank the Attorney for that and thank you also—I think I can speak on behalf of most Australians in saying thank you—for addressing this very important issue. I ask the Attorney if he might be able to further elaborate on the scope of the espionage and foreign interference reforms that he mentioned in his answer.

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:07): Yes, I can, Senator Macdonald. Of course, what this legislation seeks to do is to plug some important gaps in both the Criminal Code and the legislation governing our security agencies. It's being carefully developed, as I said a moment ago, in collaboration with those agencies, for the purposes of investigating, disrupting and prosecuting acts of espionage and covert interference in the Australian political process. It will strengthen and modernise a range of offences, and introduce new offences. As well, it will establish a new transparency scheme, providing for the first time visibility of the nature and extent of influence over Australia's government and political processes by foreign interests. It will introduce new offences targeting foreign interference and economic espionage, including offences that criminalise covert and deceptive activities that support the intelligence activities of foreign actors.

**The PRESIDENT:** A final supplementary question, Senator Macdonald.

**Senator IAN MACDONALD** (Queensland) (14:08): This is almost a rhetorical question, but could I ask the Attorney to explain why these reforms are so very important to Australia?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:08): Well, they're important because of the rise in foreign interference, Senator Macdonald. We saw that in the chamber last week in the debate on the activities of our colleague, Senator Sam Dastyari, who, I'm surprised to say, in the statement he made to the chamber on Thursday afternoon, woefully failed to address the facts or substance of the most important allegations made against him by Fairfax Media—that he had given countersurveillance advice to Mr Huang Xiangmo and conducted a covert conversation with him in October 2016. Until Senator Dastyari provides a complete explanation of that central allegation against him, that he actively sought to assist an individual—widely reported in the media as being of security interest—to evade possible security by Australian security agencies, he is plainly unfit to hold his place in the Senate, and the Leader of the Opposition, Mr Shorten, should show a spine and show him the door.

### **Donations to Political Parties**

**Senator GALLACHER** (South Australia) (14:09): My question is to the Minister representing the Prime Minister, Senator Brandis. I refer to the minister's claim yesterday that responsibility for foreign donations lies within Senator Cormann's portfolio as Special Minister of State. Why then in *The Australian Financial Review* earlier this month is Senator

Brandis reported to be introducing the reforms in the current sitting? Did the Prime Minister ask the Special Minister of State to take yet more responsibilities from the Attorney-General?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:10): No, Senator. In fact, there's a package of three bills. Two of them are in the Attorney-General's portfolio and one of them is in the portfolio of the Special Minister of State. It's as simple as that. That's always been the position. The regulation of foreign donations is a matter for the Special Minister of State. The Commonwealth Criminal Code is a matter for the Attorney-General. The transparency scheme, which I outlined in answer to Senator Macdonald's question, is also a matter for the Attorney-General's portfolio. The legislation will be introduced as a package.

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

**Senator GALLACHER** (South Australia) (14:11): I note that it's over a year since foreign donation reforms were supposed to be introduced by the Turnbull government. Isn't this just another example of the Prime Minister's failed leadership?

*Government senators interjecting—*

**The PRESIDENT:** Order on my right!

**Senator Wong:** A year's delay!

**The PRESIDENT:** Order on my left!

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:11): Senator Gallacher, the use of money is, of course, a very important vector of foreign interference, but it's not the only one. As we saw from the conduct alleged against Senator Dastyari last week, there are other ways of mediating foreign interference in our democratic polity than through money. What the government decided to do, as I said in answer to Senator Macdonald's question, is to conduct a comprehensive review so that the entire problem can be addressed as a package. That is precisely what the government has done. While the special ministers of state—formerly you, Mr President, Senator Ryan, and now Senator Cormann—have been addressing that part of the problem that does relate to foreign donations, the Attorney-General's Department has been addressing that part of the problem that deals with other aspects of the question of foreign interference so that the parliament will be invited to consider a comprehensive and thorough package of legislation which deals with all aspects of the issue.

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

**Senator GALLACHER** (South Australia) (14:12): Will the Turnbull government now join with Labor and support our legislation to ban foreign donations—legislation which has been before the House since 2016.

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:12): Senator Gallacher, if you are so concerned about this issue, will the Shorten opposition join with the Turnbull government, Fairfax Media, News Ltd and every significant media organisation in Australia and insist that one of your colleagues who sits there, Senator Dastyari, who has been credibly alleged to be a person who is under foreign interference, and who has engaged in acts of foreign interference, no longer occupy a seat in this parliament? I'll tell you what, Senator Gallacher, if Mr Shorten

is so weak, so spineless and so little concerned about national security that he's prepared to sack Senator Dastyari from official positions in the Labor Party—

**The PRESIDENT:** Order! Senator Brandis, Senator Wong is on her feet on a point of order.

*Government senators interjecting—*

**The PRESIDENT:** Order on my right, so I can hear the point of order.

**Senator Wong:** There was a reference to national security. I invite the Attorney to consider the wisdom of what he said. I invite him to withdraw the reference to national security.

**The PRESIDENT:** Senator Brandis, I'm not aware that there was a unparliamentary statement there.

**Senator BRANDIS:** Credibly alleged.

*Senator Wong interjecting—*

**Senator BRANDIS:** I note what you say, Senator Wong. If Mr Shorten is prepared to conclude that Senator Dastyari is no longer fit to hold a parliamentary position in the Labor Party leadership group in the Senate on the basis of his alleged conduct, why will he, nevertheless, protect him? It is because he's too weak to rid himself of him.

### **Taxation**

**Senator HUME** (Victoria) (14:14): My question is to the Minister for Finance, representing the Treasurer, Senator Cormann. Can the minister update the Senate on the implications for Australian economic growth, jobs and wages of the passage of major business tax cuts through both chambers of the US Congress?

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:14): I thank Senator Hume for that question. Yes, I can. A proposal of the Trump administration to reduce business tax rates in the US from 35 per cent to 20 per cent has now passed both houses of the US Congress. That makes the passage of business tax cuts in Australia more urgent because, if we don't, it will lead to less investment in Australia, lower growth, fewer jobs and lower wages. Of course, a vote against our proposal to reduce business tax rates for all Australian businesses to 25 per cent—let me say it again—would be a vote for less investment in Australia, lower growth, fewer jobs and lower wages. And it would be on the head of the Labor Party if in Australia we ended up with less investment, lower growth, fewer jobs and lower wages.

*Senator Cameron interjecting—*

**Senator CORMANN:** Yes, it would also be on the head of Senator Cameron if he continues to vote against lower business taxes in Australia.

A vote against our proposal to reduce business tax rates for all Australian businesses closer to the OECD average now of 22.5 per cent would be a vote to wilfully damage the Australian economy and jobs. That is because it would be a vote to put Australian businesses at a competitive disadvantage. Australian businesses are competing for investment with businesses from around the world. Of course, Australian businesses are competing in export markets around the world. With the US legislating to reduce its business tax rate to 20 per cent, many more businesses will be able to attract investment away from Australian



businesses. Attracting investment away from Australian business means lower growth in Australia, which means fewer jobs and lower wages. It means those businesses in Australia will be less successful than they otherwise would be. Of course, a vote by Labor to stand in the way of business tax cuts will be a vote to wilfully damage the Australian economy.

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

**Senator HUME** (Victoria) (14:17): How does Australia's business tax rate compare to those of other major advanced economies?

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:17): The United Kingdom used to have a business tax rate of 30 per cent. Now it is down to 19 per cent and on its way to 17 per cent by 2020. Ireland had a tax rate of 12.5 per cent for some time and Canada 15 per cent. France is proposing to move from a business tax rate of 33.5 per cent to 25 per cent. The President of France is hardly a right-wing extremist or some sort of IPA free marketeer. The President of France used to serve in a socialist French administration, as recently as the last administration, as their minister for the economy. He is pushing for a reduction in the business tax rate from 33.5 per cent to 25 per cent. The US is down to 20 per cent. Singapore is 17 per cent. The OECD average, as I have mentioned, is 22.5 per cent. Our business tax rate is too high by international standards. To leave it where it is would hurt our economy, investment and jobs.

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

*Senator Cameron interjecting—*

**The PRESIDENT:** Senator Cameron!

**Senator HUME** (Victoria) (14:18): Can the minister please enlighten the Senate: what would be the consequences for the Australian economy, Australian jobs and Australian wages if the parliament did not legislate the Turnbull government's proposed business tax cuts?

*Opposition senators interjecting—*

**The PRESIDENT:** Order on my left! Senator Cameron and Senator Watt.

*Senator Cameron interjecting—*

**The PRESIDENT:** Senator Cameron, that's the third time in one supplementary question.

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:18): Let me say it again very slowly for Senator Cameron. The consequence of the Australian parliament not legislating a lower business tax rate would be less investment for Australian business, it would be lower growth in Australia, it would be fewer Australian jobs and it would be lower Australian wages. It would be on the Australian Labor Party's head. We're having a lot of conversations about citizenship here today. Senator Cameron's home country of the United Kingdom actually reduced their business tax rate down to 19 per cent and it is on its way down to 17 per cent. Guess what happened to tax revenue? Tax revenue from business taxes has skyrocketed in the United Kingdom since they reduced their business tax rate. Additional investment, stronger growth and additional jobs are created on the back of a more competitive business tax rate—that's what is driving significant increases in corporate tax receipts in the United Kingdom. Go and have a look, Senator Cameron.

### Donations to Political Parties

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (14:19): My question is to the Leader of the Government in the Senate, representing the Prime Minister. Malcolm Turnbull reportedly hinted at a probe into Labor senator Sam Dastyari's dealing with businessman Huang Xiangmo, someone who intelligence experts believe was, until recently, part of a global campaign run by the Chinese Communist Party to advance China's political interests overseas. Since 2012, Mr Huang has donated almost \$3 million to both sides of politics. But, importantly, on 27 September 2017, some two years after ASIO had briefed both the Liberal and Labor parties about the threat of taking donations from Mr Huang, an amended return was lodged with the Australian Electoral Commission by the New South Wales Liberal Party which revealed a \$44,000 payment from Mr Huang. Minister, what was the purpose of this payment, and, given the Prime Minister's concerns, will you now commit to repaying the money?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:21): First of all, we don't ever speculate upon investigations—

*Opposition senators interjecting—*

**The PRESIDENT:** Order on my left! Please stop the clock. On my left—there are too many of you interjecting to name you all.

*Senator Wong interjecting—*

**The PRESIDENT:** It may be a collective, using your words, Senator Wong. I couldn't hear Senator Brandis's answer. Senator Brandis, please continue.

**Senator BRANDIS:** I have reviewed the transcript of the Prime Minister's remarks this morning, and, in my view, it is not a fair or indeed an available construction of anything he said to suggest that he even hinted at the existence of an investigation in addressing these matters. What I have said is that certain matters have been credibly alleged by a reputable journalist against Senator Dastyari, and that is undoubtedly true. But I will not comment on, confirm or, for that matter, deny the existence of an investigation, and nor will the Prime Minister or any minister.

**The PRESIDENT:** Senator Brandis, please resume your seat. Senator Di Natale, on a point of order?

**Senator Di Natale:** A point of order on relevance: the question was very clear—I asked about the purpose of the \$44,000 payment to the Liberal Party and whether the Liberal Party, given their comments about Senator Dastyari, would commit to repaying the money.

**The PRESIDENT:** Senator Di Natale, your question contained a substantial preamble prior to that, and the minister is in order to address that as well.

**Senator BRANDIS:** And I've done so, Mr President, by refuting the wrong suggestion that the Prime Minister hinted at an investigation. He did not. Coming to the rest of your question, Senator Di Natale, I don't know the details of that donation, but I can assure you that the Liberal Party is compliant with all of its disclosure obligations under the Commonwealth Electoral Act. All political parties accept donations from businesspeople—my side of politics does; the Labor Party does; the Greens do—and there is no prohibition on businesspeople

donating to political parties just because they are Chinese. That's not the question here, Senator.

**The PRESIDENT:** Order! Senator Di Natale, on a point of order?

**Senator Di Natale:** I just want to know whether the Liberal Party is going to repay the money.

**The PRESIDENT:** Senator Di Natale, this is not an opportunity to restate your question.

**Senator Di Natale:** Point of order on relevance: it was a question; he hasn't addressed the question. Will the Liberal Party repay the money?

**The PRESIDENT:** Please resume your seat. Your question contained a substantial amount of material. The minister is being directly relevant to what you asked.

**Senator BRANDIS:** What is alleged against Senator Dastyari has nothing whatsoever to do with the disclosure of donations; it has to do with other matters, as you're aware. (*Time expired*)

**The PRESIDENT:** Senator Di Natale, on a supplementary question.

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (14:24): A supplementary question: there are reports today that Mr Huang's adviser Mr Xu has joined John Alexander's campaign team for the Bennelong by-election. Can the government confirm whether this in-kind support will now be terminated and whether any other donation or payment from the Yuhu Group or, indeed, any of Mr Huang's other interests will be returned? Has there been any money given to the Bennelong campaign team, and will it be returned?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:25): I don't know whether there has been any money given to the Liberal Party for the Bennelong by-election campaign by any particular donor. But I can assure you, Senator Di Natale, that, if there is, it will be declared in the usual fashion, as all the Liberal Party's donations are and as, I hope and trust, all the Greens' donations from its corporate and individual benefactors are as well.

But, as I was trying to point out to you in answer to your initial question, Senator Di Natale, that is not the issue about Senator Dastyari. Foreign interference in our democratic politics is a serious matter. It is a very serious matter, and that is why, as I said to Senator Macdonald, the government will this week be introducing the most comprehensive set of reforms, including in relation to but not limited to political donations, to address that threat, and we look to the Greens for their support.

**The PRESIDENT:** Senator Di Natale, a final supplementary question?

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (14:26): The government's and indeed the opposition's response to the Senator Dastyari controversy has sidestepped the deeper problem lying at the heart of our democracy, and that, of course, is that political influence can be bought through donations, whether they're foreign, whether they're from corporations, whether they're from third parties or whether they're from other individuals. With this in mind, will the government now support strict caps for political donations across the board, and will the government support a national anticorruption watchdog?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:26): Senator Di Natale, it's probably a good idea, before you read out prepared questions, to listen to the answers that come earlier on in question time, because, as I indicated to you, far from sidestepping the issue, the government this week will be introducing legislation to deal with that very matter—legislation that has been in development for a long while, because it is a complex area and we have to get it right.

You are quite wrong, Senator Di Natale, with respect, to think that this is only about political donations. That is an important matter. It was credibly alleged this morning by Latika Bourke in the Fairfax papers that Mr Shorten went cap in hand to Mr Huang Xiangmo to beg for and solicit donations for the Australian Labor Party. It is also alleged he had received a warning from the security authorities, something that Mr Shorten is yet to explain. (*Time expired*)

### **Banking and Financial Services**

**Senator KIM CARR** (Victoria) (14:27): My question is to the Minister representing the Prime Minister, Senator Brandis. The Prime Minister has described his backflip on the bank royal commission as regrettable. Nationals senator for New South Wales Senator Williams said that he's very proud of the work done by Senator O'Sullivan and others to make the inquiry happen, recognising that they 'made it very difficult for the Prime Minister'. Is Senator Williams right to be proud of his colleagues making it very difficult for the Prime Minister?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:28): I'm sure Senator Williams is proud of the fact that he and Senator O'Sullivan and others from the National Party backbench were able to prosecute a case and get an outcome. It was not the government's preferred course, as Prime Minister said in his press conference on Thursday announcing the matter. It was regrettable, in the government's view.

Senator Carr, there is one thing that I have never understood and I fear I will never understand and that is why you in the Labor Party seem to think that, when different people have different opinions, that's a problem. It's not a problem for us. It's not a problem for us, because good decisions are made on the basis of hearing a variety of voices in the course of an argument. That is a fundamental intellectual and cultural difference between the Liberal Party and the National Party on the one hand and the Labor Party on the other, with your Stalinist mentality.

Nevertheless, Senator Williams and Senator O'Sullivan had a point of view, which they prosecuted. The government ultimately adopted it, for the reasons the Prime Minister explained at his press conference on Thursday. It wasn't our preferred course. It was not our preferred course, but, because of the way in which the debate had developed, including, I might say, some very irresponsible contributions from the Labor Party and the alternative government, there was a growing concern about the stability of the Australian financial system. So what we did is we identified a highly suitable and eminent person, the Hon. Kenneth Hayne, a former High Court judge with 17 years experience, to conduct this inquiry, with focussed terms of reference and a relatively near reporting date, so that it can get to the meat of the issue immediately.

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

**Senator KIM CARR** (Victoria) (14:30): I refer to the former Deputy Prime Minister, Barnaby Joyce, who says:

The banking royal commission was a big win for the National Party ...

Is Mr Joyce correct?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:30): Yes, he is. The once and future Deputy Prime Minister, my colleague and friend Barnaby Joyce, is quite right in identifying that certain National Party politicians, including our colleagues Senator Williams and Senator O'Sullivan over there, have prosecuted this case for a long time. It was not the cabinet's preferred course of action. But, in view of the way the debate was developing, the government took the view that there were—not from them, I might say, but from your side of politics and others—very wild and irresponsible things being said that, in the view of the government, and indeed in the view of the banks themselves, posed risks for the stability of the Australian financial system. Whatever we do, this government will protect the stability of the financial system and, for that reason, we moved as we have done.

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

**Senator KIM CARR** (Victoria) (14:31): Given that the Prime Minister was ruling out a royal commission just days before it was announced, continued to describe it as regrettable, and admits he was forced into it and has failed to consult with the victims of the banks on the terms of reference, why should victims have any faith that this royal commission will result in any change that they would want to see?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:32): For a start, Senator Carr, they could have great faith in the immense experience and integrity of the royal commissioner, the Hon. Kenneth Hayne, a High Court judge for 17 years, a person renowned for his forensic skill, his deep knowledge of the way the commercial system works, as a commercial lawyer, and with a very, very tenacious sense of justice. They can be confident that the terms of reference will ensure that the entirety of the financial system—not just the banks, but other areas of the financial system, including industry super funds, which have a reputation for abuse—will also be subject to scrutiny. I wonder, Senator Carr, why it is that you demand that one part of the financial system be subject to scrutiny, but you seek to protect another part of the financial system from the same scrutiny you demand of the rest. *(Time expired)*

### **Rural and Regional Health Services**

**Senator GEORGIU** (Western Australia) (14:33): My question is to Minister Fierravanti-Wells representing the Minister for Health. Minister, earlier this year, the Western Australian government allocated \$3 million for an MRI machine for Kalgoorlie Regional Hospital. As you may know, the City of Kalgoorlie-Boulder is Australia's gold capital and produces up to 70 per cent of the nation's precious metal. With that in mind, can the minister please provide an update as to what specific action the federal government has taken to expedite a licence providing for the proposed MRI machine?

**Senator FIERRAVANTI-WELLS** (New South Wales—Minister for International Development and the Pacific) (14:33): I thank Senator Georgiou for his question and for

providing advance notice of it. The Minister for Health understands that there are increasing requests for expansion of MRI services, and that is why the minister has asked the Department of Health to undertake a review of the distribution and availability of MRI medical eligibility and provide further advice on options to expand the number of MRI licences. Part of this review is to consider increasing access in regional and remote, and within private and public settings.

There are currently 16 Medicare-eligible MRI machines with full eligibility and 16 Medicare-eligible MRI machines with partial eligibility in Western Australia. For the 2016-17 financial year, there were almost 94,000 MRI services provided in Western Australia at a cost to the government of over \$36 million.

Expanding access to MRI is not inexpensive, with the average cost in Medicare benefits per fully eligible machine in 2016-17 estimated to be approximately \$1.6 million. Senator Georgiou, Minister Hunt would be more than happy to provide an additional briefing on this matter.

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

**Senator GEORGIOU** (Western Australia) (14:35): Can the minister detail how many MRI licences for the purpose of Medicare rebates have been granted in Australia over the last three years, and in what proximity to a capital city?

**Senator FIERRAVANTI-WELLS** (New South Wales—Minister for International Development and the Pacific) (14:35): In the last three years, there have been four MRI licences granted. They have been granted in Mount Gambier; at the Epworth hospital, Richmond; at Frankston; and at Maroondah. Mount Gambier is located 400 kilometres from the Adelaide CBD; Frankston is over 50 kilometres from the Melbourne CBD; Maroondah is over 30 kilometres from the Melbourne; and Epworth is located in the Melbourne CBD.

**The PRESIDENT:** A final supplementary question, Senator Georgiou.

**Senator GEORGIOU** (Western Australia) (14:36): Given there are already MRI machines in Bunbury, Albany and Geraldton, can the minister give an anticipated date as to when a licence will be approved for and provided to the Kalgoorlie Regional Hospital for a proposed MRI machine?

**Senator FIERRAVANTI-WELLS** (New South Wales—Minister for International Development and the Pacific) (14:36): As I mentioned in my first response to Senator Georgiou, once the department has completed the review, advice will be provided to the Minister for Health on what options are available to expand the number of MRI licences. The minister will, in due course, consider the terms of that review.

### **Schools**

**Senator WILLIAMS** (New South Wales—Nationals Whip in the Senate) (14:36): My question is to the Minister for Education and Training, Senator Birmingham. Minister, on Saturday I was in a polling booth south of Inverell in a little town called Bundarra. The Labor volunteer handing out information was saying to the people coming in to vote: 'The coalition government has cut hundreds of thousands of dollars out of the Bundarra school funding.' I thank you, Minister, for the information you provided to me showing that this year Bundarra will get \$464,000, going up to \$703,000 within 10 years and extra funding going into that. Given that false, misleading porky pies are being spread by Labor, can the minister update the

Senate on how the coalition government's fair, needs-based school funding will provide more funding to schools like Ryde Secondary College, Macquarie University Special Education Centre and St Gerard's Catholic Primary School, which is in the electorate of Bennelong?

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (14:37): I thank Senator Williams for his question and for his, I am sure, exemplary work at the Bundarra public school on Saturday, where I have no doubt that they would have been supporting Barnaby Joyce because of Senator Williams' advocacy. Senator Williams is right that those opposite will stoop to any level, any depth, in terms of the lies they will tell, the mistruths they will spread, and the scare campaigns they will run, on any level and on any issue, including school funding.

Senator Williams, thank you for highlighting the fact that funding goes up in Bundarra, as it does for schools right around Australia under our fairer, needs-based model that is more consistent with the recommendations that David Gonski handed down in his review a number of years ago now. Indeed, that flows through to the schools that Senator Williams has highlighted that happen to be in the electorate of Bennelong—where I am equally confident that the Labor Party will be out there spreading more lies and mistruths and scare campaigning. St Gerard's Catholic Primary School, as part of the Catholic education system in New South Wales, will see their funding grow from some \$2 billion for that system next year up to some \$2.9 billion by 2027—significant strong growth. Ryde Secondary College, a very large secondary school in the government system in New South Wales with 1,000 students, will see its funding grow from some \$2.8 million in 2018 up to \$4.3 million by 2027. Indeed, because it is a needs-based model, let's look at the Macquarie University Special Education Centre, a centre with 44 students of very high needs. Under the needs-based model, they, of course, see the strongest growth—from \$900,000 up to \$1.9 million or, in per student terms, support of some \$40,000 per student that will be delivered. *(Time expired)*

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

**Senator WILLIAMS** (New South Wales—Nationals Whip in the Senate) (14:39): I will say that that conning only got 44 people at Bundarra to vote Labor—so the lies simply did not work. Can the minister outline how the coalition government is providing record levels of funding for schools across New South Wales?

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (14:40): Right across New South Wales, our school funding model will deliver an increase of some \$1.1 billion just over the forward estimates period. That's a 19.8 per cent—virtually a 20 per cent—increase in funding. It's geared most strongly towards those of highest need. As a consequence, we see funding growth is even faster in the government sector, running at some 23.6 per cent over the forward estimates period, while in the non-government sector there is still strong growth of around 17.3 per cent—growth well above inflation, well above projected wages growth, and growth that provides real, additional support into New South Wales schools. It stands in stark contrast to the work of Kristina Keneally: the Labor candidate in Bennelong and the former New South Wales Premier—who as Premier was happy to cut \$318 million out of New South Wales schools. Sanctimonious, they are arguing for school funding, but their candidate, the former New South Wales Premier, was happy to rip money out of their schools.

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

**Senator WILLIAMS** (New South Wales—Nationals Whip in the Senate) (14:41): I thank the minister for doing a magnificent job in the school funding area. Can the minister advise how the coalition government's reforms will ensure that this growing level of funding is used to improve student outcomes?

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (14:41): Having more funding is good, and ensuring that it's delivered according to need is important, but what you do with it is what matters most: ensuring that students get the quality educational experience that they deserve—that every student has the opportunity to succeed. As a government, we've already proudly delivered on reforms to initial teacher education, initiatives to try to lift the uptake of foreign languages, to support basic literacy and numeracy skills, and to develop and enhance students in the STEM disciplines—the rich and complex areas that are critical to people's future employment prospects. So, across the board, we've pursued initiatives to date, but we will build on those, particularly with the work that David Gonski has done and that the current review to achieve educational excellence in Australian schools is undertaking. We will make sure that every dollar delivers the best possible outcomes for Australian students, because that's what they deserve to get the best start in their lives.

### Registered Organisations

**Senator CAMERON** (New South Wales) (14:42): My question is to the Minister for Employment, Senator Cash. The Australian Public Service Code of Conduct states that 'employees should avoid partisan comment'. On Friday, the Registered Organisations Commissioner, Mark Bielecki, and the commission's executive director, Chris Enright, admitted to making partisan comments during a break in the Education and Employment spillover estimates hearing. What action has the minister taken to enforce the Australian Public Service Code of Conduct?

**Senator CASH** (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:43): I thank Senator Cameron for the question. Senator Cameron, I completely reject the premise of your question. You should have read out the comment that you believe was partisan and was made, because as I recall, Mr Bielecki stated that he said nothing—

*Senator Wong interjecting—*

**Senator CASH:** But I have to say, Senator Cameron's hatred of the Registered Organisations Commission is absolutely well known. What those on the other side fail to understand is: why do we need a Registered Organisations Commission? It is because we need to protect honest union members from the theft and deception—

*Honourable senators interjecting—*

**The PRESIDENT:** Order! The Leader of the Government has precedence. I will come to you next, Senator Cameron.

**Senator Brandis:** Mr President, Senator Cash was inaudible to me sitting right here, because of the bellowing across the chamber from Senator Wong.

**The PRESIDENT:** I was calling the chamber to order during the answer. Senator Cameron.



**Senator Cameron:** A point of order on relevance. The question was: 'What actions has the minister taken to enforce the Australian Public Service Code of Conduct?'

*Honourable senators interjecting—*

**The PRESIDENT:** Order! Order right around the chamber. Senators Wong and Macdonald—

*Senator Wong interjecting—*

**The PRESIDENT:** I'm not going to rule on the point of order until interjections cease across the chamber.

*Honourable senators interjecting—*

**Senator Sterle:** Chuck him out, the old fool.

**The PRESIDENT:** Senator Sterle, that is not helpful. We're running down the clock for question time, which is traditionally a time for the opposition. Senator Cameron, on the point of order on relevance, the minister is allowed to address material you used at the beginning of the question in framing the question. In my opinion, the minister is relevant to the material you had before that part of the question which you restated.

**Senator CASH:** As I was saying, Senator Cameron's dislike of the Registered Organisations Commission is well known. This was addressed at Senate estimates on Friday. I reject the premise of Senator Cameron's question.

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

**Senator CAMERON** (New South Wales) (14:45): I refer to reports that a Fair Work Ombudsman official was involved in the discussion. Does the minister accept the Fair Work Ombudsman Natalie James's denial that she was involved?

**Senator CASH** (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:45): Senator Cameron, you'll recall that the Fair Work Ombudsman was asked a direct question and gave a direct answer. I can only take that the Fair Work Ombudsman answered the question as she saw fit.

**The PRESIDENT:** Senator Cameron, a final supplementary question?

**Senator CAMERON** (New South Wales) (14:46): Given that two members of the Registered Organisations Commission were overheard making partisan comments, and the minister refused to outline actions taken—

*Honourable senators interjecting—*

**The PRESIDENT:** Order! Please stop the clock. I couldn't hear part of that question.

**Senator Wong:** All I did was shoosh.

**The PRESIDENT:** I was going to point out that there was noise across the chamber from both sides. Senator Cameron, please continue.

**Senator CAMERON:** Why should anyone have confidence in the independence of the Registered Organisations Commission?

**Senator CASH** (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:46): I thank Senator Cameron for the supplementary questions. Senator Cameron would be aware that this was

canvassed in detail, I think by himself, with both the Registered Organisations Commission and the Fair Work Ombudsman at Senate estimates on Friday and the answers I refer to.

### **Pharmaceutical Benefits Scheme**

**Senator BROCKMAN** (Western Australia) (14:47): My question is to the Minister for International Development and the Pacific, representing the Minister for Health, Senator Fierravanti-Wells. Can the minister update the Senate on the Turnbull government's ongoing investment in new life-saving medicines on the Pharmaceutical Benefits Scheme?

**Senator FIERRAVANTI-WELLS** (New South Wales—Minister for International Development and the Pacific) (14:47): I thank Senator Brockman for the question. The Turnbull government is resolutely committed to delivering cutting-edge medication to the Australian people that will save lives and protect lives. We will continue to deliver on our promise to list medicines recommended by the Pharmaceutical Benefits Advisory Committee. During our time in government, the coalition has listed close to 1,500 new drugs on the PBS, representing a health investment of close to \$7.5 billion. This investment has enabled thousands of Australians to access medications that, without subsidy, would have cost them well into six figures per annum, at a cost of only \$38.80 for general patients or \$6.30 for concessional patients. More than 60 new cancer medicines or amended listings have been approved by the coalition government since October 2013, and this includes new treatments for advanced pancreatic cancer, melanoma, advanced breast cancer and ovarian cancer. Our continued investment in the PBS is part of the government's long-term national health plan, which is guaranteeing the future of Medicare and is providing record investment in medical research and hospitals.

This is vitally important to the people of Bennelong, where many of our key pharmaceutical and health companies are located, in the Macquarie Park area. This, however, has not stopped Bill Shorten's girl Kristina Keneally lying to the people of Bennelong about health issues.

**Senator Wong:** Oh, come on! Seriously? Girl?

**Senator FIERRAVANTI-WELLS:** She has lied about the Eastwood Medicare office—Bill Shorten himself describes her in that way; I am only repeating what he said—she has lied about waiting periods at the Ryde Service Centre and she has lied about bulk-billing rates in Bennelong. If you read the press, Senator Wong, you would read precisely where Bill Shorten referred to her in those terms. (*Time expired*)

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

**Senator BROCKMAN** (Western Australia) (14:49): Can the minister advise the Senate on how our support for the PBS complements the Turnbull government's broader investment in the health of Australians?

**Senator FIERRAVANTI-WELLS** (New South Wales—Minister for International Development and the Pacific) (14:49): Beyond listing close to 1,500 new medications on the PBS, we are investing more than ever in Medicare, with funding going from \$23 billion in 2017-18 to \$28 billion in 2021. We have also removed Labor's Medicare freeze and have committed \$1 billion to restoring the indexation of the Medicare rebate. Contrary to the lies being peddled by Mr Shorten, and being parroted by Ms Keneally, we are delivering record funding for public hospital services. Since 2012-13, funding for hospitals in Bennelong, like

Macquarie Hospital and Ryde Hospital, has increased by 66 per cent. This means more hospital services, more doctors and more nurses for the people of Bennelong. Compare this to the fact that waiting times for elective surgery blew out at Ryde Hospital when Ms Keneally was Premier.

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

**Senator BROCKMAN** (Western Australia) (14:50): Is the minister aware of any risks to the delivery of new medicines on the PBS?

**Senator FIERRAVANTI-WELLS** (New South Wales—Minister for International Development and the Pacific) (14:50): When Labor was last in power, they reversed coalition policy to list all medicines approved by the independent Pharmaceutical Benefits Advisory Committee. In February 2011, the Gillard government deferred the listing of seven medicines and vaccines on the PBS and the national immunisation program. Labor also introduced the requirement that all medicines recommended by the PBAC be approved by cabinet prior to listing. Therefore, Bill Shorten and Kristina Keneally need to tell the people of Bennelong the truth: Labor stopped listing medicines approved by the PBAC in an attempt to cut costs. Labor's reckless approach to the PBS will put at risk jobs in all those pharmaceutical companies in Bennelong that are located at Macquarie Park.

#### **Defence Facilities: Chemical Contamination**

**Senator RHIANNON** (New South Wales) (14:51): I direct my question to the Minister for Defence, Senator Payne. A representative of a major defence contractor, Aurecon Australia, at a summit on PFAS chemicals organised on behalf of the heads of EPAs in Australia and New Zealand, and the Australian government Department of the Environment and Energy, criticised the European Union's precautionary position on firefighting-foam contaminants. The Aurecon representative also made an inaccurate statement about the status of the contaminant PFOA in the Stockholm convention. Considering Aurecon is undertaking a major investigation into contamination at HMAS *Albatross* near Nowra and the RAAF base at Williamstown in New South Wales, do you agree that companies with contracts with Defence have a major conflict of interest when they are also asked to investigate contamination issues?

**Senator PAYNE** (New South Wales—Minister for Defence) (14:52): I thank Senator Rhiannon for her question. I'm not aware of the statements that Senator Rhiannon says have been made by an Aurecon official. I am aware of the efforts that Defence is making in a number of locations around Australia—I think almost 23 environmental investigations at this point—which will take the PFAS investigation to the largest-ever, single national environmental investigation in this country, as you would be aware, Senator. I will, however, take any further aspects of the senator's question on notice and respond to her in due course.

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

**Senator RHIANNON** (New South Wales) (14:53): Considering Aurecon has 539 contracts with the Department of Defence, as revealed at the March estimates, and considering Aurecon is responsible for waste management at many RAAF bases, how has your department investigated the role of the company in the contamination scandal that the Department of Defence is currently handling?

**Senator PAYNE** (New South Wales—Minister for Defence) (14:53): Again, in terms of your language, Senator Rhiannon: you may refer to it in that way, but we know—and in fact, you know, if you are frank with the chamber—that this is a legacy contamination issue that the Australian government and a number of other international governments are handling. It doesn't only pertain to defence sites. It pertains to airports, and it pertains to sites used by rural fire services and a number of industry participants, particularly in the fuel area. I think there is a substantial way to go in the investigation process for all of those—

**The PRESIDENT:** Senator Rhiannon, on a point of order.

**Senator Rhiannon:** Yes, Mr President, I'm drawing your attention to the question of relevance. The question was: how has your department investigated the role of the company in the contamination scandal? It was not about what they've done. It was specifically about that company, and companies with contracts.

**The PRESIDENT:** Senator Rhiannon, I think the minister was addressing the other part of the question you raised. Again, I state that, if there is a preamble to a question, a minister is allowed to address that as well as the question asked at the end.

**Senator PAYNE:** There are, of course, thousands of contracts between Defence and a very large number of businesses in Australia. Senator Rhiannon, if I have anything further to add in relation to the Aurecon matter, I will take that on notice and bring that back to the chamber.

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

**Senator RHIANNON** (New South Wales) (14:55): Considering the Department of Defence has known about dangers associated with PFOS and PFOA since at least 2000, when will the government give impacted communities some certainty by acting on the recommendation of the 2015 Senate inquiry into the Williamstown contamination? It recommended:

The Commonwealth government commit to voluntarily acquire property and land which is no longer fit for purpose due to PFOS/PFOA contamination ...

Why are you still dragging the chain?

**Senator PAYNE** (New South Wales—Minister for Defence) (14:55): I would note that, as I said, this is the largest single national environmental investigation, as far as we are aware, in Australia's history. We are investing substantial resources in the investigation and decontamination of sites and will continue to invest in remediation and management activities as required. As the senator is well aware from her questions at estimates, the coordination of the whole-of-government response, including those matters the senator has raised, is being implemented through a task force in the Department of Prime Minister and Cabinet, the PFOS task force. That matter is being undertaken by them, and Defence will assist in any way that it can.

**Senator Rhiannon:** On a point of order—

**The PRESIDENT:** Minister, have you concluded your answer?

**Senator PAYNE:** Yes.

**The PRESIDENT:** There is no point of order on relevance if the minister has concluded her answer. There are other opportunities to pursue the matter.

### Banking and Financial Services

**Senator KETTER** (Queensland) (14:56): My question is to the minister representing the Prime Minister, Senator Brandis. This morning *The Sydney Morning Herald* reported that, in relation to the banking royal commission, 'a tight grip of economic ministers knew about the reversal days before it occurred—Turnbull, Bishop, Scott Morrison, Kelly O'Dwyer and Mathias Cormann'. Can the minister explain why he, as Leader of the Government in the Senate and the third most senior member of cabinet, was excluded from these discussions?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:57): Well, Senator Ketter, without confirming that report, I'm not an economic minister.

**Senator KETTER** (Queensland) (14:57): The report notes that the change of position 'didn't leak because certain other ministers did not find out about it until it went to an emergency cabinet meeting deliberately'. Which member of the cabinet was the Prime Minister avoiding?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:57): Regrettably there have been leaks from the cabinet, I'm sorry to say, and that is a very serious matter, but on this occasion I can tell you, Senator Ketter, that certain ministers beyond those mentioned in your question, including me, I might say, were taken into the Prime Minister's confidence well in advance of the decision having been taken to cabinet.

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

**Senator KETTER** (Queensland) (14:58): A senior government source has told *The Australian Financial Review* that the Turnbull government began working on terms of reference for a banking inquiry a long time ago, in the belief it would eventually be forced to do so. Isn't it clear the only reason the full cabinet was kept out of the loop for a long time was to avoid telling ministers whom the Prime Minister no longer trusts?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:58): I can't confirm that report, but what I can tell you, Senator, is that the Prime Minister did involve me in developing the terms of reference in advance of the matter being recommended to the cabinet.

### Dairy Industry

**Senator McKENZIE** (Victoria) (14:58): My question is to the Minister for Resources and Northern Australia representing the Minister for Agriculture and Water Resources, Senator Canavan. Can the minister update the Senate on the health of the dairy sector in Australia and advise how the coalition government has supported our dairy farmers' growth?

**Senator CANAVAN** (Queensland—Minister for Resources and Northern Australia) (14:59): Thank you, Senator McKenzie. I understand and know your strong support for the third-largest agricultural sector in our country, the dairy industry, which produces more than \$3½ billion across Australia but is especially strong in the senator's home state of Victoria. It also supports 42,000 Australians. We are a big supporter of the dairy industry. It has been a tough year and a bit for the dairy industry, suffering price falls on world markets and issues with domestic pricing. The Australian government has done what it can to support our dairy farmers through these difficult times.

Last year, we announced a \$579 million dairy support package for the sector. I can inform the Senate that, to now, \$161 million in concessional loans has been put out the door to help our farmers get back on their feet through these difficult times. It's good to see that prices are starting to rise now. Just last week, we engaged a provider to deliver the milk price index that we announced as part of the support package. That will provide greater transparency to dairy farmers so they can appropriately price and try to avoid the situation we saw last year with Murray Goulburn. Of course, over the last few years, the government has concluded free trade agreements with many countries in our region. That's of great support to our dairy sector. The Chinese agreement in particular was a great opportunity and boon, and hopefully now, as prices are recovering in the world, the full opportunities of that will start to translate. We announced an ACCC inquiry into the dairy market. An interim report was released last week. Also, I recognise the work that Senator McKenzie has done, getting out into her community and engaging with a number of round tables and discussions through these processes. All of that has helped inform the government response. While it is a tough time, we are doing what we can to assist our farmers through these tough years.

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

**Senator McKENZIE** (Victoria) (15:01): Can the minister advise the Senate on the outcomes of the ACCC interim report into the dairy industry released last week?

**Senator CANAVAN** (Queensland—Minister for Resources and Northern Australia) (15:01): As I mentioned in my answer to the first question, the ACCC released an interim report into its dairy inquiry last week. We welcome that report. Its recommendations are simply interim ones at this stage. I would encourage those affected in the industry and those who are interested in this report to provide feedback on those recommendations. They are due by 31 January 2018 and a final report will be released by 30 April 2018. The recommendations are quite broad. As I say, the government will consider what is recommended in the final report. I note that a mandatory code of conduct is recommended. That's something the government will consider. We already have a voluntary code of conduct in place, but all of these things give strength to why the government is doing what it can to help support our dairy farmers. We are ready to take further action if necessary to ensure that a fair price is delivered to dairy farmers so that they can keep investing in their business and keep supporting the more than 40,000 people who rely on this industry.

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

**Senator McKENZIE** (Victoria) (15:02): Can the minister outline how the coalition government is investing in the future of this important industry?

**Senator CANAVAN** (Queensland—Minister for Resources and Northern Australia) (15:02): I can, Mr President. I thank Senator McKenzie for that question. We are ensuring that dairy farmers can get access to the raw natural resources they need to build their business. The start of that, of course, means water. You can't have a dairy industry without water. Every year, cows need to eat grass, and to grow that grass we need to have access to water. That is why the Commonwealth government is taking a sensible and balanced approach to the Murray-Darling Basin Plan, ensuring that we not only meet the environmental objectives of that plan but also support the economies and social structures of the communities in rural Victoria that need access to water to have an economy and provide those jobs.

Also, I note that the Australian dairy industry has received a major boost with a \$335,000 grant under the Australian government's \$5 million Leadership in Agricultural Industries Fund. That has helped build the leaders for the next generation in our dairy sector. I'm sure the Commonwealth government will keep supporting this important sector. I thank the senator for her interest in Victoria's dairy industry and will continue to work with her and others in Victoria to build on the strengths of the last year.

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

## BUSINESS

### Consideration of Legislation

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (15:03): I seek leave to move a motion to vary the order of the Senate of 30 November 2017, relating to the hours of meeting and routine of business.

Leave not granted.

**Senator BRANDIS:** Pursuant to contingent notice of motion standing in the name of the Leader of the Government in the Senate, I move:

That so much of the standing orders be suspended as would prevent him moving a motion to provide for the consideration of a matter, namely a motion to vary the order of the Senate of 30 November 2017 may be moved immediately and determined without amendment or debate.

The purpose of the motion, for the moving of which leave is sought, is self-explanatory. This is, as we all know, the last sitting week of the year. The government has a great deal of business to get through that has been notified—it's on the *Notice Paper*—and the government seeks to vary the order of business so as to most efficiently dispose of that business and to move on to other legislation. If we look at today's red, we can see there are very urgent and important bills to be considered, including, for example, the Regional Investment Corporation Bill 2017, which is a bill upon which a lot of people in regional communities have a lot riding. There are other bills on the *Notice Paper* too that the government consider need to be deliberated upon and we seek urgent passage of this week.

We really had this debate last week. The point I made in the debate then is the same point I make now—that it is for the government to determine the government's legislative agenda. We acknowledge the fact that of course on occasions the Senate will have other views, and that general proposition does admit of exceptions. Nevertheless, given the busyness on the *Notice Paper* in this final sitting week, it is the desire of the government to reorder the priorities as set out in the Senate order of 30 November in this respect, which is why the government seeks support of the Senate for this motion.

I understand that the attitude of the Leader of the Opposition is that the opposition will not support this. I think that is regrettable, because it disrespects the convention that the government should have the principal say in the ordering of business. Nevertheless, we do respectfully ask those who sit on the crossbench to respect the orthodox conventional position that the government should, especially in the busy final week of the year, have the principal right to indicate the order of business for the Senate's consideration. I don't want to detain the

Senate any longer, so I will leave it at that. We ask the crossbench for their favourable consideration of the government's wishes.

**Senator WONG** (South Australia—Leader of the Opposition in the Senate) (15:07): What a complete farce. What the government are now doing, just so we are clear, is taking out of the order of business motion that thing they had a fight on last week to put in the order of business. Just so we are clear: this is taking out of the motion the bills on superannuation that in fact the opposition moved to take out last time but the government voted against and got the support of the crossbench. Do you know why they've changed it? It's because they've suddenly worked out that they may not have the numbers. It is not that the government are changing the program because they care about the Regional Investment Corporation; it's because they have suddenly worked out that they haven't got the numbers, so they don't want to bring it on for debate. Let's be clear what this is: chopping and changing the Senate program between Thursday and Monday—

**Senator Cormann:** That's right. You should vote with us.

**Senator WONG:** At least he's honest. Senator Cormann says, 'Guilty as charged.' He's right. But on Thursday he demanded that Senators Griff and Patrick support him against Labor to take these out. We didn't want them debated. We don't support these bills. We're clear about that. Now the government are worried they haven't got the numbers so they're saying: 'We actually don't want to talk about these anymore. Can we please change the program because we don't want to talk about these anymore?' Can I be really clear: we won't be supporting this. I move as an amendment to the motion:

Omit "and determined without amendment or debate".

Can I be clear what I'm doing. The Labor Party want to vote on at least one of these bills. We think it is bad law. We think the legislation in relation to strengthening trustee arrangements, which I'm sure the crossbench have been lobbied about substantially—and I won't go through that again—should be read a second time, and we will be voting against it. We invite the crossbench to vote with us. If you don't want that bill to proceed, you should vote with us on my amendment, which will enable us to then move that that bill be now read a second time. That's what we want to do. We don't think the government should be able to keep holding a bill over here so they can keep pressuring all of you to make sure they get the votes before we return next year, or before the end of the week. That's what this is all about—they want to take the bill out of the program and keep working on you until the end of the week. If they get the numbers, they'll quickly bring it back on and get you to vote. If they defer it to next year, you'll keep being lobbied over the Christmas and summer break because these are important matters.

We on this side, unlike the Leader of the Government in the Senate, who again besmirched industry superannuation funds by suggesting in one of his answers today that they were something nefarious, don't think it's actually such a bad idea for working people to have access to capital. I know that's a radical idea: to actually allow working people and their representatives access to capital, access to superannuation savings and access to a decent retirement. What an incredibly socialist idea—isn't that extraordinary! On the other side we've got the government, who basically can't bear the fact that working people and their representatives have engagement in superannuation and some control of those investment funds. That's what they can't bear.



We are consistent. We will be opposing this legislation. We particularly want a vote on the strengthening trustee arrangements. If the Senate passes my amendment, that will ensure we bring that to a vote. On the other matters, we understand that, if the crossbench wish to defer them, that's a matter for them. But we don't believe we should have a situation where the government can chop and change its program on the basis it might have the numbers at a particular point.

*Senator Brandis interjecting—*

**Senator WONG:** Well, this is a new level of—I was going to say 'incompetence', but that's a bit harsh—using the chamber as your plaything. On Thursday: 'Oh no, we have to have superannuation debated; we have to have it done; vote against Wong's amendment,' et cetera. On Monday: 'Oh dear, we might not have the numbers; let's filibuster; Senator McGrath, get out and read the same talking points as Senator McKenzie and everybody else'—a complete joke of a debate in the chamber. That's what happened. Now the government want to discharge the bills from the program. I say to One Nation; I say to the crossbench: if your position on this legislation is that it should be opposed, vote on it now. Don't allow this government to keep it hanging over your head. Vote on it now so you don't have to have the spectre of being lobbied about this for the rest of this week and over the summer break, because that's what will happen.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Acting Minister for Regional Communications) (15:12): On one point, the Leader of the Opposition in the Senate does have the government cold. She's absolutely right that we want to vary the program and she's absolutely right that, at this point in time, the government does not have the numbers on these particular pieces of legislation. She's got us cold. We confess; we admit it—it's true. But 'twas ever thus: whether it be this government or its predecessors, governments schedule for debate pieces of legislation for times when the government thinks that there is a reasonable prospect of passage. That is what governments do. In fact, in this place, it's always been recognised that the government of the day should have the opportunity to determine the legislation that is debated in government business time. That is all we are seeking to do through the motion that Senator Brandis is seeking leave to move.

I need to respond to a couple of points that the Leader of the Opposition in the Senate raised. Firstly, it is not the government's intention to bring this legislation back later this week. That is not the intention of the government. Indeed, if there is not a consensus around this legislation in the new year, the government will not be listing it again. That is the way this place operates. If there is a consensus, if it's clear that there is a majority of the chamber who supports a particular legislative proposition, then we put it forward for debate and for a vote. So let me be very clear: the government will not be seeking to list this legislation later this week. The reason is self-evident: we want there to be the opportunity for further discussions with groupings in this place. I am advised by the relevant minister, Ms O'Dwyer, that there are some groupings in this place who are open to further discussion. So we are providing the opportunity for that to occur.

Mr President, given it's getting towards the end of the year, you tend to start reflecting a bit and I'm getting a little bit nostalgic. I recall when Senator Ludwig was the Manager of Government Business. He would say to me, 'Mitch, look, we're the government of the day.

Don't intervene in our right to list legislation, because whatever goes around, comes around. You do the right thing by us as an opposition and, when we go into opposition, we'll do the right thing by you.' I took Senator Ludwig at his word, and he's an honourable man, and I've got no doubt that, if he was still in this place, he would be urging that the government of the day should have the opportunity to determine the legislation which is debated. But it does seem that the cooperation that the then opposition rendered isn't being reciprocated. In fact, I well recall, at that time in opposition, some of my colleagues—and Senator Macdonald may well have been one of them—said to me, 'Mitch, they say that now but, when they're in opposition, they're not going to honour that. They're not going to practise what they preach.' And Senator Macdonald may have had a point.

So, I would encourage colleagues to support Senator Brandis in his endeavour to suspend standing orders so that he can move a motion to do that which should be a fairly straightforward matter for any government to do and which, you would hope, would be supported by the chamber—that is, to enable the government to list and determine the legislation that is debated in government business time and the order in which it's dealt with. We think that's just good and sensible practice, and it will provide the opportunity for further discussion about this legislation. As I said earlier, the government won't be relisting this legislation for any time later this week. We'll have discussions and then we'll see what the new year holds.

**Senator CAMERON** (New South Wales) (15:17): I rise to oppose Senator Brandis's motion and support the amendment that's been put forward by Senator Wong. This is a government that is an absolute rabble. Nothing demonstrates more the rabble of a government that we have sitting here than what we have just witnessed. We have just witnessed a government that can't manage its own business, a government that can't get any significant legislation through this place without lengthy, lengthy arm twisting of the crossbench.

This is another attempt to destroy the effectiveness of industry superannuation in this country. It's about handing over power, influence and profit to their mates in the banking industry and, in my view, it's part of the deal that they did to get a banking royal commission that the banks would allow them to put up. The banks said, 'We'll allow you to put a royal commission up,' and that's exactly what they did.

What they did was widen that royal commission into the superannuation industry with specific reference to the industry super funds. What they've argued is that the industry super funds are supposedly doing the wrong thing. Let me take you through what the industry super funds have done. In one year, they outperformed the banks by 3½ per cent; in three years, they outperformed the banks by 2.58 per cent; in five years, they outperformed the banks by 2.49 per cent; in seven years, they outperformed the banks by 2.5 per cent; and, over 10 years, 2.38 per cent. That is money into workers' pockets. And what this mob wants to do is hand that type of governance over to the banks to allow them to rip workers off. That's exactly what this is about. The crossbench should not have a bar of this. The crossbench should support our amendment and get this dealt with how it should be.

The superannuation industry, the trade union movement and the Labor Party—if they are part of a reasonable royal commission, let's have a look at it. I reckon the superannuation funds have got more to brag about than the banks have ever had in this area. It was the union movement that set superannuation up for blue-collar workers. Blue-collar workers didn't have

superannuation that could be vested. You couldn't take superannuation from one employer to another until the ACTU and the Labor Party put the legislation in to make this happen. I personally, when I left the Electricity Commission of New South Wales in 1979, had \$17,000 in superannuation that the electricity commission took off me and my family. And, yet, they want to go back to a position where they hand it over to the banks.

This is an outrageous proposition from this government. The crossbench should deal with this matter now so that they can have a break at Christmas without the government continually coming after them on behalf of their bosses, which are the banks. Their bosses are the banks—the banks that tell them whether they can have a royal commission or not, the banks that rip ordinary workers off and the banks that can't deliver on superannuation outcomes. The government want the industry superannuation funds to be like the banks. Well, I don't. I don't want the industry super funds to be like the banks. I don't want them to have the same governance as the banks that allows the banks to rip working people off. This is an important issue for the crossbench. Don't give into this rabble of a government. Don't give into this government that is a dead man walking. This is a government that is not going to be here in the future. Deal with this properly. *(Time expired)*

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (15:22): The problem with the Australian Labor Party is that they're so inconsistent. Here, on Thursday, they ran an argument passionately and energetically on how these bills should not be part of the government's agenda this week. Over the weekend, I've reflected on the arguments put eloquently by Senator Wong. On reflection, Senator Wong persuaded me of the merits of her argument. When they came into the chamber, imagine my surprise that the Labor Party position had changed.

I wonder why Labor were fighting tooth and nail last week to stop the government from putting this legislation into our agenda. I suspect that that was because Labor was worried that there was majority support in this chamber for this legislation. I'm wondering why Labor are now fighting tooth and nail in trying to stop the government from removing the bill from the program for this week. Would that be because Labor think there is now no consensus in the chamber in support of this legislation? Here we have Senator Wong trying to suggest all sorts of motivations and trying to suggest that, somehow, the government is alone in making judgements on whether or not there is majority support for a particular proposition in this chamber—a chamber in which neither the government nor the opposition have majority support. But, of course, that is what it is.

Last week, the government thought that there was majority support for these very important reforms to our superannuation governance arrangements. On these matters related to superannuation, where Labor acts as an agent of the commercial interests of the union movement, it's very hard to have a rational conversation on good public policy with the Labor Party. So, of course, we must engage with the crossbench in relation to these matters, and so we have. As it turns out, there are some matters that remain unresolved and that will be the subject of further conversations. It is only good management and good practice that, in order to facilitate the formation of the good consensus across the chamber that is behind good public policy, we now take this course of action in adjourning debate on these bills. As Senator Fifield has made very clear to the chamber, the government will not be bringing these bills back this week. In fact, we will only bring these bills back if and when there is consensus

on and support of these bills in a form that is acceptable to a majority of senators in the Senate. Yes, we will continue to work on good public policy, because we believe it's important for the retirement savings of Australians to be properly protected and for the retirement savings of Australians to be able to maximise net investment returns. We believe that there is some serious need for improved governance standards, in particular when it comes to industry super.

Incidentally, there are quite a number of industry funds that already deploy the one-third, one-third, one-third model, where one-third of the directors are independent directors—and you know what? They're better for it. But there are some major funds that have particularly passionate agents of the Labor Party who are promoting their commercial interests in this chamber and who are resisting it tooth and nail, not because it is in the best interests of working people but because it's in the best interests of union-dominated industry funds and—of course—their paymasters, the union movement.

I don't really want to hold up the chamber any more. I just want to say that the reason the government's position has changed on the non-inclusion of these bills in the program this week is precisely the same reason that the Labor Party position has changed. Let's not kid ourselves: the Labor Party has precisely the same reasons for why they have changed their position—I see that Senator Cameron is engaging in some last-minute crossbench lobbying. In order to not facilitate that for too much longer, I now conclude my remarks.

**Senator O'NEILL** (New South Wales) (15:26): The great concern that we have with this government is the ongoing chaos, disunity and dysfunction that characterises it. I said it the other day: it's the hallmark of the government. What we're seeing here today is an extraordinary turn of events. I appeal to the crossbench to actually pay attention to this government. It's like watching *The Karate Kid* in action, you know that old trope, 'Wax on, wax off; wax on, wax off'? What we have with the government here is 'ledge on, ledge off; ledge on, ledge off'. It can't make up its mind, because it's not a government of principle. It's just a government eating itself alive; a government in chaos.

We have the chance today to do something powerfully correct for Australian working people. We have 20 years of a superannuation industry that has only been established because Labor made sure it happened. Those opposite here say now they want to stand up for good superannuation practices; now they want to stand up for an industry they said could never, ever be established. It's rank hypocrisy. They don't care about the workers. They don't care about the fact that, over 20 years now—it's not a short-term experiment; this is a longitudinal study—we can see the evidence of a partnership of investment of workers' superannuation funds—50 per cent employers, 50 per cent union representatives standing up for their own working community. They've worked together and—better than the banks—they have delivered a two to three per cent margin of improvement over 20 years. We know that what's going on works. So why do these guys want to break that model? It is for no reason other than an ideological attack on the superannuation sector that is managed as industry super.

We've got Senator Williams over here, and we've got the Nats, who have been described today—what was the description of Mr Barilaro? 'The dribblings of some obscure politician.' This government is supposed to be in a coalition with the Nationals, and it's describing the current Premier—he's not the Deputy Premier right now; Gladys has gone on a trip, so Barilaro is actually the Premier of New South Wales—as a 'dribbling, obscure politician'. The

only reason we're at the point that we are at with this government is because they are pushing now for the banks. They're pushing for the banks at every turn. They have only come to a royal commission because the banks have told them to do it. Their attack on superannuation that's managed very, very effectively by our industry super is because they want to get the business from industry super over into the banks—to copy the model of the banks, which is not delivering.

There are people in this chamber who don't pay that much attention to their super. That's one of the sad things we know: Australians don't really pay a lot of attention. But most Australians who are in an industry super fund have benefited from 20 long years of getting a better return on their money than those Australians who invested through the retail sector, which is controlled by the banks. What we're seeing here today is a government that wanted this on the legislation last week and decided that they would change their mind. They've pulled the pin on it. They thought that they had it all sewn up and that they could deliver this win for the banks. What they found out is that, instead of a win for the banks, it's a loss for the government. Legislation on last week; legislation off this week. It's a game to them. They're playing a game. They're playing a game and trying to advantage their friends at the top end of town.

Well, the Labor Party is standing here for ordinary Australian workers. We're standing here saying that you should be able to continue to have your money invested in an industry super scheme where 50 per cent of the people who make the decisions are people who have worked just like you and 50 per cent of the decision-making should be done by the employers who employ the people in that industry—a fair fifty-fifty partnership. There's nothing fair about this government. There's nothing equitable about what they do. They've got a chance to hold this up over the whole of summer and continue to dog those on the crossbench to try to do some sort of dirty deal in the background that they might get some advantage from. What we need right now is for our crossbench not to support this motion, not to support the intent of it, to stand up for working Australians and to make sure we keep industry super safe. (*Time expired*)

**The PRESIDENT:** The question is that the amendment moved by Senator Wong to delete words from the suspension motion of Senator Brandis be agreed to.

The Senate divided. [15:36]

(The President—Senator Ryan)

Ayes .....29  
Noes .....34  
Majority.....5

AYES

Bartlett, AJJ  
Cameron, DN  
Chisholm, A  
Dodson, P  
Gallacher, AM  
Ketter, CR  
Lines, S  
McCarthy, M  
Moore, CM

Bilyk, CL  
Carr, KJ  
Di Natale, R  
Farrell, D  
Hanson-Young, SC  
Kitching, K  
McAllister, J  
McKim, NJ  
O'Neill, DM

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CHAMBER

## AYES

Polley, H  
Rhiannon, L  
Siewert, R  
Sterle, G  
Watt, M  
Wong, P

Pratt, LC  
Rice, J  
Steele-John, J  
Urquhart, AE (teller)  
Whish-Wilson, PS

## NOES

Abetz, E  
Bernardi, C  
Brandis, GH  
Burston, B  
Canavan, MJ  
Cormann, M  
Fawcett, DJ  
Fifield, MP  
Gichuhi, LM  
Hanson, P  
Hume, J  
Macdonald, ID  
McKenzie, B  
Paterson, J  
Payne, MA  
Ruston, A  
Scullion, NG

Anning, F  
Birmingham, SJ  
Brockman, S  
Bushby, DC (teller)  
Cash, MC  
Duniam, J  
Fierravanti-Wells, C  
Georgiou, P  
Griff, S  
Hinch, D  
Leyonhjelm, DE  
McGrath, J  
O'Sullivan, B  
Patrick, RL  
Reynolds, L  
Ryan, SM  
Williams, JR

## PAIRS

Dastyari, S  
Gallagher, KR  
Marshall, GM

Smith, D  
Seselja, Z  
Sinodinos, A

*Senator Collins did not vote, to compensate for a vacancy caused by the resignation of Senator Nash.*

*Senator Singh did not vote, to compensate for a vacancy caused by the resignation of Senator Kakoschke-Moore.*

*Senator Brown did not vote, to compensate for a vacancy caused by the resignation of Senator Parry.*

Question negatived.

**The PRESIDENT** (15:39): The question is that the suspension motion moved by Senator Brandis be agreed to.

The Senate divided. [15:39]

(The President—Senator Ryan)

Ayes .....34  
Noes .....29  
Majority.....5

## AYES

Abetz, E  
 Bernardi, C  
 Brandis, GH  
 Burston, B  
 Canavan, MJ  
 Cormann, M  
 Fawcett, DJ  
 Fifield, MP  
 Gichuhi, LM  
 Hanson, P  
 Hume, J  
 Macdonald, ID  
 McKenzie, B  
 Paterson, J  
 Payne, MA  
 Ruston, A  
 Scullion, NG

Anning, F  
 Birmingham, SJ  
 Brockman, S  
 Bushby, DC (teller)  
 Cash, MC  
 Duniam, J  
 Fierravanti-Wells, C  
 Georgiou, P  
 Griff, S  
 Hinch, D  
 Leyonhjelm, DE  
 McGrath, J  
 O'Sullivan, B  
 Patrick, RL  
 Reynolds, L  
 Ryan, SM  
 Williams, JR

## NOES

Bartlett, AJJ  
 Cameron, DN  
 Chisholm, A  
 Dodson, P  
 Gallacher, AM  
 Ketter, CR  
 Lines, S  
 McCarthy, M  
 Moore, CM  
 Polley, H  
 Rhiannon, L  
 Siewert, R  
 Sterle, G  
 Watt, M  
 Wong, P

Bilyk, CL  
 Carr, KJ  
 Di Natale, R  
 Farrell, D  
 Hanson-Young, SC  
 Kitching, K  
 McAllister, J  
 McKim, NJ  
 O'Neill, DM  
 Pratt, LC  
 Rice, J  
 Steele-John, J  
 Urquhart, AE (teller)  
 Whish-Wilson, PS

## PAIRS

Seselja, Z  
 Sinodinos, A  
 Smith, D

Gallagher, KR  
 Marshall, GM  
 Dastyari, S

*Senator Collins did not vote, to compensate for a vacancy caused by the resignation of Senator Nash.*

*Senator Singh did not vote, to compensate for a vacancy caused by the resignation of Senator Kakoschke-Moore.*

*Senator Brown did not vote, to compensate for a vacancy caused by the resignation of Senator Parry.*

Question agreed to

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (15:41): I move:

That a motion to vary the order of the Senate of 30 November 2017 may be moved immediately and determined without amendment or debate.

Question agreed to.

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (15:42): I move:

That the order of the Senate of 30 November 2017 be varied to omit the following bills:

Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017

Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017

Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 2) Bill 2017.

**The PRESIDENT:** The question is that the motion moved by Senator Brandis to vary the order of the Senate of 30 November 2017, relating to the hours of meeting and routine of business, be agreed to.

The Senate divided. [15:44]

(The President—Senator Ryan)

Ayes .....34  
Noes .....29  
Majority.....5

#### AYES

Abetz, E  
Bernardi, C  
Brandis, GH  
Burston, B  
Canavan, MJ  
Cormann, M  
Fawcett, DJ  
Fifield, MP  
Gichuhi, LM  
Hanson, P  
Hume, J  
Macdonald, ID  
McKenzie, B  
Paterson, J  
Payne, MA  
Ruston, A  
Scullion, NG

Anning, F  
Birmingham, SJ  
Brockman, S  
Bushby, DC (teller)  
Cash, MC  
Duniam, J  
Fierravanti-Wells, C  
Georgiou, P  
Griff, S  
Hinch, D  
Leyonhjelm, DE  
McGrath, J  
O'Sullivan, B  
Patrick, RL  
Reynolds, L  
Ryan, SM  
Williams, JR

#### NOES

Bartlett, AJJ  
Cameron, DN  
Chisholm, A  
Dodson, P  
Gallacher, AM  
Ketter, CR  
Lines, S  
McCarthy, M

Bilyk, CL  
Carr, KJ  
Di Natale, R  
Farrell, D  
Hanson-Young, SC  
Kitching, K  
McAllister, J  
McKim, NJ



## NOES

Moore, CM  
Polley, H  
Rhiannon, L  
Siewert, R  
Sterle, G  
Watt, M  
Wong, P

O'Neill, DM  
Pratt, LC  
Rice, J  
Steele-John, J  
Urquhart, AE (teller)  
Whish-Wilson, PS

## PAIRS

Seselja, Z  
Sinodinos, A  
Smith, D

Gallagher, KR  
Marshall, GM  
Dastyari, S

*Senator Collins did not vote, to compensate for a vacancy caused by the resignation of Senator Nash.*

*Senator Singh did not vote, to compensate for a vacancy caused by the resignation of Senator Kakoschke-Moore.*

*Senator Brown did not vote, to compensate for a vacancy caused by the resignation of Senator Parry.*

Question agreed to

**QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS****Prime Minister****Registered Organisations**

**Senator CAMERON** (New South Wales) (15:46): I move:

That the Senate take note of the answers given by the Attorney-General (Senator Brandis) and the Minister for Employment (Senator Cash) to questions without notice asked by Senators McAllister and Cameron today relating to remarks made by the Deputy Premier of New South Wales and to evidence given at supplementary Budget estimates hearings of the Education and Employment Legislation Committee.

Well, if ever there was a cover-up, the cover-up is on by Senator Cash and the Liberal Party to try and hide the involvement of the Liberal Party, the involvement of Senator Cash, the involvement of the Fair Work Ombudsman staff and the involvement of ROC staff in the media, with the media turning up to a raid on a union office. It's an absolute disgrace. What Senator Cash has done over a number of estimates hearings is to hide behind sub judice, to hide behind an argument that there's an investigation being taken up by the Federal Police—an investigation that Senator Cash herself was forced to implement arising from the leaks that came out of her office after she misled the Senate on five occasions.

This is a minister with no credibility. This is a minister that stands up here day in, day out when parliament's sitting, attacking the trade union movement, attacking workers' rights to belong to a union, attacking collective bargaining, attacking workers' rights to have a decent superannuation outcome. This minister is an absolute disgrace and should resign. If she doesn't resign, then the Prime Minister, Malcolm Turnbull, should sack her. But we know

how weak the Prime Minister is. We know he's a Prime Minister who has got no capacity to do the right thing.

The Registered Organisations Commission is supposedly an independent commission set up to oversee the registered organisations in this country. Mr Enright, the 2IC in the commission, has a lot of form. When this public servant was with the Australian Crime Commission, they had an internal dossier on his minister. He spoke about the nationality of his wife—what that's got to do with anything, I don't know. His wife's an Asian woman—a beautiful woman, a fabulous woman; I've met her on many occasions. That had to be in the dossier. He actually spoke about the alcohol consumption of the minister. He spoke about the minister's past and what the minister had done in the past. He spoke about the minister's personal life. And he spoke about the minister's views on police corruption and the views the minister had on his political colleagues. This is Mr Enright, who is supposedly there to be an independent administrator in this organisation—an absolute disgrace. The Fair Work Ombudsman was there, and there was a report about what was said between Mr Bielecki, the ROC commissioner; Mr Enright, his 2IC; and the Fair Work Ombudsman, Ms Natalie James.

This demonstrates that these organisations are not independent. These organisations are set up with a web of Liberal Party apparatchiks, Liberal Party sympathisers, to make sure that the Liberal Party's agenda to attack the trade union movement, to attack their political opponents, is alive and well. That's what's happened with this government—a rabble of a government. And the Fair Work Ombudsman, Ms Natalie James, denied that she had participated in this conversation. Mr Bielecki and Mr Enright conceded what they had said. But Ms Natalie James has questions to answer. The Fair Work Ombudsman should not be behaving in a partisan political manner. The Registered Organisations Commission should not be behaving in a partisan political manner. This is now the sixth time that Minister Cash has misled this Senate. (*Time expired*)

**Senator PATERSON** (Victoria) (15:51): In a moment I'll respond directly to Senator Cameron's continued campaign of intimidation, smears and innuendo—a false campaign based on no or little evidence. But first I want to make one general observation. One of the things that has genuinely surprised me in my short time here in this place is the propensity—in fact enthusiasm—on the part of some colleagues to play the role of commentator rather than participant. In the questions from opposition senators today, we had not one question that went to the substance of any policy or political issue but question after question that went to personalities, that went to personal relationships, that went to leadership, that went to responsibilities—nothing that got to the core of the issues that the Australian people send us here to do.

Colleagues who've been here for a longer time than I have can perhaps advise me of whether or not this is a recent phenomenon. Perhaps those opposite are aspiring, like some of their former colleagues, to a career on Sky News after politics. Perhaps after 10 years of watching *Insiders* they're frustrated commentators, just waiting to get on the couch. But when Senator McAllister was asking questions about leadership and the Deputy Premier in New South Wales, when Senator Gallacher was asking questions about foreign interference—a worthy and important issue, but through the bizarre prism of Senator Brandis's personal responsibility for different aspects of the legislation—and when Senator Carr was asking Senator Brandis about a royal commission, again an important and worthy issue but again

through the bizarre prism of who was responsible for it, not about any of the policy issues at stake, and when Senator Cameron was attempting yet another smear against Minister Cash and Senator Ketter was again asking a very strange question about the royal commission that didn't go to the substance of the royal commission, didn't go to the terms of reference, didn't go to the commissioner, didn't go to the budget, and didn't go to the length of time given to the commission but instead went to which ministers knew about it when—a bizarre focus—it seems to me that some people here wish more to be commentators than they do to be participants. And if they do, there are many career opportunities available to them, and perhaps they could vacate their seats for people who are actually concerned about doing the business of the people.

Coming back to Senator Cameron's contribution—yet another spray against Minister Cash, a minister of great ethics and a minister who has performed outstandingly in this role—we know why members opposite are targeting Senator Cash. They're targeting Senator Cash because she is an effective minister and she has proven time and time again that she can persuade this chamber to put through necessary, needed reforms to the industrial relations system that they oppose because of their narrow self-interest, because of their partisan interest, because of the way in which they are so tied to, so dependent on, the union movement. Senator Cash did not mislead the Senate. Senator Cash gave answers in Senate estimates that she genuinely believed to be true, and as soon as she found out that they were not true she came to the committee and immediately corrected her evidence. That is a better performance than some others in similar situations.

The Registered Organisations Commissioner, Mr Bielecki, and his executive director, Mr Enright, did not make the comments that were attributed to them by a journalist. They made much more mild-mannered comments than were attributed to them, which they told Senator Cameron and other senators who were there on Friday, and he should well know about that.

I find it most interesting of all, though, that Senator Cameron is now raising these decade-old allegations against Mr Enright about his responsibilities in a previous office. Mr Enright has been before the Senate committee that he now appears before probably a dozen times since then, and Senator Cameron has not asked him about this issue once. Labor senators have not asked him about this issue, to my knowledge, on any occasions—certainly none of the occasions when I was present. Yet they're now attempting to raise this issue in an attempt to smear Mr Enright and the commission he works for. It's very clear why they're doing that. They're doing that because the commission is now looking at a potential breach of the law by the Australian Workers' Union, an important union that supports the Labor Party and supports the careers of many senators within the Labor Party who are opposite now and no doubt will be making a contribution to this debate shortly. They have a conflict of interest and they are running a transparent campaign of intimidation and interference to protect the Australian Workers' Union from its alleged law breaking. The Registered Organisations Commission is doing exactly as it was established to do, and that is to investigate breaches of the law.

They are trying to intimidate public servants from doing their jobs. It is a disgrace. They should be ashamed of themselves. If they want to return to the actual business of the people of Australia, perhaps we'll see tomorrow in question time some actual questions on some actual policy issues rather than the attempted smears and intimidation that we saw today.

**Senator O'NEILL** (New South Wales) (15:56): I rise, as Senator Cameron has, to take note of answers to questions that were put to the government with regard to the comments of Mr Barilaro and also Senator Cash's behaviour in recent times. I'm still quite shocked by the language used to describe a member of the National Party. As a Labor politician I'm used to hearing Senator Brandis and his colleagues on the other side admonish Labor in the most egregious terms. But it was pretty indicative of how chaotic, dysfunctional and lacking in unity this government is when they described the remarks of Mr Barilaro. And let's just get those remarks on the record. He said on Friday on Alan Jones's program that 'Turnbull should give Australians a Christmas gift and go before Christmas.' Well, it would be a nice Christmas gift. I could do with that wrapped up. I'd be very happy to see that under the Christmas tree. Mr Barilaro went on to say, 'The Prime Minister is the problem.'

**Senator Farrell:** He's right about that.

**Senator O'NEILL:** He absolutely is, Senator Farrell. He's certainly right that the Prime Minister is the problem. If Senator Brandis had any respect—just a skerrick of respect—for the partnership that they pretend to the Australian people exists between the Liberal Party and the Nationals, he would hardly be describing Mr Barilaro's comments as 'the dribblings of some obscure politician'. I'm offended for the Nationals party. My heart is fairly breaking for the Nationals—what they've had to put up with in being the doormats to the federal government, to the Liberal Party, walking all over them. They suffered that terrible experience of a vote decline up in Queensland. They were going to take out the Palaszczuk government. They were all set to deliver for regional Queensland. Sadly, they came fourth in the seat of Rockhampton. It's been a disaster for them. The Attorney-General should have been a little more generous in his comments. Instead, he describes not the deputy premier of New South Wales—because Ms Berejiklian's not around—but the premier of the biggest state of Australia right now, Mr Barilaro, who doubled down today in his comments and said, 'Let my comments stand.' Let his comment stand, and let Mr Turnbull wrap himself up into a little ball and put himself under the Christmas tree of every Australian and say: 'I give up. I know I'm doing a bad job. I'm going to give you a Christmas present. I'm going to take the pressure off you. I'll give you a great turn. We'll have somebody else.' But who else? And Mr Barilaro said that too.

Well, I haven't got any idea about who else, and no-one over there has. There's no unity. There is no functionality. There is constant disarray. We've had, just in the last half-hour, a move to suspend standing orders yet again. That only happens when a government's not functioning well. Last week they had one to actually bring legislation on. Today they changed their mind halfway through the day because things weren't looking too good. 'Oh, no, we'll take it off.' That's what we see here every single day from this government: disunity, dysfunction and chaos—the three hallmarks that mark them out.

I'm very concerned about this sort of behaviour, which would be a disaster for any organisation outside this parliament—and certainly a disaster for a small business. I grew up in one; I know what it's like. If a small business ran their small business the way this government runs the parliament, a lot more people in Australia would be unemployed, and that's hard to say considering how bad the government are doing in that regard.

I also want to take note of some of the comments about the ROC. The problem with this government is that, when they're not focusing on the infighting and the division, they're

attacking what is the only other major source of support for the Australian community—that is, they're after the unions at every single chance they get.

**Senator O'Sullivan:** They're going for the CFMEU.

**Senator O'NEILL:** They've decided to have an arms-length inquiry. They've gone after the AWU—

**Senator O'Sullivan:** Just the CFMEU.

**Senator O'NEILL:** I'll take that interjection from Senator O'Sullivan—thank you very much, Senator O'Sullivan—who says that he's only after one union. That's not the truth. They're after every union. They're after the members of the union. They're after the money of the members of the unions. They're after the unions every single chance they get. But when they're called to account they don't want to answer questions. Senator Cash had an outrageous and shocking show just last week. The partisan behaviour by the Registered Organisations Commission— (*Time expired*)

**Senator WILLIAMS** (New South Wales—Nationals Whip in the Senate) (16:01): Thank goodness for that! What I'm amazed about with those opposite is that the truth gets handled very carelessly. Here is a case where Senator Cash was at estimates. We were all there. We all heard it.

**Senator O'Neill:** Don't talk about truth and Senator Cash in the same sentence.

**Senator WILLIAMS:** Have you finished?

**Senator O'Neill:** She lied.

**Senator WILLIAMS:** Have you finished?

**Senator O'Neill:** She lied.

**The DEPUTY PRESIDENT:** Order! Senator O'Neill; and Senator Williams, please address your comments to the chair. Thank you.

**Senator WILLIAMS:** I would love to do that, Madam Deputy President, if Senator O'Neill wouldn't interject from the other side. I'm sure if you will not let her to do that again, I wouldn't have to address her; that is for sure.

**Senator O'Neill:** Senator Williams, seeking the protection of the chair—seriously!

**The DEPUTY PRESIDENT:** Senator O'Neill—

**Senator O'Sullivan:** She's being naughty. Throw her out!

**Senator WILLIAMS:** In question time I asked a question of Senator Birmingham. I was amazed, setting up at Bundarra in the early hours of Saturday morning—

**Senator O'Sullivan:** How many votes—Labor votes?

**Senator WILLIAMS:** Labor got 44 votes there, Senator O'Sullivan. This lady, Robyn, was there; she seemed to be quite a decent lady. As everyone was walking in to vote, she was saying, 'The coalition government, the National Party, have cut \$300,000 from the finances for the Bundarra school.' It's a nice little school. Bundarra is a great little community. I spent many, many days of my life down at Bundarra with friends. I've had a few beers in the pub there. I said to this lady, 'That is not true.' I actually rang Senator Birmingham, and he said, 'Wacka, I'll get you the details', which he did. I go back to the point about being honest and speaking the truth: the federal funding for Bundarra school this year is \$464,000. It's a good

lot of money. It goes up to \$703,000 within 10 years. That's almost double. I said to this lady: 'You can't keep doing this. You can't keep giving everyone false and misleading propaganda'—propaganda is what you'd call it—to the people coming here to vote.' There was a sign, 'Save Medicare, vote Labor.' I remember 'Mediscare' from the last election, when the Turnbull coalition government was going to privatise Medicare. I said to the lady, 'If you owned a coffee shop and it took \$10,000 gross income a week, but it cost you \$21,000 a week to operate that coffee shop, would you sell it?' I said: 'You wouldn't be able to sell it. No-one would buy it. It loses \$11,000 a week. Well, it's the same with Medicare. We collect around \$10 billion in Medicare levy a year, and it costs around \$21 billion to run Medicare.'

*Senator Griff interjecting—*

**Senator WILLIAMS:** I'll bet Senator Griff wouldn't like to own a business like that and lose \$11 billion a year. That would not be a good business, would it, Senator Griff? But this is what happens. The accusations in question time today that Minister Cash misled the Senate are simply wrong. She's been totally honest with her answers. She's clarified them on many occasions.

Back to the question from Senator O'Neill about John Barilaro, Deputy Premier and Nationals leader of New South Wales. I have known Baro, as we call him, for a long time. He's a good mate of mine. I vehemently disagree with what John Barilaro said about the Prime Minister. I vehemently disagree with him.

**Senator Farrell:** He tells the truth.

**Senator WILLIAMS:** I'm sure that Senator Farrell is getting quite worried, because the polls are starting to turn. The polls are starting to turn, Senator Farrell, and people are going to realise that you lot—

*Senator Farrell interjecting—*

**Senator WILLIAMS:** Mr Shorten polled down again this morning. It was great to have the Prime Minister in New England on Saturday night when they counted the votes. And guess what? Senator Cameron went up to New England to campaign for the Labor candidate.

**Senator O'Sullivan:** He did not!

**Senator WILLIAMS:** He did, Senator O'Sullivan. But where was Mr Shorten? We never saw Mr Shorten in New England. It was probably too far for him to travel, or maybe he didn't know where it was. What was the vote of the Labor Party in New England? It was 11 per cent primary. Fancy getting 11 out of every 100 people to vote for the Labor Party.

*Senator O'Sullivan interjecting—*

**Senator WILLIAMS:** It was an increase from the last election. The vote went up to 11 per cent. It was quite amazing. Of course, the people of New England know what Labor are about. They still remember when the live cattle exports were banned—a decision which brought the beef industry to its knees in the country towns and abattoirs where I work. They actually made a field day out of it, because they had to truck the cattle so far across Australia they couldn't export them. It was terribly cruel on the cattle. They know what the Labor Party think of regional Australia. Labor didn't build one mobile tower in six years—not one. We've built 672 new and upgraded mobile towers—and there are more to come.

The truth has always been handled carelessly by Labor, and they were doing it again in question time here today. Nothing will change. The people are waking up to you, and we're going to make them fully aware of your dishonesty. *(Time expired)*

**Senator KETTER** (Queensland) (16:06): Fortunately we are finished with that particularly woeful contribution from Senator Williams, who I do have some respect for. If one wants to talk about elections, one only has to look at my home state of Queensland. The election result there speaks a lot about the general public's view in relation to the LNP.

Some decades ago, Bob Hawke coined the phrase: 'If you can't govern yourself, you cannot govern the country.' That was also quoted by former Prime Minister John Howard—with approval. He identified that issue as well. But what we have now is a government which seems irreparably split and divided across a whole range of different axes. We see this split within the National Party and we heard the very regrettable comments made by Senator Brandis today about the 'dribblings of some obscure politician', talking about the second most senior politician in New South Wales, the largest state of this Commonwealth. Is that a way to speak about a person who holds a very high office within one of the states of our Commonwealth? In fact, Senator Brandis went on to say that it was the first time he'd ever heard of Mr Barilaro. This is the Attorney-General talking about a person who is a member of the coalition in another state. This demonstrates open contempt for Mr Barilaro. Of course, Mr Barilaro seemed to reciprocate when he doubled down on his position, stating that he stands by what he said on Friday: that his comments were a reflection of what he has heard on the ground. So this is a politician who actually talks to people on the ground about what's going on.

It was interesting to note that, during the course of question time today, we didn't see any of Mr Barilaro's National Party colleagues in this place rising to his defence to say that he had actually hit the nail on the head. In fact, we have seen Mr Joyce come out and said, 'It's odd that he's never raised these matters with me personally.' Mr Chester, the Minister for Infrastructure and Transport, said that Mr Barilaro's comments are silly and stupid. This is the way that they treat their fellow coalition members. Coming back to the Queensland election, Mr Barilaro made the very telling point that if you think that federal issues didn't have an effect in the Queensland election, then you've got to be kidding yourself. In fact, he said it's a joke for the Prime Minister to indicate that those issues didn't come into play in the Queensland election results.

This is a coalition which is deeply divided, and I don't say that with any sense of comfort or satisfaction, because this is the government of Australia, and the people of Australia look to the government to attend to the issues that they are concerned about. When a government is internally divided—as they are—sniping at each other all the time, then they cannot be focused on the issues which are of concern to the people of Australia.

One looks at the issue in relation to the Registered Organisations Commission. I was present at the estimates hearing on Friday, in relation to Senator Cash. It is quite clear that we are seeing a huge cover-up in relation to what is going on with the Registered Organisations Commission. It got to the stage where Senator Cash refused to answer a question from Senator Cameron about how long Mr De Garis had worked in her office. She refused to indicate the starting date for Mr De Garis—he is the principal media officer—when he commenced working in the minister's office. How can that be part of any reasonable

application of the public interest immunity? That certainly can't be an issue that is affected by the other issue relating to court proceedings that are underway at the moment. That just shows you the extent of the cover-up that we're seeing here, Madam Deputy President. It's time for the Prime Minister to step in to show some leadership. Let's see the government pull together. We need to see some leadership in relation to Senator Cash: the Prime Minister needs to sack her. *(Time expired)*

Question agreed to.

### **Donations to Political Parties**

**Senator RHIANNON** (New South Wales) (16:12): I move:

That the Senate take note of the answer given by the Attorney-General (Senator Brandis) to a question without notice asked by the Leader of the Australian Greens (Senator Di Natale) today relating to political donations.

Senator Di Natale's question absolutely nailed a huge problem that this country is facing. The answer that was given again just demonstrates the failure that we're seeing from the Liberal-National government when it comes to dealing with political donations and with corruption issues—issues that so underline why we need a national ICAC, a national corruption watchdog. We have the extraordinary situation that there is this great outcry about donations from people linked with China, either through birth or maybe their company is still there, and it's got the most disgusting whiff of xenophobia. With what is going down with the outrage about Senator Dastyari—and I'm not excusing anything that has gone on there at all—

*Senator O'Sullivan interjecting—*

**Senator RHIANNON:** but what we have to highlight here is the hypocrisy, because what we're seeing time and time again is—

*Senator O'Sullivan interjecting—*

**Senator RHIANNON:** I acknowledge that we have Senator O'Sullivan here making interjections, and again showing how he doesn't take this issue seriously. We know, and it's on the record, that since 2012, \$3 million has come to both sides, Liberal-National and Labor, when it comes to donations from the Yuhu company and their owner. But we're not hearing about their close links with a whole number of companies linked with China. Again, I'm saying that that is not the point here, but I did want to just deal with that first off, because it underlines the hypocrisy.

We had the case of the Hon. Stuart Robert from the House of Representatives, who was caught up with some very unsavoury deals. He was there for the signing of a big mining deal in China, but then we found out that the Australian company was a big donor to the Liberal Party—that's been swept under the carpet. The other one is the big fundraiser from Western Australia—

*Senator O'Sullivan interjecting—*

**Senator RHIANNON:** the big fundraiser, Senator O'Sullivan, that you prefer not to talk about. And we have Julie Bishop, and what is she doing? Not just doing the fundraising but taking big money from a whole range of—again—Chinese companies. This is the double standard of this government—they won't deal with where the money is coming from unless it's on the Labor side. But the issue with the bill that we're about to get about foreign



donations—that they have at least acknowledged—is that it doesn't matter whether it comes from China, London, Sydney—

*Senator O'Sullivan interjecting—*

**Senator RHIANNON:** Or if it comes from Russia, to keep Senator O'Sullivan satisfied. What we know is that it doesn't make a difference because, wherever the money is coming from, it has a corrupting influence on politics in this country. And we see that in a really stand-out way.

What we should be addressing is the different sectors. The hotels, clubs and alcohol sector over the past 10 years has given more than \$8½ million to political parties. The property industry—the real estate agents, the property speculators and the developers—has given more than \$40 million over 10 years. Tobacco—over \$1½ million; gambling—nearly \$4 million. I picked out those four sectors and gave the totals because they're the sectors that have been completely banned from making donations in New South Wales. That is really critical. What's more, that was upheld in a very important High Court case, when a very unsavoury developer, Mr McCloy, took the New South Wales government to court. The decision came down in 2015 with a very important finding: that it was not contrary to the Constitution for the bans on those sectors to stand. The Greens have a private senators' bill before the chamber about that very issue.

This latest scandal—and there will be more—underlines why we need a federal corruption watchdog. If we had a federal corruption watchdog, it could've investigated the issues to do with Stuart Robert and his unsavoury deals with mining companies, and it could be investigating the current scandal with Senator Dastyari. This is clearly the time: we need far-reaching political donations reform and we need a national corruption watchdog.

Question agreed to.

## NOTICES

### Presentation

**Senator Patrick** to move on 6 December 2017:

That the Senate—

(a) notes that:

(i) the *Australian Information Commissioner Act 2010* (AIC Act) establishes three independent statutory office holders:

(A) the Information Commissioner,

(B) the Freedom of Information (FOI) Commissioner, and

(C) the Privacy Commissioner,

(ii) paragraphs 11(5)(a) and (b), and paragraphs 12(5)(a) and (b) of the AIC Act describe the independence of each commissioner,

(iii) in the six months following the AIC Act's Royal Assent, three commissioners were appointed to the three office-holder's positions,

(iv) since the unsuccessful attempt by the Abbott Government to abolish the Office of the Australian Information Commissioner, two commissioners have left office and have not been replaced,

(v) currently Mr Timothy Pilgrim fills the statutory positions of the Information Commissioner and Privacy Commissioner, and the position of FOI Commissioner is vacant on account of Mr Pilgrim not holding the legal qualifications required in section 14 of the AIC Act,

(vi) on 23 March 2017, then Senator Xenophon wrote to the Attorney-General calling on him to immediately arrange for the appointment of both an FOI Commissioner and a Privacy Commissioner in accordance with the Act,

(vii) on 4 May 2017, the Attorney-General responded stating that it is the Government's intention to leave Mr Pilgrim as the Information Commissioner and the Privacy Commissioner and it proposed to leave the position of FOI Commissioner vacant,

(viii) on 29 November 2017 the Senate passed a motion calling on the Government to immediately commence the process of appointing an independent Privacy Commissioner and an independent FOI Commissioner in accordance with the AIC Act – the Government did not support the motion,

(ix) pursuant to an Administrative Arrangement Order of the Governor-General, the AIC Act is administered by the Attorney-General, and

(x) the AIC Act requires the appointment of three independent statutory office-holders and the Government is constitutionally bound to maintain and execute the laws of the land; and

(b) resolves that, until such time as the position of the Privacy Commissioner and the position of the FOI Commissioner have been gazetted, the Attorney-General shall be prohibited from sitting at the table of the Senate and shall be allocated a seat by the President in the front seats reserved for ministers. (*general business notice of motion no. 634*)

**Senator Bernardi** to move on 6 December 2017:

That the Senate—

(a) commends the Prime Minister and the Government for talking about the need for income tax relief for middle-income earners affected by bracket creep; and

(b) encourages the Government to propose relief for bracket creep – either in the Mid-Year Budget Review or in the 2017/18 Budget – and bring a bill to that effect to the Parliament at the earliest opportunity. (*general business notice of motion no. 635*)

**Senator Bernardi** to move on the next day of sitting:

That the Senate—

(a) notes that 3 December 2017 marked 163 years since the Eureka Stockade rebellion of 1854;

(b) recognises the Eureka Stockade as the birthplace of the Australian spirit of mateship, signified by the term 'diggers', a term which was later adopted by Anzac soldiers in World War I;

(c) further notes that the Eureka Stockade signified a victory of self-reliant individuals over big government, corruption, arbitrary licensing and excessive taxation;

(d) rejects the attempt by some unions to rewrite history and usurp the Southern Cross or Eureka flag and rebellion as representative of militant unionism; and

(e) calls upon the Government to promote the historical observance of the Eureka Stockade and ensure an accurate representation of its true historical context. (*general business notice of motion no. 636*)

**Senator Bernardi** to move on the next day of sitting:

That the Senate—

(a) notes that 2 December 2017 marked one year since the South Australian Treasurer, the Honourable Tom Koutsantonis, MP, called for the abolition of tariffs 'such as the luxury car tax' on

imported motor vehicles, and also stated that he would immediately take that cause to the Coalition of Australian Governments meeting in Canberra;

(b) agrees with the South Australian Treasurer's statement in his media release on that day that there is no longer an Australian automotive manufacturing industry to protect with these measures;

(c) observes that abolition of remaining tariffs on motor vehicles and the luxury car tax would, combined, save Australian car buyers \$1 billion per annum; and

(d) calls upon the Government to announce its plans for these tariffs in the Mid-Year Budget Review, if not before. (*general business notice of motion no. 637*)

**Senator Siewert** to move on the next day of sitting:

That the Senate—

(a) notes the article in *The Age*, on 15 November 2017, regarding the residents of Berkeley Living retirement village in Victoria;

(b) acknowledges that there have been problems with the retirement villages sector for many years and that there was a parliamentary inquiry that looked at issues within the retirement villages sector in 2007;

(c) recognises that the situation of Berkeley Living residents is yet another example of how a lack of regulation and standards in this industry have allowed poor practices to flourish;

(d) notes that retirement villages were on the agenda for the meeting, on 31 August 2017, of Consumer Affairs Ministers and that it was agreed to direct the Chartered Accountants of Australia & New Zealand to undertake further investigation into the regulation of retirement villages, including identifying any regulatory gaps that allow unfair practices to occur; and

(e) urges the Federal Government to take a leadership role in developing nationally-consistent regulation of retirement housing across the various tenures that provides strong protections to residents and their families. (*general business notice of motion no. 638*)

**Senator Bernardi** to move on 7 December 2017:

That the Senate—

(a) notes that the Trump administration has succeeded in passing, through both Houses of the Congress of the United States of America (US), over US\$1 trillion in company tax cuts over 10 years, including a cut in the corporate tax rate from 35% to potentially 20%;

(b) expresses concern that these US company tax cuts will affect Australian companies' global competitiveness;

(c) also notes the Australian Department of Treasury research, published earlier this month, revealing that if Australia's corporate tax rate was cut from 30 %to 25% by 2026, there would be \$30 billion in additional company tax revenue due to stronger economic growth, and increased GST revenue from additional consumer spending;

(d) further notes the recent comments of the Business Council of Australia and the Australian Chamber of Commerce and Industry supporting Australian company tax cuts; and

(e) supports tax relief for Australian companies to ensure our companies remain globally competitive. (*general business notice of motion no. 639*)

**Senator Steele-John** to move on the next day of sitting:

(1) That the Senate notes:

(a) the unanimous findings of the Environment and Communications References Committee report, *Game on: more than playing around – The future of Australia's video game development industry*, received on 29 April 2016,

(b) the absence of any government response to the findings of this inquiry, and

(c) that, on 25 May 2017, the Minister for Communications (Senator Fifield) and the Deputy Secretary of the Department of Communications and the Arts (Mr Richard Eccles) stated at the Budget estimates hearing, in response to questioning by Senator Ludlam, that a finalised draft response to this inquiry has been submitted to the Government for consideration; and

(2) That there be laid on the table by the Minister for Communications, by no later than 3 pm on 6 December 2017, a copy of the government response to this report. (*general business notice of motion no. 640*)

**Senator Hanson-Young** to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) before his resignation, the Honourable Barnaby Joyce was the Turnbull Government's Minister for Agriculture and Water Resources, and

(ii) the Minister for Agriculture and Water Resources has authority over the function of the Murray-Darling Basin Plan;

(b) further notes that, in his time as the Minister for Agriculture and Water Resources, former Minister Joyce:

(i) dismissed the suggestion that the Commonwealth investigate allegations of water theft as broadcast by the Australian Broadcasting Corporation's *Four Corners* program,

(ii) instead described those allegations as a conspiracy to 'take more water' from irrigators in an effort to 'shut more of your towns down',

(iii) suggested that allegations that irrigators in New South Wales have undermined the Murray-Darling Basin Plan were an issue for New South Wales only, as 'the people who live around where that water may have been taken live all in New South Wales',

(iv) indicated that the reason he held the responsibility for the water portfolio was to 'make sure we don't have greens running the show',

(v) stated that the decision to incorporate the water portfolio into the broader agriculture portfolio was to 'look after' irrigator communities in New South Wales, and

(vi) suggested that the allegations were broadcast by *Four Corners* out of sympathy for 'radical greens organisations';

(c) acknowledges that the Australian taxpayer has bought billions of litres of water back under the Murray-Darling Basin Plan, giving all Australians, in every state and territory, an interest in ensuring this water is used for its stated purpose;

(d) recognises that bestowing on a single minister responsibility for both agriculture and water creates a conflict of interest; and

(e) calls on the Government to split the portfolios of water and agriculture and to not return the responsibility for water to former Minister Joyce. (*general business notice of motion no. 641*)

**Senator Hanson-Young** to move on the next day of sitting:

(1) That the Senate—

(a) notes that:

(i) in December 2016, the celebrity gardener Mr Don Burke appeared in a Facebook video with the then Minister for Agriculture and Water Resources and Deputy Prime Minister (Mr Barnaby Joyce), discussing favourably the relocation of the Australian Pesticides and Veterinary Medicines Authority from Canberra to the Minister's electorate, and

(ii) this video is no longer available;

(b) further notes that:

(i) allegations of long-term sexual harassment and abuse against prominent identities raise serious concerns about the culture of silence that has been allowed to prosper in the media industry,

(ii) the decision of any Government minister to associate with media identities facing multiple allegations of sexual harassment and abuse would call into question their capacity to responsibly execute their ministerial responsibilities,

(iii) scrubbing one's social media of references to figures facing allegations of sexual harassment and abuse would represent an acknowledgement that the association was inappropriate in the first place, and

(iv) any member of the Government who chooses to associate with a figure whose alleged behaviour was, to quote one report, 'an open secret for years', cannot, for their own benefit, pick and choose when to withdraw that association; and

(2) That there be laid on the table by the Minister representing the Minister for Agriculture and Water Resources, by no later than 6.30 pm on 7 December 2017:

(a) any documents produced by, with, or featuring celebrity gardener Mr Burke from 1 November 2016,

(b) any advice provided to the Minister by the Department relating to social media featuring Mr Burke since 1 November 2016 and prior to 4 December 2017,

(c) any documents relating to social media featuring the Minister and Mr Burke since 1 November 2016 and prior to 4 December 2017, and

(d) any related documents. (*general business notice of motion no. 642*)

**Senator Patrick** to move on the next day of sitting:

(1) That the Senate notes that:

(a) in 2015, the Government commenced consultation with the local community of Kimba in South Australia on whether the town might host a radioactive waste management facility, in order to ascertain if there was 'broad community support';

(b) in an early 2016 vote on the issue, the community was shown to be split down the middle – 51% in favour to 49% against;

(c) a late 2016 vote was then held, where the numbers changed slightly to 56% in favour to 41% against,

(d) on 22 March 2017, the Minister for Resources and Northern Australia, responding to a question from then Senator Xenophon on the meaning of 'broad community support', advised the Senate that the Government had taken a proposal forward in the Hawker region in South Australia where support was at 65%;

(e) the Minister for Resources and Northern Australia further advised that, while the Government has not put a definitive figure on what constitutes 'broad community support', the Government would need a figure in the range of the support received in Hawker;

(f) Kimba voted a third time in July this year, with a total of 88 per cent of the community voting – the results have come in at 57% for and 43% against;

(g) at no stage has the 65% 'broad community support' criteria the Government set itself been reached; and

(h) on 27 June 2017, the Minister for Resources and Northern Australia announced that two proposed sites for a radioactive waste management facility at Kimba will proceed to the next phase of assessment.

(2) That there be laid on the table by the Minister for Resources and Northern Australia, by no later than 3.30 pm on 7 December 2017, the brief provided to the Minister and used by him to make the decision that two proposed sites for a radioactive waste management facility at Kimba will proceed to the next phase of assessment. (*general business notice of motion no. 643*)

**Senator Patrick** to move (contingent on the Senate on any day concluding its consideration of any item of business and prior to the Senate proceeding to the consideration of another item of business):

That so much of the standing orders be suspended as would prevent the senator moving a motion relating to the conduct of the business of the Senate or to provide for the consideration of any matter.

**Senator Patrick** to move (contingent on any senator objecting to a motion being taken as formal):

That so much of the standing orders be suspended as would prevent the motion being moved immediately and determined without amendment or debate.

**Senator Patrick** to move (contingent on a minister moving a motion that a bill be considered an urgent bill):

That so much of standing order 142 be suspended as would prevent debate taking place on the motion.

**Senator Patrick** to move (contingent on a minister moving a motion to specify time to be allotted to the consideration of a bill, or any stage of a bill):

That so much of standing order 142 be suspended as would prevent the motion being debated without limitation of time and each senator speaking for the time allotted by standing orders.

**Senator Patrick** to move (contingent on the chair declaring that the time allotted for the consideration of a bill, or any stage of a bill, has expired):

That so much of standing order 142 be suspended as would prevent further consideration of the bill, or the stage of the bill, without limitation of time or for a specified period.

**Senator Patrick** to move (contingent on the moving of a motion to debate a matter of urgency under standing order 75):

That so much of the standing orders be suspended as would prevent the senator moving an amendment to the motion.

**Senator Patrick** to move (contingent on the Senate on any day concluding its consideration of any item of business and prior to the Senate proceeding to the consideration of another item of business):

That so much of the standing orders be suspended as would prevent the senator moving a motion relating to the order of business on the *Notice Paper*.

**Senator Patrick** to move (contingent on a minister at question time on any day asking that further questions be placed on notice):

That so much of the standing orders be suspended as would prevent the senator moving a motion that, at question time on any day, questions may be put to ministers until 30 questions, including supplementary questions, have been asked and answered.

**Senator Patrick** to move (contingent on any senator being refused leave to make a statement to the Senate):

That so much of the standing orders be suspended as would prevent that senator making that statement.

**Senator Patrick** to move (contingent on any senator being refused leave to table a document in the Senate):

That so much of the standing orders be suspended as would prevent the senator moving that the document be tabled.

### **Withdrawal**

**Senator BUSHBY** (Tasmania—Chief Government Whip in the Senate) (16:17): At the request of the Chair of the Standing Committee on Regulations and Ordinances, Senator Williams, and pursuant to notice given on 29 November 2017, I withdraw business of the Senate notice of motion No. 1 standing in his name for 7 December 2017 proposing the disallowance of the Private Health Insurance (Benefit Requirements) Amendment Rules 2017 (No. 6).

## **BUSINESS**

### **Consideration of Legislation**

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (16:18): I move:

That on Thursday, 7 December 2017, if the bills listed in the order of the Senate of 30 November 2017 varying the routine of business have been finally considered, then general business order of the day no. 57 (Taxation Administration Amendment (Corporate Tax Entity Information) Bill 2017 be considered at the time for private senators' bills.

Question agreed to.

### **Leave of Absence**

**Senator URQUHART** (Tasmania—Opposition Whip in the Senate) (16:19): by leave—I move:

That leave of absence be granted to the following senators for personal reasons:

(a) Senator Collins for today; and

(b) Senator Gallagher for 5 December 2017.

Question agreed to.

## **NOTICES**

### **Postponement**

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

Business was postponed as follows:

Business of the Senate notice of motion no. 1 standing in the name of Senator Siewert for today, proposing the disallowance of the Social Security (Administration) (Trial Area) Amendment Determination (No. 2) 2017, postponed till 6 February 2018.

Business of the Senate notice of motion no. 2 standing in the name of Senator McKim for today, proposing the disallowance of the Migration Legislation Amendment (2017 Measures No. 4) Regulations 2017, postponed till 5 December 2017.

General business notice of motion no. 545 standing in the name of Senator Dodson for today, proposing the establishment of a joint select committee on progress towards Indigenous recognition, postponed till 5 February 2018.

## COMMITTEES

### Finance and Public Administration References Committee

#### Reporting Date

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

1800RESPECT Domestic and Sexual Violence National Counselling Service, extended to 15 December 2017.

Community Development Program, extended to 14 December 2017.

**The PRESIDENT** (16:20): I remind senators that the question may be put on any proposal at the request of any senator.

### Foreign Affairs, Defence and Trade References Committee

#### Reference

**Senator URQUHART** (Tasmania—Opposition Whip in the Senate) (16:21): At the request of Senator Moore, I move:

That the following matter be referred to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 29 November 2018:

The United Nations Sustainable Development Goals (SDG), with particular reference to:

(a) the understanding and awareness of the SDG across the Australian Government and in the wider Australian community;

(b) the potential costs, benefits and opportunities for Australia in the domestic implementation of the SDG;

(c) what governance structures and accountability measures are required at the national, state and local levels of government to ensure an integrated approach to implementing the SDG that is both meaningful and achieves real outcomes;

(d) how can performance against the SDG be monitored and communicated in a way that engages government, businesses and the public, and allows effective review of Australia's performance by civil society;

(e) what SDG are currently being addressed by Australia's Official Development Assistance (ODA) program;

(f) which of the SDG is Australia best suited to achieving through our ODA program, and should Australia's ODA be consolidated to focus on achieving core SDG;

(g) how countries in the Indo-Pacific are responding to implementing the SDG, and which of the SDG have been prioritised by countries receiving Australia's ODA, and how these priorities could be incorporated into Australia's ODA program; and

(h) examples of best practice in how other countries are implementing the SDG from which Australia could learn.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (16:20): I seek leave to make a short statement.

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



**Senator McGRATH:** The government notes the ongoing workloads of committees and committee secretariats and related concerns about additional references.

Question agreed to.

## MOTIONS

### International Day of People with Disability

**Senator URQUHART** (Tasmania—Opposition Whip in the Senate) (16:21): At the request of Senators Brown, Brockman and Steele-John, move:

That the Senate—

(a) notes that 3 December 2017 will mark the 25th anniversary of International Day of People with Disability, and the United Nations' theme for 2017 International Day of People with Disability is 'Transformation towards sustainable and resilient society for all'—the overarching principle of this theme is to 'Leave no one behind' and to empower people with disability to be active contributors to society;

(b) further notes that people with disability must first have full access to justice, healthcare, infrastructure, education and employment, as outlined in the United Nations 2030 agenda for Sustainable Development Goals; and

(c) calls on Commonwealth, state and territory governments to ensure that people with disability are able to realise their right to participate fully and equally in Australian society as a whole.

Question agreed to.

### National Asbestos Awareness Week

**Senator URQUHART** (Tasmania—Opposition Whip in the Senate) (16:22): At the request of Senator Singh, I move:

That the Senate—

(a) notes:

(i) that this week is National Asbestos Awareness Week,

(ii) the success of this week's Asbestos Safety and Eradication Summit, which was hosted by the Asbestos Safety and Eradication Agency at Old Parliament House in Canberra, in reviewing what has been achieved in coordinating and implementing the 2014-18 National Strategic Plan and setting the scene for the next phase of asbestos safety and eradication in Australia's next National Strategic Plan, and

(iii) that the Government has not committed to ongoing funding for the Asbestos Safety and Eradication Agency;

(b) further notes:

(i) the ongoing importance of the Parliamentary Friendship Group on Asbestos Related Diseases in raising awareness in Parliament of the asbestos scourge,

(ii) that Australia has one of the highest rates of mesothelioma in the world,

(iii) that as many as 40,000 Australians will be diagnosed with an asbestos-related disease in the next 20 years, and

(iv) that Australians are being exposed to a wide range of imported goods and materials containing asbestos that are not being detected by our customs services, including fibre cement sheets and children's crayons; and

(c) supports:

(i) the 2017 Asbestos Awareness Month national campaign which aims to inform homeowners, renovators, tradespeople and handymen about the dangers of asbestos in and around homes and how to manage it safely, and

(ii) the recommendations in the recent interim report of the Economics References Committee, *Protecting Australians from the threat of asbestos*, inquiring into the effects of non-conforming building products on the Australian building and construction industry.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (16:22): I seek leave to make a short statement.

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

**Senator McGRATH:** The government rejects the assertion that the Asbestos Safety and Eradication Agency is not adequately funded. The government is committed to ensuring the agency's adequately funded to meet its statutory obligations. This is evidenced by the additional funding of \$3.4 million provided by the government to the agency over the last two financial years. Without the additional funding provided by the government in the 2016-17 budget, the agency's funding for 2017-18 would be \$1.4 million less. The government is currently carefully considering funding levels as part of the budget process and is committed to ensuring that the agency continues to be properly resourced.

Question agreed to.

### World AIDS Day

**Senator BUSHBY** (Tasmania—Chief Government Whip in the Senate) (16:23): At the request of Senators Fierravanti-Wells, Moore, Smith and Singh, I move:

That the Senate—

(a) notes that:

(i) 1 December 2017 is World AIDS Day, which is held every year to raise awareness about the issues surrounding HIV/AIDS, and to show support for people living with HIV,

(ii) while significant advancements in treatment and diagnosis have been made over the past 30 years, HIV/AIDS remains a major health concern worldwide and in our region,

(iii) the most recent data shows that:

(A) in 2016, 36.7 million people were living with HIV globally, and 1.8 million people became newly infected,

(B) in 2016, in the Asia-Pacific, 5.1 million people were living with HIV, the largest population outside Africa, and 270,000 people became newly infected, representing 15% of all new infections, and

(C) our nearest neighbour, Papua New Guinea (PNG), has high rates of HIV infection – UNAIDS estimates there are 46 000 people living with HIV in PNG, including 3000 children under the age of 14,

(iv) HIV infection rates are highest among certain populations, including sex workers, people who inject drugs, transgender people, prisoners, and men who have sex with men – the discrimination and stigma faced by these populations often prohibit them from accessing HIV prevention and treatment services,

(v) Australia is one of the few countries that advocates for HIV treatment and prevention and rights for these populations,

(vi) Australia also plays an important role in the fight against HIV in the Asia-Pacific and is committed to the 90-90-90 treatment targets and the Sustainable Development Goal (SDG) target 3.3 to end the HIV epidemic by 2030, and

(vii) globally, 11 million people living with HIV receive anti-retro viral therapy treatment through Global Fund supported programs, comprising more than half the total number of people on treatment worldwide; and

(b) recognises that:

(i) Australia has a long bipartisan history of supporting the fight against HIV in our Indo-Pacific region – over the past decade, successive Australian Governments have provided over one billion dollars to support HIV-specific programs through the aid program,

(ii) access to quality health care services for HIV treatment is a challenge in PNG, where budget, population growth, urbanisation and remoteness constrain service delivery,

(iii) Australia is committed to strengthening PNG's HIV prevention and treatment activities and has invested in HIV interventions working to reduce sexually transmitted infections and HIV, and increase access to HIV prevention and treatment,

(iv) Australia recognises the commitment and engagement of local PNG community organisations and their supporters who have worked on HIV education and service delivery in the region for many years,

(v) Australia benefits from our support to PNG health, because a healthy, prosperous region is in Australia's interest,

(vi) Australia recognises that good health and strong and resilient health systems support productive societies and economic growth, and

(vii) Sustainable Development Goal (SDG) 3, healthy lives and wellbeing for all, includes target 3.3, to end the HIV epidemic by 2030 – to achieve this target we need to continue our strong support for action against HIV in our region.

Question agreed to.

### **International Day of People with Disability**

**Senator BUSHBY** (Tasmania—Chief Government Whip in the Senate) (16:24): I seek leave to amend general business notice of motion No. 632 standing in the names of Senators Fierravanti-Wells, Moore and Steele-John.

Leave granted.

**Senator BUSHBY:** I move the motion as amended:

That the Senate—

(a) notes that:

(i) on 3 December 2017, the world observed International Day of People with a Disability, an opportunity to focus on how society can strive for inclusivity through the removal of barriers for people with disabilities,

(ii) the theme of this year's International Day of People with a Disability is 'Transformation towards sustainable and resilient society for all' – this reflects an ambition, grounded in the 2030 agenda for Sustainable Development Goals, to empower people with disabilities to be active contributors to society through increasing access to justice, infrastructure and accessible communities,

(iii) people with a disability are the largest and most disadvantaged minority in the world and make up approximately 15% of the global population – around 80% of all people with a disability live in a developing country,

(iv) in developing countries, people with disabilities and their families are more likely to be poor and remain poor because of higher living costs, barriers to education, health and employment opportunities, and unpaid caring responsibilities,

(v) to be effective in reducing poverty, development efforts should be led by and must actively include and benefit people with disabilities, and

(vi) Australia's Development for All Strategy is being implemented through the Australian aid program and through our diplomatic efforts – it aims to improve the quality of life of people with disabilities through:

(A) enhancing participation and empowerment of people with disabilities as contributors, leaders and decision-makers in the community, government and the private sector,

(B) reducing poverty among people with disabilities, and

(C) improving equality of people with disabilities in all areas of public life, including service provision, education and employment; and

(b) recognises that:

(i) Australia is committed to protecting and strengthening civil society, including disabled people's organisations, internationally,

(ii) Australia is widely regarded internationally as a global leader in many areas of promoting disability inclusive development and disability rights, and

(iii) the 2017 Foreign Policy White Paper identifies the promotion of the rights of persons with disabilities as a key focus for Australia's term on the United Nations Human Rights Council.

Question agreed to.

### **National Security**

**Senator LEYONHJELM** (New South Wales) (16:24): At the request of Senator Bernardi, I move:

That the Senate—

(a) expresses the firm view that at all times senators must act in the Australian national interest and not in the interests of other nations;

(b) notes potential serious consequences for senators who fail to meet legal requirements to act in that fashion; and

(c) urges all senators to adhere to this view in their communications and dealings with persons who may be foreign agents or otherwise under the surveillance of Australia's security apparatus.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (16:25): I seek leave to make a short statement.

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

**Senator McGRATH:** Covert foreign influence against our political system can cause immense harm to our national sovereignty, the safety of our people, our economic prosperity and the very integrity of our democracy. This government has already embarked on a program of legislative and policy reform to ensure Australia's people and interests are protected from the threat of espionage and covert foreign interference. The Attorney-General has recently completed a thorough review of Australia's foreign interference legislation. The government will shortly introduce comprehensive reforms into the parliament to address a broad spectrum of foreign interference and covert political influence activity in Australia.

Question agreed to.

### Sexual Discrimination

**Senator URQUHART** (Tasmania—Opposition Whip in the Senate) (16:26): At the request of Senators Wong, Smith and Rice, I move:

That the Senate—

(a) recognises that:

(i) lesbian, gay, bisexual, transgender, intersex, and queer (LGBTIQ) people face discrimination on the basis of their sexual orientation and identity,

(ii) LGBTIQ people everywhere deserve to live in safe and inclusive societies, and

(iii) Australian society embraces diversity, ensuring that LGBTIQ people are safe, valued and respected;

(b) notes:

(i) that Australian Governments of both persuasions have sought to promote and protect lesbian, gay, bisexual, transgender, intersex, and queer human rights in Australia and internationally, and

(ii) the ongoing and urgent challenges facing the protection of LGBTIQ human rights; and

(c) urges all parliamentarians to unreservedly commit to protecting the rights of LGBTIQ people and communities globally.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (16:26): I seek leave to make a short statement.

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

**Senator McGRATH:** Human rights extend to every individual. The coalition government is committed to protecting the rights and freedoms of all Australians regardless of race, ethnicity, gender, religion, sexual orientation, age or ability. As part of this commitment, the government has appointed Philip Ruddock to examine whether Australian law adequately protects the human right to religious freedom. There is consensus across the parliament to ensure religious freedoms are protected, and this will be a timely expert stocktake to inform consideration of any necessary legislative reforms.

Question agreed to.

### Yiannopoulos, Mr Milo

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (16:27): I move:

That the Senate—

(a) notes:

(i) the upcoming visit to Parliament House by 'alt-right' figure Mr Milo Yiannopoulos, at the invitation of Senator Leyonhjelm, for a conversation and Q&A in the Mural Hall, and

(ii) that Mr Yiannopoulos' behaviour is so offensive that he has been permanently banned by Twitter for 'inciting or engaging in the targeted abuse or harassment of others';

(b) confirms that Australia's Federal Parliament is a place that celebrates and encourages a diversity of opinions, as long as those views are expressed respectfully;

(c) condemns any senator who seeks to use Australia's Parliament to provide a platform to any person who preaches hate and incites abuse and harassment of women, Jews, and members of the LGBTIQ and multicultural communities; and

(d) calls on the President of the Senate to revoke permission for Mr Yiannopoulos to speak at Parliament House.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (16:27): I seek leave to make a short statement.

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

**Senator McGRATH:** The government does not support this motion. Freedom of speech includes the freedom to say things which others may find offensive. It is by protecting the speech of those with whom we disagree, even those with whom our disagreement is fundamental, that we secure and protect Australia's democratic values. The government recognises that free speech is not absolute but carries with it the responsibility to promote civil discourse as well as to reject hate speech or speech that incites violence and bullying of others.

**Senator LEYONHJELM** (New South Wales) (16:28): I seek leave to make a brief statement.

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

**Senator LEYONHJELM:** Mr Yiannopoulos is Jewish and does not attack those of his own faith because of their faith. Mr Yiannopoulos is gay and does not attack those of a similar sexual preference because of that sexual preference. Mr Yiannopoulos does not attack women because they are women. Senator Di Natale is welcome to disagree with me and Mr Yiannopoulos, and even to attack him, but he's not at liberty to seek to censor him because he disagrees with him.

**Senator CHISHOLM** (Queensland) (16:28): I ask that the question be divided on general business notice of motion No. 630 so that the opposition can vote differently on paragraphs (a) to (c) and on paragraph (d), and I seek leave to make a short statement.

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

**Senator CHISHOLM:** The opposition opposes paragraph (d) of this motion. While the presiding officers can exercise their discretion to approve or deny applications made directly by organisations and individuals seeking to use Parliament House as a venue, advice provided to the opposition indicates that there are believed to be no examples where that power has been used to exclude entry to someone who has been invited by a senator or member, except where someone has been excluded on law enforcement or security advice. The opposition does not endorse the views of Milo Yiannopoulos and will be supporting paragraphs (a) to (c) of this motion. The opposition believes senators should demonstrate their repudiation of these views by not attending the event in question.

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (16:29): I seek leave to make a short statement.

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

**Senator DI NATALE:** Let's be clear about who Mr Yiannopoulos is. This is a man who is a racist and a bigot. He's a man who regularly solicits ideas from Neo-Nazis. He's a man who thinks that consensual relationships can exist between 13-year-old children and adults. He thrives on harassing and inflicting pain on people. He was banned from Twitter for inciting hundreds of thousands of people to bombard actor Leslie Jones with racist and demeaning tweets. He's been involved in organising public attacks against feminist writer and activist Lindy West. No-one is suggesting that Mr Yiannopoulos shouldn't have a platform with

Senator Leyonhjelm should he wish—perhaps in some dark corner of Sydney. He's able to do that, but we're talking about granting the privilege here in the Australian parliament to a bigot, to a bully, to somebody who has incited abuse against so many people across the country. Parliament should be a place where we respect each other's views rather than incite hatred.  
(Time expired)

**Senator HINCH** (Victoria) (16:30): I seek leave to make a short statement.

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

**Senator HINCH:** Senator Di Natale, we've had bullies and bigots elected to this parliament. I agree with a lot of what you've said about this man. I don't want to make him a martyr. I go back to the case of David Irving, when he was banned from coming to Australia and was turned into a bit of a martyr by all of the people who were holocaust deniers. It was in my days as a journalist, so I interviewed him on television, by satellite, from overseas, argued with him and tried to tear him apart. That's what should be done with this man here. He should not be made into a martyr.

**The PRESIDENT:** As previously advised to whips and the crossbench, I am tabling a letter written by me and the Speaker of the House of Representatives to Senator Di Natale in response to his letter of last week regarding this matter.

I now put the first part of the motion, paragraphs (a) to (c), of notice of motion No. 630, moved by Senator Di Natale.

Question agreed to.

**The PRESIDENT:** I now put paragraph (d).

Question negatived.

### Charitable Organisations

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (16:31): I move:

That the Senate—

(a) acknowledges:

(i) the contributions of charities and not-for-profit organisations in Australia and their advocacy on issues that matter to Australians, including human rights, social services, foreign aid and development, environmental protection and medical research, and

(ii) the important role these organisations and their advocacy play in Australia's democracy;

(b) notes the Government's attempts to limit their ability to engage in advocacy on the matters and causes they champion; and

(c) expresses its support for these charities and not-for-profit organisations and their advocacy.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (16:32): I seek leave to make a short statement.

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

**Senator McGRATH:** The government supports the important contribution of charities and the not-for-profit sector in Australia. The government believes it's important that only Australians and Australian entities can participate in Australian elections and will introduce legislation to implement a foreign donations ban which will apply to all political campaigning activity consistent with international practice.

Question agreed to.

### Yemen

**Senator URQUHART** (Tasmania—Opposition Whip in the Senate) (16:33): I seek to add the name of Senator Fierravanti-Wells to notice of motion No. 633.

**The PRESIDENT:** So added.

**Senator URQUHART:** At the request of Senators Wong and Fierravanti-Wells, I move:

That the Senate—

(a) notes the dire humanitarian situation in Yemen where 21 million Yemeni are reliant on humanitarian assistance;

(b) observes this is being made worse by the ongoing disruption to the free movement of lifesaving humanitarian assistance with the United Nations Office for the Coordination of Humanitarian Affairs raising grave concern about the impact on the capacity to respond to the continued cholera outbreak and the growing incidents of diphtheria;

(c) welcomes reports that United Nations planes and a single ship have been given access to Yemen in recent days, allowing much needed humanitarian supplies to be distributed;

(d) believes that, with 7 million Yemeni on the brink of famine and estimates of 130 children dying daily, it is imperative all parties ensure the free entry and movement of lifesaving humanitarian assistance within Yemen; and

(e) calls on all parties to heed the calls of the United Nations and international non-government organisations operating in Yemen to allow the free movement of humanitarian and commercial trade.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (16:33): I seek leave to make a short statement.

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

**Senator McGRATH:** The Australian government is deeply concerned for the seven million Yemenis facing starvation in what the United Nations describes as the worst humanitarian crisis since 1945. Australia has responded by providing \$20 million in emergency assistance in 2017. We have also contributed \$33 million to the UN Central Emergency Response Fund over the last three years, which has provided support to Yemen. Australia has made representations to relevant parties, underlining the importance of unhindered humanitarian access and compliance with international humanitarian law. Recognising that the only way to end the suffering is for a permanent end to hostilities, Australia has continued to call on all parties to return to UN mediated negotiations.

**Senator WHISH-WILSON** (Tasmania) (16:34): I seek leave to move an amendment to general business notice of motion No. 633 moved by Senator Urquhart at the request of Senator Wong and Senator Fierravanti-Wells.

Leave granted.

**Senator WHISH-WILSON:** I move the amendment circulated in the chamber:

At the end of paragraph (e), add "and, in particular, reiterates the UN's call for the Saudi-led coalition to fully lift its blockade of Yemen's Red Sea ports, so as to avoid devastating famine".

I seek leave to make a short statement.

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



**Senator WHISH-WILSON:** With the amendment that the Australian Greens have moved, we very specifically want to highlight what the UN and other agencies have highlighted about Saudi Arabia's blockade. We recently had a scandal where the Australian Navy did a training exercise with the Saudi Arabian navy. That was highlighted in this chamber by the Greens and externally by a number of aid agencies, and that is a significant point of concern. The Greens are very concerned that neither the Labor Party nor the Liberal Party seem to want to single out Saudi Arabia and their blockade. It's not good enough for us to be selling arms, exporting our defence materiel, to Saudi Arabia while at the same time refusing to actually call them out— *(Time expired)*

**The PRESIDENT:** I will put the amendment to the motion. The question is the amendment moved by Senator Whish-Wilson to the notice of motion No. 633 be agreed to.

Question negatived.

**The PRESIDENT:** I will put the substantive unamended motion 633, standing in the name of Senators Wong and Fierravanti-Wells.

Question agreed to.

### **Radioactive Waste Management**

**Senator HANSON-YOUNG** (South Australia) (16:36): I move:

That the Senate—

(a) acknowledges that the Federal Government is continuing to advance plans to locate a federal radioactive waste facility in regional South Australia;

(b) notes that all three sites under consideration are actively contested by community members, and that the project in its current configuration is inconsistent with South Australian law;

(c) notes that around 95% of the waste planned for any future federal facility is currently in secure storage at two existing federal sites; and

(d) calls on the Federal Government to advance responsible radioactive waste management by committing not to impose any federal facility on an unwilling community, acting in a manner consistent with state laws and leading practice, and facilitating an open review process to explore the range of long-term future management options.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (16:36): I seek leave to make a short statement.

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

**Senator McGRATH:** Radioactive waste is currently stored in more than 100 locations around Australia. For more than 40 years, Australia has been working to identify a location to consolidate the waste. This process is now well underway. The National Radioactive Waste Management Act 2012 has bipartisan support and is centred on the community. Under its mandated process, the facility will be located on a volunteered site on technically acceptable land with a broadly supportive community. Against these broad criteria and supported by community consultation, three applications have currently progressed to phase 2 of this assessment.

**Senator CHISHOLM** (Queensland) (16:37): I seek leave to make a short statement.

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

**Senator CHISHOLM:** Labor is unable to support this motion. The motion presented by Senator Hanson-Young is technically incorrect. The assertion that the project would be inconsistent with South Australian law cannot be confirmed. It also makes no reference to the actions of the South Australian government in adopting a policy that local Aboriginal communities should have a final right of veto over any future facility proposed on their lands. This has been an ongoing issue for 30 years. Advice received is that a national facility is required in the medium term. Australians depend on nuclear technology for medicines used in the diagnosis of heart disease and skeletal injuries, as well as a range of cancers. Radioactive waste is managed in 100 locations around Australia, including hospitals, industrial sites, mines and suburban Sydney.

**Senator HANSON-YOUNG** (South Australia) (16:38): I seek leave to make a short statement.

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

**Senator HANSON-YOUNG:** In order to save time I won't call a division. It's clear the government and the Labor Party have the numbers on this motion, but I will raise that I'm disappointed to see the Labor Party line up with the government on this. This motion is about ensuring we have a proper process that takes into consideration the views of local communities, particularly local Indigenous communities. I think it's shameful that that's been swept under the carpet.

Question negatived.

### **Older People and Homelessness**

**Senator RHIANNON** (New South Wales) (16:38): I would like to add the names of Senators Hinch and Polley to this motion. I, and also on behalf of Senators Cameron, Hinch and Polley, move:

That the Senate—

(a) notes that, according to:

(i) census data, the proportion of renting households in housing stress, whose reference person is aged 65 years or over, has risen from 31.7% in 1996 to 54.2% in 2016,

(ii) the 2017 report *Older People at Risk of Homelessness in New South Wales*, since 2012, the number of households in housing stress in receipt of Commonwealth Rent Assistance, whose reference person is aged 65 years or over, has increased 53.7%, and

(iii) the Society of St Vincent de Paul, women aged 55 or over make up the fastest growing group of people experiencing homelessness; and

(b) calls on the Federal Government to:

(i) raise real levels of funding for homelessness services and social housing,

(ii) work with stakeholders to ensure the specific needs of older people are addressed in National Housing and Homelessness Agreement negotiations with states, and

(iii) review the Commonwealth Assistance with Care and Housing Sub-Programme to ensure it is meeting the needs of Australia's ageing population.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (16:39): I seek leave to make a short statement.

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

**Senator McGRATH:** The previous Labor-Greens government did not leave a single dollar in the budget for the National Partnership Agreement on Homelessness. The coalition allocated funding when it came to government and in this budget announced that funding for homelessness would increase and be made permanent, something Labor and the Greens never did. Labor created an affordable housing agreement without any way of measuring whether it delivered a single affordable house. The coalition's new \$1.5 million housing agreement will, for the first time, require states and territories to have a housing strategy and a homelessness strategy that addresses priority concerns which currently include older Australians. The coalition government will also provide \$4.5 billion to 1.3 million people this year to assist with rental affordability and has extended assistance with care and housing services for two years as part of the \$5.5 billion Commonwealth Home Support Program.

**The PRESIDENT:** The question is that general business notice of motion No. 620 be agreed to.

The Senate divided. [16:44]

(The President—Senator Ryan)

Ayes .....30  
 Noes .....24  
 Majority.....6

#### AYES

Bartlett, AJJ  
 Cameron, DN  
 Chisholm, A  
 Dodson, P  
 Gallacher, AM  
 Hanson-Young, SC  
 Ketter, CR  
 Lines, S  
 McCarthy, M  
 Moore, CM  
 Patrick, RL  
 Pratt, LC  
 Rice, J  
 Steele-John, J  
 Urquhart, AE (teller)

Bilyk, CL  
 Carr, KJ  
 Di Natale, R  
 Farrell, D  
 Griff, S  
 Hinch, D  
 Kitching, K  
 McAllister, J  
 McKim, NJ  
 O'Neill, DM  
 Polley, H  
 Rhiannon, L  
 Siewert, R  
 Sterle, G  
 Whish-Wilson, PS

#### NOES

Anning, F  
 Brockman, S  
 Bushby, DC (teller)  
 Cash, MC  
 Fawcett, DJ  
 Fifield, MP  
 Hume, J  
 Macdonald, ID  
 McKenzie, B  
 Paterson, J  
 Reynolds, L  
 Scullion, NG

Birmingham, SJ  
 Burston, B  
 Canavan, MJ  
 Duniam, J  
 Fierravanti-Wells, C  
 Georgiou, P  
 Leyonhjelm, DE  
 McGrath, J  
 O'Sullivan, B  
 Payne, MA  
 Ryan, SM  
 Smith, D

Question agreed to.

### **Broadband**

**Senator O'NEILL** (New South Wales) (16:46): I move:

That the Senate—

(a) notes that:

(i) the Prime Minister is responsible for the decision to abandon optical fibre and instead deploy a second-rate National Broadband Network (NBN),

(ii) NBN Co abandoned use of the Optus Hybrid Fibre Coaxial (HFC) infrastructure because it was deemed not fit for purpose,

(iii) NBN Co has announced the company will immediately halt the HFC rollout because the technology is delivering poor service quality,

(iv) NBN Co has indicated that up to 2 million homes could have their NBN connection delayed by 6 to 9 months because of the mismanagement of the HFC rollout, and

(v) it is nearly 2018 and the NBN still does not work properly; and

(b) calls on the Minister for Communications to:

(i) stop attacking the Australian Broadcasting Corporation, and instead focus on making the NBN work, and

(ii) apologise to the 48,000 households and small businesses in the electorate of Bennelong who are currently scheduled to be served by the unreliable HFC network.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (16:47): I seek leave to make a short statement.

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

**Senator McGRATH:** Labor's fibre fantasy has been discredited time and time again. Under the success of the coalition's multitechnology mix, Australians will receive the NBN six to eight years sooner than they would have under Labor and at \$30 billion less cost. HFC is already delivering broadband speeds of 100 megabytes per second and will, in future, be capable of delivering one gigabyte per second—the same speed as Labor's gold-plated fibre network but at dramatically less cost.

Under Labor's NBN rollout plan, people living in Bennelong would have been waiting until the middle of the next decade for the network. During six years of Labor government, precisely zero premises in Bennelong were connected to the NBN. If anyone owes an apology to the people of Bennelong, it's Labor.

**Senator O'NEILL** (New South Wales) (16:47): I seek leave to make a short statement.

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

**Senator O'NEILL:** After that terrible dig at the people of Bennelong, they know they've been sold a pup by this government. The NBN has delivered primarily HFC into that electorate. We know that that is a failing technology—a technology that was determined as appropriate for the Australian people by Mr Turnbull himself when he was the Minister for Communications. He has inflicted a failing technology into the seat of Bennelong. As we hear, it's the centre of significant innovation through Macquarie University in that hub. That whole area is now compromised because of the decision of this government to give a second-

rate, failing NBN to Australia. The Prime Minister is responsible for the decision. The NBN have abandoned the Optus HFC. Now they've had to abandon the technology itself, which is leaking information left, right and centre. This is a shemozzle from go to whoa. The minute Malcolm got his hands on it, Australians got sold a lemon of an NBN.

**The PRESIDENT:** The question is that notice of motion No. 622 be agreed to.

The Senate divided. [16:50]

(The President—Senator Ryan)

Ayes .....29  
Noes .....25  
Majority.....4

#### AYES

Bartlett, AJJ  
Cameron, DN  
Chisholm, A  
Dodson, P  
Gallacher, AM  
Hanson-Young, SC  
Kitching, K  
McAllister, J  
McKim, NJ  
O'Neill, DM  
Polley, H  
Rhiannon, L  
Siewert, R  
Sterle, G  
Whish-Wilson, PS

Bilyk, CL  
Carr, KJ  
Di Natale, R  
Farrell, D  
Griff, S  
Ketter, CR  
Lines, S  
McCarthy, M  
Moore, CM  
Patrick, RL  
Pratt, LC  
Rice, J  
Steele-John, J  
Urquhart, AE (teller)

#### NOES

Anning, F  
Brockman, S  
Bushby, DC (teller)  
Cash, MC  
Fawcett, DJ  
Fifield, MP  
Hinch, D  
Leyonhjelm, DE  
McGrath, J  
O'Sullivan, B  
Payne, MA  
Ryan, SM  
Smith, D

Birmingham, SJ  
Burston, B  
Canavan, MJ  
Duniam, J  
Fierravanti-Wells, C  
Georgiou, P  
Hume, J  
Macdonald, ID  
McKenzie, B  
Paterson, J  
Reynolds, L  
Scullion, NG

Question agreed to.

#### Northern and Regional Queensland

**Senator URQUHART** (Tasmania—Opposition Whip in the Senate) (16:52): I ask that general business notice of motion No. 624, standing in the name of Senator Chisholm for today relating to northern and regional Queensland, be taken as a formal motion.

**Senator IAN MACDONALD** (Queensland) (16:52): I seek leave to amend this motion by deleting paragraph (a) and deleting in paragraph (b) all words after the word 'Macdonald' so that the motion would mean that the Senate applauds Senator Macdonald.

Leave not granted.

**The PRESIDENT:** There being no objection to the motion being taken as formal, I call Senator Urquhart.

**Senator URQUHART** (Tasmania—Opposition Whip in the Senate) (16:52): At the request of Senator Chisholm, I move:

That the Senate:

(a) notes that the Prime Minister:

(i) has failed to represent people in northern and regional Queensland,

(ii) has failed to connect with people in northern and regional Queensland and identify with their values, and

(iii) is only concerned with Brisbane and the south-east; and

(b) applauds Senator Macdonald for calling out the Prime Minister's neglect of northern and regional Queensland.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (16:52): I seek leave to make a short statement.

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

**Senator McGRATH:** The Prime Minister and the Liberal-National coalition government are fully committed to northern and regional Queensland. Four of the five LNP senators are based outside of Brisbane—in Townsville, Rockhampton, Toowoomba and Nambour—and live in the regions. In stark contrast, all four Labor senators are based within an hour's drive of the Brisbane CBD. The Queensland Labor Party replaced their only regionally based senator with fly-in fly-out senators who have no connection to or understanding of regional Queensland. Under Labor, the Office of Northern Australia was located in Canberra and the biggest announced policy for the north involved absorbing the Northern Australia Infrastructure Facility into the Department of Finance. Unlike Labor, this government will continue to deliver for those living in rural, regional and remote areas.

**The PRESIDENT:** The question is that notice of motion No. 624 be agreed to.

The Senate divided. [16:54]

(The President—Senator Ryan)

Ayes .....28  
Noes .....28  
Majority.....0

#### AYES

Anning, F  
Bilyk, CL  
Carr, KJ  
Di Natale, R  
Farrell, D  
Hanson-Young, SC  
Kitching, K

Bartlett, AJJ  
Cameron, DN  
Chisholm, A  
Dodson, P  
Gallacher, AM  
Ketter, CR  
Lines, S

## AYES

McAllister, J  
McKim, NJ  
O'Neill, DM  
Pratt, LC  
Rice, J  
Steele-John, J  
Urquhart, AE (teller)

McCarthy, M  
Moore, CM  
Polley, H  
Rhiannon, L  
Siewert, R  
Sterle, G  
Whish-Wilson, PS

## NOES

Birmingham, SJ  
Burston, B  
Canavan, MJ  
Duniam, J  
Fierravanti-Wells, C  
Georgiou, P  
Hinch, D  
Leyonhjelm, DE  
McGrath, J  
O'Sullivan, B  
Patrick, RL  
Reynolds, L  
Scullion, NG  
Smith, D

Brockman, S  
Bushby, DC (teller)  
Cash, MC  
Fawcett, DJ  
Fifield, MP  
Griff, S  
Hume, J  
Macdonald, ID  
McKenzie, B  
Paterson, J  
Payne, MA  
Ryan, SM  
Seselja, Z  
Williams, JR

Question negatived.

### Disability Services

**Senator STEELE-JOHN** (Western Australia) (16:57): I would like to inform the chamber that Senator Brown will also sponsor this motion. I, and also on behalf of Senators Siewert and Brown, move:

That the Senate—

(a) notes that:

(i) 3 December 2017 is the 25th anniversary of International Day of People with Disability, with the theme of 'Transformation towards sustainable and resilient society for all', premised on the resilience of those in vulnerable situations and the reduction of their exposure and vulnerability to economic, social, and environmental shocks, as well as disasters,

(ii) the Community Affairs References Committee held an inquiry into violence, abuse and neglect against people with disability in institutional and residential settings during the 44th Parliament,

(iii) on 25 November 2015, the Community Affairs References Committee tabled its report containing 30 recommendations, the headline recommendation calling for a royal commission into the issue,

(iv) on 2 March 2017, the Government responded to the recommendations in this report, where it refused to commit to a royal commission, and

(v) in May 2017, more than 120 academics from around Australia signed an open letter urging the Prime Minister to act on the headline recommendation of the Senate inquiry, and a civil society

statement from Disabled People's Organisations Australia and endorsed by 163 organisations and groups and over 380 individuals called for a royal commission; and

(b) calls on the Government to reconsider its decision and commit to a royal commission into violence, abuse and neglect of people with disability in institutional and residential settings.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (16:57): I seek leave to make a short statement.

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

**Senator McGRATH:** The Australian government carefully considered the Senate Community Affairs References Committee report's findings and recommendations and have coordinated a whole-of-government response. The report made 30 recommendations, and the recommendation calling for a royal commission is the only recommendation not agreed. The government does not consider that a further inquiry is needed. The report's findings and recommendations, as well as the work being done in relation to state-based inquiries, have informed the development of the NDIS Quality and Safeguarding Framework. The arrangements outlined in the framework will address many of the issues raised in the inquiry. The government is establishing a national independent body to protect people with disability and prevent them from experiencing harm arising from poor-quality or unsafe support or services under the NDIS.

**Senator CHISHOLM** (Queensland) (16:58): I seek leave to make a short statement.

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

**Senator CHISHOLM:** Labor announced in May that, should we win the next federal election, we would establish a royal commission into violence and abuse against people with disability. The continued abuse of Australians with disability by people who are meant to care for them demands a royal commission. People with disability experience much higher rates of violence than the rest of the community and, in many cases, this violence occurs in places where they are meant to be receiving support. Children with disability are at least three times more likely to experience abuse than other children. People with disability and their families have been campaigning for a royal commission for years. Only a royal commission has the weight, authority and investigative powers to examine these horrific accounts of abuse and violence against people with disability. Labor calls on the government to now establish a royal commission into the abuse of people with disability.

**Senator STEELE-JOHN** (Western Australia) (16:59): I seek leave to make a short statement.

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

**Senator STEELE-JOHN:** I did wonder, Mr President, how long it would be in my short tenure here before I sat within this place filled with disgust, but I guess we now know. Over 150 submissions were made to the Senate inquiry into this issue and, of the 30 recommendations made, the call for a royal commission was probably the most substantial. So, in its opposition to this motion this evening, the government is saying to those 150 submission makers that it simply doesn't care. It is absolutely disgraceful, and I will vote for this motion with pride.

Question agreed to.



### West Papua

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (17:00): I ask that general business notice of motion No. 629 standing in my name for today, relating to West Papuan independence, be taken as a formal motion.

**The PRESIDENT:** Is there any objection to this motion being taken as formal? There is an objection to the motion being taken as formal.

**Senator DI NATALE:** In lieu of suspending standing orders, I seek leave to make a short statement of no longer than two minutes.

Leave granted.

**Senator DI NATALE:** Not more than 10 minutes ago, we were in this chamber debating a motion moved by the Leader of the Opposition in the Senate to pass a resolution on the dire humanitarian situation in Yemen. That is a complex foreign policy matter on which the government was prepared to grant formality to the opposition in order to facilitate the passage of this motion. That makes a lie of the government's denying formality simply on the basis that a motion relates to foreign policy. No, they are denying formality because they don't want to vote on foreign policy issues that make them uncomfortable.

That's what denying formality has done here, because the situation in West Papua, our close neighbour, is one where successive governments have ignored the horrendous human rights abuses committed against the West Papuan people by the Indonesian government, facilitated by the support given to the Indonesian government by Australia through military training and other support. Researchers at Griffith University, who are backed up by Amnesty International, say that in the last 50 years half a million people have been killed in West Papua as a result of Indonesia's occupation. It's been referred to as a 'slow-moving genocide'. Here we have both major parties denying formality on an issue where people in our region are facing 15 years in prison for doing nothing other than raising the Morning Star flag, and where political prisoners are locked up for years for attending demonstrations. It is time now for other parties to join the Greens and the international movement building in support of the West Papuan claim for self-determination.

**Senator McGRATH** (Queensland—Assistant Minister to the Prime Minister) (17:03): I seek leave to make a short statement.

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

**Senator McGRATH:** In line with the longstanding view of successive governments, given that formal motions cannot be debated or amended, they should not deal with complex and contested foreign policy matters, particularly where the motion has the potential to damage Australia's relations with other nations. Senator Di Natale knows well that this is a complex and contested foreign policy matter and, as such, would be denied formality. The Senate should not consider a vote on foreign policy motions of this kind without the ability to have a full debate, given that they involve serious and substantial issues.

Australia has long recognised Indonesia's sovereignty over the provinces of Papua and West Papua. This is a bipartisan position in Australia, underlined by the 2006 Lombok treaty between Australia and Indonesia. Indonesian sovereignty is also widely recognised by the international community. In May 2017, during Indonesia's United Nations Human Rights Council universal periodic review in Geneva, Australia made a number of recommendations,

including that Indonesia finalise investigations on all human rights cases in Papua. In September 2017, Indonesia accepted this recommendation. *(Time expired)*

### FIRST SPEECH

**The PRESIDENT** (17:04): Pursuant to order, I now call Senator Patrick to make his first speech, and I ask honourable senators that the usual courtesies be extended to him.

**Senator PATRICK** (South Australia) (17:04): Over a quarter of a century ago, on 4 November 1992, an honourable member in the House of Representatives described the Senate as unrepresentative swill. I note with a touch of irony that the honourable member, someone who I admire greatly for his positive contributions to our nation, was at that time part owner in a piggery. His comments about the Senate nonetheless displayed a broader and cursory misconception in the community about the crucial role of the Senate in our parliamentary system and, while widely and repeatedly reported, the 'swill' comments have seldom been challenged. In this, my first speech, I hope I can counter those misconceptions, make some observations on what I think the Senate does well and what the Senate could do better, and, above all, why this matters in a practical sense for all Australians.

But, before I do that, it is customary in first speeches to introduce oneself. Firstly, may I say that it's a great honour and a privilege to be a member of the Australian Senate, representing the great state of South Australia. The Nick Xenophon Team, soon to be SA BEST (Federal), chose me to replace Nick Xenophon, who is standing for election to the South Australian House of Assembly seat of Hartley when SA goes to the polls in March next year. Yes, Nick—who is watching—I promise to go doorknocking with you this weekend!

As some of you would know, having seen me running with agenda papers to committee meetings or intercepting Nick running from a Mural Hall press conference to the chamber, for the past two years I have worked as Nick's senior adviser. In that respect, I'm fortunate to be familiar with these surroundings and to have Nick as my mentor and friend. He's a great parliamentarian—someone absolutely committed to the role of parliament, advancing the public interest and holding governments to account.

I was born in Whakatane, New Zealand, in 1967 as the youngest of four children. My family moved to Australia seven years later. After a short stint in Victoria, we moved to the great steel city of Whyalla, where I attended Fisk Street Primary School and Stuart High School. Dad was a Boy Scout leader and so I spent some of my pre-teen years doing lots of adventurous outdoor stuff as a Cub Scout. At the same time, mum was a Girl Guides leader, which meant that when dad was out of town I had to go to Brownies, too. Noting that I was a young boy who believed in the concept of girl germs, being forced to hang out with 20 or so Brownies was, in my eight-year-old mind, pretty traumatic, but I eventually got over it.

Whyalla was a great place to grow up. I remember being invited along whenever my elder brother Grant played Fox Hunt. Please don't reach for your iPads to look for the app. There were no apps in those days. Indeed, there were no personal computers. Fox Hunt was a game of hide-and-seek. You played with a bunch of friends who owned panel vans and CB radios. That was the entry criteria and Grant had just got his driver's licence. One panel van—the 'fox'—would head off and hide somewhere around town: behind Mount Laura, at the tip, at an old industrial site, down a back alley, just past the BHP steelworks or in the mangroves near the beach. The 'fox' would then start talking on a CB transmitter. The 'hunters' would drive

around trying to find you using only the signal strength of the CB receiver: soft, very soft, soft; then loud, louder, even louder—'Found you!' It would be remiss of me, noting there may be a younger generation listening, to not tell you what a CB radio is. It's something we had before mobile phones, Microsoft Messenger and email, and well before Facebook, Twitter, Instagram and Snapchat. Citizen band radio—a \$25 annual licence fee, no download limits and, so my brother Grant told me recently, more reliable than an NBN connection.

When I turned 16, I left Whyalla to join the Royal Australian Navy. Because of recent events, I will point out that, as I started my naval career, I sought and was granted Australian citizenship. And for the sake of completeness and thoroughness, in mid-October this year, prior to my nomination, I renounced my New Zealand citizenship. For those of you who might be thinking, 'that's just a legal step and he may still have allegiance to New Zealand', you are wrong because, for the last four decades, whenever the Wallabies have played the All Blacks, I've supported the Wallabies—and that means I cannot, in any way, possibly be a Kiwi.

Whilst in the Navy, I completed my schooling, trained as an electronic technician and volunteered for submarine service. I served on several Oberon class submarines before being selected and posted as a member of the trials crew of the first Collins class submarine at Osborne in Adelaide. That was both a real buzz and an honour.

After more than a decade in the Navy, I left and worked for an Australian sonar company, first as a trainer then as a project manager, business development manager and as the head of research and development. Thirteen years later in 2007, I formed my own company specialising in sonar and acoustics training and project management related consulting. I wrote extensively for defence publications. Some articles I wrote, particularly on making Defence accountable for its decisions and major programs, raised the ire of senior Defence brass. For that, I make no apology. During my career, I have worked in some 20 countries. In late 2015, I moved back home to SA to work with Nick.

On the family front, I'm very close to my siblings and regularly visit all of them, including my sister, Michelle, in Newcastle, my brother Grant in Mudgee and, of course, my eldest brother, Wayne, who still lives in Whyalla—and, of course, their great families. I am the father of two beautiful daughters, Amelie and Audrey—Amelie aged 12, Audrey aged 10—who enjoy visiting me in Adelaide on a regular basis and, I'm also pleased to say, are here in the gallery today alongside Carly, their very dedicated and wonderful mother. When I told Amelie I was going to be a senator, she asked if I could get rid of homework. Amelie, I raised it with the minister for education, just after being sworn in—that's a fact—and I'm sorry to say the body language didn't look good.

My parents are not here; both have sadly passed. I'd like to think that they would be as proud of me today as I am of them for the way they brought me and my siblings up.

Whilst I always find time for my girls and my family, I concede I'm a workaholic. However, in every job that I've done, I have never sought to be promoted; I have only ever tried to do the best possible job in the job I was assigned. So I have an absolute duty and hunger to put 110 per cent into my new role representing South Australia in the Senate. But what exactly does my job in the Senate involve? How do we, as individuals and as a chamber, achieve the lofty aims that we set ourselves and that are demanded of us in the Constitution?

The most obvious part of our business is reviewing and passing legislation. If need be, we amend and thereby improve and enhance legislation. Whilst it doesn't always emerge in a form that the government wants, it nonetheless reflects the democratic choice of the electorate. Sometimes, of course, the Senate's role is to say no to the government's legislation because the consequences of a policy will be damaging or simply too risky to allow through the parliament. On these matters there will always be debate. Sometimes more heat than light may be generated, but that also reflects the democratic will of the electorate.

I think legislating is something the Senate does quite well. However, there is another constitutional function that the Senate is not fulfilling, in my view, as well as it does in legislating. In this I refer to the Senate's role of probing and checking the administration of laws, of keeping itself and the public informed and of its requirement to insist on ministerial accountability for the government's administration. With words so relevant to us that they are quoted in *Odgers*, US President Woodrow Wilson described the informing role of the congress, stating:

It is the proper duty of a representative body to look diligently into every affair of government and to talk much about what it sees. It is meant to be the eyes and the voice, and to embody the wisdom and will of its constituents. Unless Congress have and use every means of acquainting itself with the acts and the disposition of the administrative agents of the government, the country must be helpless to learn how it is being served ...

The philosopher John Stewart Mill, quoted with approval in the High Court case of *Egan and Willis*, summarised the task as:

... to watch and control the government: to throw the light of publicity on its acts ...

Applied to the Senate, these principles make it clear that our role is not just to review and pass legislation. Indeed, as President Wilson stated, 'The informing function of Congress should be preferred even to its legislative function.' In the House of Representatives the government has the majority, usually, and so that function is not performed there. Governments can never be relied on to supervise and scrutinise themselves. The Senate must take this role most seriously. The Constitution, particularly section 49, grants the Senate power to carry out this informing function.

The Senate can conduct an inquiry of ministers through questioning and can compel the attendance of witnesses and the giving of evidence, and require the production of documents. Yet, despite having these powers, the Senate has often been reluctant to use them. It sometimes appears to be satisfied with explanations that are untimely and/or unsatisfactory. I provide you some examples.

Questions on notice tabled in this chamber are often not returned within the 30 days required by the standing orders. The same is true for estimates, where answers to questions are often returned to committees at the eleventh hour. This is disrespectful of the Senate, and more so of the citizens for whom the questions are asked, and should not be permitted if we are seen to be taking our job seriously.

All too often, orders for the production of documents have been met with contempt. An order for the production gets made. The government advances an argument for public interest immunity, however tenuous that argument might be. Invariably the Senate does not accept the public interest immunity claim and the government insists on its refusal to provide the document, and then the Senate does nothing except weaken itself. In those cases where the

Senate arguments are strong for the documents to be produced, the Senate weakens itself by not using its powers to insist on production.

Also, the Senate has been shy about calling junior officials to estimates and to references committees. Fellow Senators, the devil is often in the detail, and senior officials, officers of summary knowledge, simply don't know the details. The Senate should not hesitate to call a witness of any rank or experience if that witness has the information the Senate deems necessary for informing itself. I've seen departments resist the calling of junior witnesses and, more recently, declining a request for senior officials on a naval shipbuilding advisory board to appear before a committee. This is from *Odgers*:

In practice, it is rare for a committee to order the attendance of a witness because it is rare for anyone to refuse a committee's invitation to give evidence.

Colleagues, of course we should not exercise power irresponsibly, but by the same token we must also recognise that there are circumstances when it is also irresponsible not to exercise a power.

Finally, I've seen departments refuse to give evidence for shallow reasons. Last month, Defence refused to discuss whether the use of Australian steel was a requirement in an armoured vehicle. Let us be clear: we don't have to accept denial, obfuscation or spin from executive government and its servants. To do so is copping out, selling out or wimping out of the oaths that we have taken. It's time we stood up for ourselves and used the numbers we normally use so effectively in enhancing legislation to enhance this critical oversight role.

In that vein, I wish to raise an important oversight deficiency of the federal parliament, that the federal parliament wants for fixing. Just over a year ago the Prime Minister announced an independent review of Australia's intelligence services. The review was released in June and included a number of recommendations that recognised—noting that 7,000 people and 10 agencies are involved, and more than \$2 billion of taxpayers' money is being spent on intelligence—that more coordination was required in the intel domain. Whilst I strongly support our intelligence services, we must also recognise that the power that comes with such organisations must be appropriately balanced with enhanced accountability.

The Parliamentary Joint Committee on Intelligence and Security is currently constrained to oversight of administrative and financial matters. The parliament, in contrast to the principles of responsible government, has carved out operational matters from the purview of the committee, and that is neither wise nor acceptable. For the avoidance of doubt, the intelligence service does a lot of first-class work and critically important work. Parliamentary oversight does not constrain an agency operating lawfully; rather, it seeks to enhance an agency's operations.

This has long been recognised in the US, where committees such as the House of Representatives Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence can delve deeply into agency operations. This is accepted by the US intelligence community as necessary and appropriate. It should be the same here, and I propose to introduce a private senator's bill to this effect.

Joseph Pulitzer once said:

There is not a crime, there is not a dodge, there is not a trick, there is not a swindle, there is not a vice which does not live by secrecy.

Open and transparent government is critical in a system of responsible government. However, the effective use of the Senate's informing and oversight powers must also be augmented by strong and effective laws that ensure the fullest degree of transparency and accountability of government. Freedom of information laws, strong whistleblower protections and enhancing the powers of ombudsmen and auditors-general will ensure more accountability. Why does this matter? If the Senate does its job to the fullest extent possible, if we have institutions to ensure transparency and accountability, the taxpayers' money will be spent more wisely and more effectively, which is clearly in the interest of all Australians.

In closing my remarks today, I want to speak about some of my wider policy interests. In the months and years to come I anticipate speaking at length on these questions, but today I propose to lay out my priorities and chart some of my planned course. It is often said that we are the sum of our experiences, and, as such, my focus in this new role will be guided by what I have done in the past, by my experience and by what is important to me.

As a parent, my role in the Senate is to ensure that Australia is a strong, fair, prosperous and self-sufficient country, for future generations to live in peace and harmony. I want an Australia that will provide my kids, and indeed one day perhaps their kids, even better opportunities than I have been privileged to enjoy.

As a member of NXT, my aim is to emulate the achievements of my Senate colleague Stirling Griff, former senators Nick Xenophon and Skye Kakoschke-Moore and indeed the member for Mayo, Rebekha Sharkie, in that other place, in staying true to our party's policies, its constitution and its ethos for a fair go for all Australians. We are a party of the political centre, pragmatic and ready to work with anyone and everyone committed to advancing the public interest. You will always find me ready to talk, happy to negotiate, eager to cooperate, but firmly attached to principles of democratic accountability and determined to advance the interests of our nation and my state.

As a South Australian, my role in the Senate is to ensure that I represent all the people of my state to the best of my ability, ensuring that there is no more slipping behind. South Australia has put up with a good deal of denigration, indeed abuse, from eastern state political figures and media commentators in recent years. We've been described as Australia's rust belt, a basket case. That sort of ill-informed commentary needs to come to an end, but the truth is we will only hear the end of it when South Australia has recovered its economic and social standing within our federation.

I would hope that all South Australian senators will work together for the good of our state and the nation, because the two are indivisible. A few issues—in no way an exhaustive list—that are important to and priorities for me include: advocating measures that will build SA's population growth and ensure that our young people have opportunities and do not need to migrate elsewhere; working to re-establish our state as a centre for manufacturing excellence and high-technology development; ensuring that South Australia derives long-term economic benefits from the development of defence-related industries; ensuring South Australia's energy sector delivers affordable, reliable and environmentally sustainable power supplies; ensuring the rapid development of SA's resource sector while protecting our delicate and unique environment; ensuring the health of the Murray-Darling river system so it is sustainable from both an environmental and an economic point of view; developing our education sector, especially our universities, to provide the knowledge foundation for a

dynamic economy focused on trade and engagement with the Indo-Pacific region; and ensuring that South Australians have access to the best health, aged-care and social services.

There will be much work that I will do with my colleagues in continuing the legacy created by Nick Xenophon and advancing many South Australian causes and interests. As I conclude, I would like to thank everyone who has helped me over the years, especially my predecessor, Nick. To you, my Senate colleagues, I look forward to working with each and every one of you. May we succeed in achieving a parliament that is truly representative of the people. And, if anyone ever says that the Senate is unrepresentative, then we can all say, 'Pigs to that.' Thank you.

## DOCUMENTS

### Workplace Gender Equality Agency

#### Consideration

**Senator KITCHING** (Victoria) (17:28): I move:

That the Senate take note of the document.

I seek leave to continue my remarks later.

Leave granted

**Senator RICE** (Victoria) (17:28): I wish to take note of the annual report of the Workplace Gender Equality Agency. The Workplace Gender Equality Agency's vision is for women and men to be equally represented, valued and rewarded in the workplace, which is of great relevance and note given the wave of allegations about sexual harassment in Australian workplaces that we're currently in the throes of. Women cannot be equally valued and rewarded if they feel under threat of, or at risk of, sexual harassment. The Workplace Gender Equality Agency oversees the reporting of non-public sector employers with over 100 staff on how their progress with gender equality is going through reporting on six gender equality indicators. The results of this annual survey were recently released and showed some positive trends. Overall, the results reflected some significant gender inequalities. In particular, women were much more likely to be in part-time or casual work. There's still a big pay gap, but some progress is being made, with men still out-earning women by more than \$26,000 a year on average, with the biggest pay gap in the trades sector with a pay gap of 26.7 per cent.

We're making some progress with regard to flexible working arrangements, but there's still considerable room for improvement when it comes to access to paid parental leave and recognition of the need to ensure that women and men can fulfil caring responsibilities. Our workplaces remain highly gender-segregated, both by role—where 74 per cent of the clerical and admin roles are filled by women; whereas only 12.4 per cent of technicians and trades employees are women—and by industry—where women make up 70 per cent of jobs in healthcare and social assistance organisations but only 12 per cent in construction organisations.

Where we are making only extremely slow progress relates to where power lies in organisations. Only 16 per cent of CEOs are women. Overall, only 38 per cent of managers are female. And there's been very little change in the gender balance of boardrooms: only 25 per cent of board members are women. As Libby Lyons, the director of the Workplace Gender Equality Agency, said in her foreword to the 2017 gender equality scorecard:

Men still dominate the faces around these top tables and the data suggests boards are not engaging with gender equality issues. As the guardians of organisational strategy, boards must step up if we are to continue building momentum for change.

This is what matters when it comes to addressing issues of sexual harassment and discrimination, which is one of the six indicators that the agency has set up. Although more employers have a formal policy or strategy to support employees who are experiencing family or domestic violence, the only measure that's being reported on that's related to workplace-based sexual harassment is whether the workplace has a gender equality strategy or policy. Over 70 per cent of organisations do. Yet we are clearly only now at the beginning of an avalanche of women reporting sexual harassment in the workplace. Clearly, we need to do a lot more than just have a policy relating to sexual harassment. In #MeToo and its torrent of stories, the exposure of alleged harassment and abuse of women by the likes of Harvey Weinstein and Don Burke have hit us all like a tsunami—and it's clear that these public stories are only the tip of the iceberg. Much more needs to be done to change the culture in workplaces.

A world without violence against women is possible. The work that's being done by the Workplace Gender Equality Agency is of value, but to achieve a world without violence against women, we need all to play our part. In particular, we all need to acknowledge that the breeding ground for this violence is gender inequality and power imbalance, and men abusing that power. I seek leave to continue my remarks.

Leave granted; debate adjourned.

**Department of Human Services  
Order for the Production of Documents**

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (17:33): With reference to Senator Di Natale's motion of 29 November, I table a document pursuant to the order for the production of documents concerning the Department of Human Services and a privacy breach.

**COMMITTEES  
National Broadband Network - Joint Standing  
Membership**

**The DEPUTY PRESIDENT** (17:33): The President has received a letter requesting changes in the membership of a committee.

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (17:34): I move:

That Senator Steele-John be appointed as a participating member of the Joint Standing Committee on the National Broadband Network.

Question agreed to.



**BILLS****Defence Legislation Amendment (Instrument Making) Bill 2017****Treasury Laws Amendment (Housing Tax Integrity) Bill 2017****Foreign Acquisitions and Takeovers Fees Imposition Amendment (Vacancy Fees) Bill 2017****Veterans' Affairs Legislation Amendment (Omnibus) Bill 2017****Assent**

Message from the Governor-General reported informing the Senate of assent to the bills.

**Therapeutic Goods Amendment (2017 Measures No. 1) Bill 2017****Therapeutic Goods (Charges) Amendment Bill 2017****First Reading**

Bills received from the House of Representatives.

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (17:35): I move:

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

Question agreed to.

Bills read a first time.

**Second Reading**

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (17:36): I move:

That these bills be now read a second time.

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

Leave granted.

*The speeches read as follows—*

**THERAPEUTIC GOODS AMENDMENT (2017 MEASURES NO. 1) BILL 2017****1. Introduction**

Australians rely on medicines and medical devices to prevent, treat or cure their illnesses, injuries and conditions. The Therapeutic Goods Administration (TGA), as regulator, enables the therapeutic goods available in Australia to be of an acceptable safety, quality and efficacy and that the latest therapeutic advances are available to the Australian public when they need them.

The Therapeutic Goods Amendment (2017 Measures No. 1) Bill 2017 builds on recent amendments to the *Therapeutic Goods Act 1989* to support the continued implementation of the Government's response to the *Expert Panel Review of Medicines and Medical Devices Regulation*.

The Review assessed the regulatory framework for medicines and medical devices in Australia, providing a number of recommendations aimed to position the TGA to effectively respond to the increasing globalisation of the therapeutic goods industry, expectations from patients that they should have access to new medicines and medical devices at the same time as their peers in Europe and North America, and to the rapid pace of innovation in the development of health products. It is imperative that we update the regulatory framework for medicines and medical devices in Australia, ensuring it remains

in a position to continue to support the availability of high quality, safe and efficacious products in a timely way to the community.

## 2. Summary of the Bill

This Bill provides for:

- establishing a provisional approval scheme so patients can have earlier access to highly promising new medicines in cases where they address an unmet clinical need;
- making changes to the regulation of complementary medicines that will allow consumers to make more informed product choices;
- introducing reforms to streamline the advertising framework for therapeutic goods so that consumers will be better informed about the medicines and other health care products they buy; and
- improved compliance and monitoring provisions to strengthen consumer protections.

This Bill will build on the recent changes enacted through the *Therapeutic Goods Amendment (2016 Measures No. 1) Act 2017*.

### 2.1 Provisional Approval Pathway

First, this Bill will establish a provisional approval pathway for certain promising new prescription medicines. This would allow Australian patients with inadequate treatment options to access potentially life-saving or life-transforming medicines up to two years earlier than under the current framework. It builds on similar approaches available to patients in Europe and North America.

Such medicines would be registered on the basis of early clinical data which provides promising evidence that the medicine is likely to be a major therapeutic advance for Australian patients.

Provisional registration will be time-limited and subject to strict conditions imposed by the TGA, including the requirement to collect more data to confirm the clinical benefit and safety of the medicine, and there will be specific communication with patients and healthcare professionals about these medicines. A number of enhancements to the TGA's post-market monitoring scheme are being implemented in parallel. These do not require further legislative changes, but will be important to monitor the safety of provisionally registered medicines.

### 2.2 Use of overseas assessments for medical devices

Medical devices will also potentially reach the market sooner through the greater use of overseas assessments afforded by this Bill. Under the amendments, the work of comparable overseas regulators will be accepted as evidence when determining whether a medical device should be included on the Australian Register of Therapeutic Goods. Provision of an additional pathway for seeking approval for inclusion in the Register provides the potential for faster access to market for industry and therefore earlier access of innovative devices to address specific needs of patients.

### 2.3 Advertising

To strengthen the regulation of advertising of medicines and medical devices, while also reducing regulatory burden, this Bill will overhaul the current structure for therapeutic goods advertising into a more streamlined framework.

Industry will no longer have to navigate an often complex co-regulatory system which has incomplete coverage, as it requires only some medicine advertisements to be approved prior to publication or broadcast.

Similarly, advertising complaints can be heard by multiple bodies and currently take many months or longer to resolve. Instead, the shift will be to a single, centralised complaint handling system managed by the TGA, and enhanced enforcement and compliance powers to deter inappropriate or misleading advertising of therapeutic goods. This will be supported by better education and guidance for

advertisers, to encourage greater understanding of and compliance with the advertising regulatory framework.

#### 2.4 Compliance powers

To further protect consumers, this Bill looks to strengthen and broaden the current range of investigation and enforcement powers under the Act. Powers relating to monitoring, investigation, infringement notices and injunctions will be standardised to align with comparable Commonwealth regulators and contemporary government policy.

The changes will allow for a graduated approach to compliance and enforcement and provide the TGA with a full suite of sanctions and penalties to protect public health – this includes such things as more ready use of infringement notices for minor offences while at the same time providing the regulator with the ability to seek a court injunction for more serious matters.

#### 2.5 Complementary medicines

The reforms to the complementary medicines regulatory framework will also lead to increased information on the products and stronger protections for consumers. This Bill provides for a list of permitted indications from which industry sponsors must exclusively select when entering a listed complementary medicine on the Australian Register of Therapeutic Goods.

Only low level, pre-approved claims will be permitted for these products.

This Bill will also provide sponsors of listed complementary medicines with a new assessment pathway that bridges the gap between existing listed and registered complementary medicines. Sponsors will have the option of utilising this pathway for indications that address more than the most minor of conditions. Under this pathway, the TGA will assess the evidence of efficacy that supports the proposed indication and make a decision whether or not to approve the complementary medicine product for the market.

Complementary medicines assessed via this new pathway will be eligible to contain information on the packaging and advertising material to indicate that the product has been assessed by the TGA for the approved indication. This new pathway is intended to encourage greater development of evidence relating to complementary medicines; increase consumer confidence in the evidence around product efficacy; and improve competitiveness of the sector.

### 3. Other changes from the Review

A number of other recommendations from the Review, which are being implemented without the need for legislative changes, also aim to strengthen consumer protections.

#### 3.1 Better reporting of adverse events

The TGA will create a means for more efficient reporting and analysis of adverse events, work with other stakeholders to analyse electronic data (including myHealth records) to detect adverse events, and have the powers to inspect companies to check that they have systems for timely action on adverse event reports for their products.

#### 3.2 SME Assist

A further initiative to encourage innovation has been the establishment of SME Assist which I launched on 9 June 2017. SME Assist provides targeted tools and content to help small and medium enterprises and research and development groups developing new medicines and new medical devices to navigate the complex regulatory system, to help in getting Australian technology to the market and helping patients sooner.

This Bill contains a number of other supporting amendments which are intended to provide consistency across the different types of therapeutic goods. Further details of the measures are available in the explanatory memorandum.

#### Conclusion

The overwhelming stakeholder support for these reforms is evident from the many consultations undertaken—right from the initial stages of the Review, through to consultations on options on how to implement the relevant recommendations and on the exposure draft of the Bill in response to which there were a small number of revisions.

I want to thank:

- Medicines Australia
- Generic Medicines and Biosimilar Association Australia
- The Pharmacy Guild
- The Pharmaceutical Society of Australia
- Complementary Medicines Australia
- Australian Self-Medication Industry
- Medical Technology Association of Australia

The changes outlined in this Bill, coupled with the recent amendments already enacted, will strengthen Australia's therapeutic goods regulatory framework, ensuring it remains well positioned to respond effectively to global trends in the development, manufacture, marketing and regulation of therapeutic goods.

This is our opportunity to make significant reforms to the regulation of therapeutic goods in Australia. Reforms that will ensure better access to medicines, streamlined administrative processes, and stronger consumer protections. Reforms that will ensure Australia remains at the forefront of therapeutic goods regulation, now and into the future.

#### THERAPEUTIC GOODS (CHARGES) AMENDMENT BILL 2017

The *Therapeutic Goods Amendment (2016 Measures No. 1) Act 2017* amended the *Therapeutic Goods Act 1989* to allow Australian corporations to be designated as Australian conformity assessment bodies. Once designated, these bodies will be able to undertake conformity assessments of manufacturers of medical devices.

The Therapeutic Goods Amendment (2017 Measures No.1) Bill 2017 further amends the Therapeutic Goods Act to make it clear that an annual conformity assessment body determination charge is payable by the Australian corporation that is the subject of a determination.

This bill makes consequential amendments to the *Therapeutic Goods (Charges) Act 1989* to enable regulations to be made to specify the relevant amount of the charge. Different charges may apply depending on the scope of the conformity assessment body determination.

The introduction of such a charge will ensure that the Department of Health, through the Therapeutic Goods Administration, is able to recover the costs of its post-market monitoring activities of conformity assessment bodies, which will ensure the safety and performance of the devices assessed by those bodies.

The bill also provides that where the Secretary suspends a conformity assessment body determination, the obligation for the conformity assessment body to pay an annual charge will continue during this period. This is because a suspension is temporary and during the suspension period the usual regulatory work in relation to the determination continues.

The Therapeutic Goods Amendment (2017 Measures No.1) Bill 2017 also establishes a new provisional approval pathway for promising new prescription medicines. This bill clarifies that annual charges prescribed in relation to provisionally registered goods, will also apply to any provisionally registered goods entered in the Australian Register of Therapeutic Goods by Commonwealth officers in accordance with a corresponding State law. Similar provisions are currently in the Charges Act in relation to registered goods, listed goods, biologicals and medical devices.

**The DEPUTY PRESIDENT:** In accordance with standing order 115(3), further consideration of these bills is now adjourned to 2 February 2018.

### COMMITTEES

#### **Joint Standing Committee on Foreign Affairs, Defence and Trade**

##### **Membership**

Message received from the House of Representatives notifying the Senate of the appointment of Mr Wallace to the Joint Standing Committee on Foreign Affairs, Defence and Trade in place of Mr Hastie.

### BILLS

#### **National Disability Insurance Scheme Amendment (Quality and Safeguards Commission and Other Measures) Bill 2017**

##### **Returned from the House of Representatives**

Message received from the House of Representatives agreeing to the amendments made by the Senate to the bill.

### COMMITTEES

#### **Rural and Regional Affairs and Transport Legislation Committee**

##### **Report**

**Senator FAWCETT** (South Australia—Deputy Government Whip in the Senate) (17:37): On behalf of the chair of the Rural and Regional Affairs and Transport Legislation Committee, I present the report of the committee on the provisions of the Coastal Trading (Revitalising Australian Shipping) Amendment Bill 2017, together with the documents presented to the committee.

Ordered that the report be printed.

**Senator STERLE** (Western Australia) (17:37): by leave—I move:

That the Senate take note of the report.

**Senator STERLE:** I wish to make a brief contribution on this report, and I just have to let the Senate know that the Labor senators are in full opposition to this report. That's no disrespect to the government, but this piece of legislation has been around now for about three or four years and I, for the life of me, cannot understand what the heck this is all about. This is deregulation by stealth. It is absolutely sending a terrible message to Australia—to Australia's security, Australia's environmental issues and Australian jobs.

I don't have the figures in front of me, because we've gone through this a number of times, but back in the Howard government years we had 50-odd Australian registered vessels with Australian skippers, Australian engineers and Australian seafarers. We are now down to four, and every day or every month we turn around and another Australian ship is deflagged. We are flooding our country with foreign seafarers who are being terribly exploited. The government can talk about all sorts of things—how wonderful it is they can give temporary visas when they can't find Australian ships. The truth of the matter is that they do not want to find Australian ships.

I want to tell the world this: the worst offenders are the fuel companies and the mining companies. Make no mistake. They brag about the billions and billions of dollars that they profit from our resources. Do they give a fat rat's backside about Australian jobs? No, they don't. It's just disgraceful. We cannot support this bill, we will not support this bill, and I'm darn well, as long as I'm in this place, going to fight every single day for Aussies to have our jobs. I am not xenophobic, but, for crying out loud to that side over there, from the previous Minister Truss, now to Minister Chester, who is just dancing to the government's tune!

North Star Cruises is an honourable Australian-owned company that runs cruises between the ports of Broome and Darwin through the dry season. It employ 60-odd Australians. At the last count, there was one Kiwi on there. That's fine, but the other 64 out of 65 are Aussies—the captain, the engineers, the staff, the whole lot—earning Australian wages and paying taxes in Australia. When Mr Milby was notified that this government and the previous government, the Abbott government, wanted to deregulate and make it as cheap as possible for others by not having to pay Australian wages, he went to a briefing of the department—the old department of transport, but every time a Prime Minister gets knifed, it gets a new name. It's the same mob. Don't be fooled. It's the same people who are anti Australian jobs. Mr Milby went to the personnel—and I know who the person is because she and her staff appear at estimates all the time—and he said: 'North Star Cruises is running these beautiful cruises out of Broome to Darwin. We recognise Indigenous content and cultural sensitivity when we're in and out of the ports; we do all sorts of stuff like that, which makes it even more fun.' He said, 'How the heck can we do this? How can I compete?' Let's make no mistake—when we deregulate our domestic shipping industry, it says to those across the Arafura Sea and the Indian Ocean, 'Come in, and you can compete.' Competition, for that side of the chamber, is good. You've got to have competition. It doesn't matter if you put people on their backsides out in the streets. Competition is good, as long as the bosses can still make a heck of a lot of money at the top end of town. And when he said, 'What do I do?' one of Ms Zielke's crew said, 'Sack your Australian crew; employ a foreign crew.' I can't confirm it was Ms Zielke, because it's been going on for years, but it was one of her crew and she was in the room at the time. I would probably say it was her, but she can defend herself at Senate estimates.

I put the challenge out here in this public house: come and tell me I'm wrong. Not one member of the government can tell me I'm wrong. Not one member of the government has dared to have the public blue. I'd rather be outside there than hiding in here in privilege. In every hearing we've had, I've challenged every single one of them to tell me I'm wrong. And what came out of this? They have this phobia. It's got something to do with, 'Let's kill the MUA; we mustn't have the Maritime Union of Australia'—who, I must say, are my friends because they do the right thing. If I were a seafarer, I'd be a member of the MUA; make no mistake about that. If I were a waterside worker, I'd want to be in the MUA. I asked the MUA to do some research into how many Australian jobs will be lost in Australian domestic seafaring if this bill gets up with the help of crossbenchers? I hope every single crossbencher is listening to this. They came back with a figure of about 1,100 jobs.

Some people might say, 'Big deal; close a mine, and we'll lose that.' But what the heck are we talking about? We live in a world now that is just crazy. At every opportunity, we turn around, and there is terrorism around the world. Something's going awry around the world. We might not call it terrorism, but people are being killed by bombs here and there. We know

of ISIS, and we know that they'd love to get into further parts of the world and destroy our way of life, and the government can't even have an honest conversation about our national security. I talk about Australian jobs—Australian seafarers, Australian captains, Australian engineers, Australian-built ships, Australian-owned ships and the Australian owners of ships, who want to make a living too; they don't want to get down to the lowest rupiah to contest—and I get silence. None of them can put up a good fight. For crying out loud, we are an island. Everything that comes in and out of this nation, apart from on planes, is reliant upon shipping.

I'm going to put this one out here to all those listening: in the United States of America, foreign-owned vessels are not allowed to operate in their domestic ports. Every single ship that goes into every single North American port is (a) American built, (b) American owned, (c) crewed entirely by Americans and (d) captained by an American. They run this line because of national security. I'm sick to death of this country, where we have prime ministers who think that they need to win a few votes so they put out a calendar—or a magnet for your fridge that says, 'Don't be a Lert, be alert!'—or some damn thing. When we talk about national security now, after what we've seen around the world, and when we want to maintain our national security, we want to know who's coming into this country, and we want to know that whoever is operating in and out of our domestic ports is paid a living wage, not screwed down like the ITF have found over the years.

There has only been one case recently—this year, one shipping company: paying \$1.80 an hour for their seafarers. Hundreds and hundreds of thousands of dollars! Let alone the poor devils that lost their lives on the *Sage Sagittarius*—two at sea; one went missing overboard; one, somehow, fell through the hull; and one was pushed into a crusher when unloading in Japan. The captain owned up as a gun runner, he ran guns—proudly. And our defence and security forces couldn't find him. There was a trial going on in Sydney—this is the sort of nonsense that's going on—and halfway through the trial a reporter, Owen Jacques, from the Sunshine Coast, was down in the court. At the smoko break he walked up to the prosecutor and he said, 'I know where Captain Salas is.' No-one else knew where Captain Salas was. He said, 'I've got the register here. Here it is. Tomorrow he will be on X ship'—whatever the name of the ship was—and he's coming into Gladstone port.' I nearly just said, 'bugger me', but I won't do that because it's unparliamentary: for crying out loud! All of a sudden our agencies thought, 'Well, we better get up there and we better grab him so he can come and talk for himself.' Anyway, to cut a long story short, this is what this mob over here want to do. And it is absolutely disgraceful that they think they can get away with this.

There is no way known that Labor will support this crappy bill—absolutely no way. I would encourage every single Australian who gives a fig about their kids and our national security, let alone our environmental issues—because Aussie ships don't run up against the Great Barrier Reef—and our apprenticeships, our engineers, our skippers, our masters, our seafarers and our waterside workers. There is nothing wrong with saying that we want Aussies doing it first. By the same token, if, for some reason, we cannot find an Australian ship to cart the cargo, there are laws now where we say, 'Well, go and find one anyway, as long as that foreign crew is paid our wages.' I gotta tell you, for all the people down in the departments that are helping this government draft this, sometimes there's a bit of me that says, 'You know what? What would be the argument if we said we're going to do this to your jobs—if we were going to deregulate the public sector? If we can't find an Aussie, well,

bugger it. We don't want to pay Aussie wages; let's put some foreign workers on and exploit them.'

*Senator Cameron interjecting—*

**Senator STERLE:** No, you're right, Senator Cameron. I shouldn't give them an idea! There's no way on earth that this little fat senator is ever going to support this terrible bill. I condemn it.

Question agreed to.

### **Legal and Constitutional Affairs References Committee**

#### **Report**

**Senator McALLISTER** (New South Wales—Deputy Opposition Whip in the Senate) (17:48): At the request of the chair, I present the report of the Legal and Constitutional Affairs References Committee on the conduct of a minister, together with the *Hansard* record of proceedings.

Ordered that the report be printed.

**Senator McALLISTER:** by leave—I move:

That the Senate take note of the report.

I seek leave to continue my remarks.

Leave granted.

**The DEPUTY PRESIDENT:** Do you wish to make a contribution, Senator Macdonald?

**Senator IAN MACDONALD** (Queensland) (17:48): Yes, Madam Deputy President, I do want to speak on this report to highlight the futility of this particular inquiry, entirely political in nature. I've said in this chamber on many an occasion now, I am distressed at the way that this Senate is being used for a purely political process and purpose. There is no other reason—no policy content. It is pure and raw politics by the Labor Party and their mates in the Greens. I'm particularly upset about this approach by the Labor Party and the Greens of the last few years because it diminishes the Senate.

Senate committee reports, when I first came here many, many years ago, were actually dealt with seriously. They were usually unanimous reports. The committees would meet, they'd argue about wording and different policy approaches and, more often than not, there would be only one report to the Senate and it was usually on policy matters or matters of serious import to the nation. You'd have a report that was unanimously adopted, that meant something and that people used to go to. Senate committees are privileged in the fact that they can call witnesses from all over Australia. Often those witnesses are experts in their field. I've always been one who recognises that not all wisdom lies with governments or Canberra bureaucrats—good, though, that they are. That's why we have the Senate process of calling in experts who can give evidence to committees. Very often, they can persuade committees to a different approach and the committees will report accordingly to the government. I've chaired committees as a government member where we've recommended to the government that they change legislation. Witnesses who came forward pointed out errors or suggestions or improvements to particular legislation. That's the way the Senate used to operate.



Now, unfortunately, the Labor Party, the Greens and some crossbenchers seem to use this to try to make political points when they can't make them in any other way. It diminishes not only the senators involved but the Senate itself. This inquiry is a classic case in point. It was an attempt to denigrate and have a gotcha moment for a minister over the regrettable circumstances surrounding the resignation of former President, Senator Parry. I think everyone was distressed that Senator Parry was forced to leave us through absolutely no fault of his own, but the Labor Party and the Greens sought to make some political capital of it. So we set up this inquiry. The terms of reference were shallow, to say the least. The report of the majority government senators is so shallow that it doesn't even have a recommendation in it. I have to say, I actually felt sorry for the two Labor Party senators who bothered to attend the inquiry. Senator Pratt was chair and had to attend, and Senator Farrell was, I am sure, sent along because he was deputy leader of the parliamentary Labor Party in the Senate. Someone had to do it, so I suspect he drew the short straw. But both of them were clearly embarrassed that we were having an inquiry with such ridiculous terms of reference.

If you were just wasting the time of senators, some people would say, 'Oh well, that's what they're paid for.' But we called in a bunch of senior bureaucrats—people who are paid more by the hour than most in Australia—to sit there and answer inane questions that had nothing to do with the terms of reference. It was an embarrassing situation. As I say, I felt embarrassed for the two Labor senators who had to try to prosecute a case against the minister involved. There was nothing in the evidence—if anyone wants to look at the *Hansard* transcript, they can see it—to support any inference of misconduct or inappropriate conduct by the minister named. The whole inquiry was entirely political in nature and, as I've mentioned before, it just diminishes the Senate as a whole.

I have to congratulate the minister, who answered every question put to him. He did it directly, without hesitation, accurately and precisely. His evidence was such that all that the majority of the committee—that is, the Labor Party members of the committee—could do is make some committee 'views'. There were no recommendations or findings. The only comment the majority Labor members could make was there was another minister who did something different. They were trying to compare the minister named in the terms of reference with another minister. The other minister, of course, happened to be Senator Brandis, who as Leader of the Government in the Senate and as one of the five people who constitute the leadership of the coalition in government, has a different approach and a different set of issues that he must address in looking at this. What the comparison might be had absolutely nothing to do with the terms of reference.

I only speak on this today as I have on some other issues. If the Labor Party and the Greens have a policy differentiation or if they want to use the resources of the Senate to get information from experts so they can write a policy for the next election—well, that's not really what it's about, but I can appreciate that. I know in opposition you don't always have a lot of resources. Oppositions generally can call in experts on policy issues to get some information that might be useful to them or that might advance the policy debate in this parliament and in Australia. As I mentioned before, sometimes in a policy area you can come up with evidence that changes the thinking of the committee and, subsequently, the government.

But where we embark upon these petty, purely political things we just diminish the Senate. There have been so many of these occasions recently. None of them have gone anywhere. I would hate to guess what the cost of the Bell inquiry was. Nobody cared two hoots about what happened 35 years ago in Western Australia with the Bell group of companies. It was all about getting the Leader of the Government in the Senate in a gotcha moment. We had witness after witness who was not prepared and couldn't give any evidence. Again, the majority committee of Labor and Greens members concocted some outrage, but it went absolutely nowhere—the same as this inquiry. I say to the Labor Party and to the Greens: play your politics how you like, but please don't waste the resources and diminish the standing of the Senate with these purely political inquiries that you know will lead nowhere, have no place, and only diminish the once proud reputation of Senate committee reports. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

### **Rural and Regional Affairs and Transport Legislation Committee**

#### **Report**

**Senator RICE** (Victoria) (17:58): I seek leave to move that the Senate take note of the Senate Rural and Regional Affairs Transport Legislation Committee report on the provisions of the Coastal Trading (Revitalising Australian Shipping) Amendment Bill 2017.

**The DEPUTY PRESIDENT:** It really is the Selection of Bills Committee report and there will be an opportunity to speak on that when it comes on. A point of order, Senator Macdonald?

**Senator Ian Macdonald:** Yes. When is the report actually being tabled?

**The DEPUTY PRESIDENT:** It was tabled earlier today, but by convention we wait until the bill has come on. Is leave granted?

Leave granted.

**Senator RICE:** Thank you. I move:

That the Senate take note of the report.

In taking note and speaking to this report, the Greens note that the name of the legislation is the Coastal Trading (Revitalising Australian Shipping) Amendment Bill 2017 and note that the last thing this legislation will actually do is revitalise Australian shipping. I have been in the Senate for 3½ years. The issue of Australian coastal shipping has been on the agenda for all of those 3½ years and it has been used as a political football. We have seen shipping being washed backwards and forwards by the government—with wave after wave of changes; being hit by a constant crash of wave after wave—with resultant job losses and the loss of Australian owned and Australian flagged ships.

Australia should have a successful coastal shipping sector. We are an island nation, and we export and import so many of our goods. But this legislation, like the government's previous attempt to change our coastal shipping legislation, which was rejected by the Senate, is not going to be the catalyst that causes Australian shipping to be revitalised. Basically that is because, in order to do so, it's going to require leadership from the government to say that just leaving it to the market to determine the direction of Australian coastal shipping is not going to deliver the changes that we require. If we leave it to the market, we have seen what

happens. What happens is that it's a race to the bottom in terms of reducing costs and trying to do things at the cheapest possible rate—employing seafarers from around the world on extremely low wages and under extremely poor conditions; cutting corners so that you end up with ships that are at a high risk of polluting our precious coastal and marine environments. In order to change that, the government has to put some controls in place: to send the industry off in a different direction and to say that this reducing-costs environment is not delivering in the national interest.

It's interesting that, after the last government's attempt at changing the legislation was defeated in the Senate, the industry itself said that we needed to have certainty. That's what we heard when we last went through this. Above all, what they wanted was some certainty. They wanted to have a direction that we were going in. They didn't want the shipping industry to continue to be used as a political football. There was some incredible leadership that was shown by the shipping sector, particularly by MIAL, Marine Industries Australia Limited, who got stakeholders from across the sector together over a series of workshops over many months to say, 'Come on; let's all work together. We're not getting leadership from the government, so let us as a sector work together and work out what we can agree on on the way forward for coastal shipping.' They put together a very comprehensive report, a green paper on coastal shipping, which had support from across the shipping sector.

You would think that having that as a resource document, and having had the experience previously of legislation being knocked back by the Senate, the government would have seen that as an opportunity to move forward in a different direction. We had hoped that that would occur when we had a change of minister: a new minister who seemed to be more interested in talking to stakeholders and working out the most appropriate way forward that would deliver for Australian jobs, that would deliver for Australian industry and that would deliver for the Australian environment. But, sadly, the legislation that is being proposed is just a continuation of the same. If this legislation is passed, we know that it's going to continue the decline. It will mean that we will, effectively, have no Australian shipping sector, which would be an outrageous thing to occur, given the potential of the sector for Australia.

In speaking to this report today, I want to implore the government to not continue down this path of racing to the bottom, using coastal shipping as a political football and ending up with a total destruction of Australian jobs and Australian involvement in our shipping industry. We need to reject this legislation. We need to use the resources and the willingness across the sector to work together on what is the best way forward—government working together with stakeholders—and recognise that there is a strong role for government here. It's only by having the government working together with industry, unions and a range of organisations involved in this issue that we will be able to realise a positive future for the Australian coastal shipping industry.

The direction we're heading in at the moment is more of the same. It's where we do not need to be going. If we work together, there is the potential to steam away to a positive and productive Australian industry. I urge the government to listen to the sector and move forward in that direction. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**BILLS****Treasury Laws Amendment (Reducing Pressure on Housing Affordability Measures No. 1) Bill 2017****First Home Super Saver Tax Bill 2017****Second Reading**

Consideration resumed of the motion:

That these bills be now read a second time.

**Senator CAMERON** (New South Wales) (18:06): First of all, let me make it clear that Labor does not support these bills. In the typically Orwellian way this government likes to operate, the title of one of the bills has 'reducing pressure on housing affordability' in it. It's obvious that the measures in here won't do anything to reduce pressure on housing affordability. It's only Labor that has any comprehensive plan to deal with pressure on housing affordability, with reforming negative gearing and the capital gains tax discount being at the forefront of this. Any housing affordability package that does not deal with these concessions where the majority of the benefits go to high-income earners is a sham. Fifty per cent of the benefit of negative gearing goes to the top 10 per cent of income earners and 70 per cent of the capital gains tax concession goes to the top 10 per cent of income earners. Action needs to be taken here.

The Treasury Laws Amendment (Reducing Pressure on Housing Affordability Measures No. 1) Bill 2017 and the First Home Super Saver Tax Bill 2017 seek to introduce two measures that the government introduced in this year's budget: the First Home Super Saver Scheme; and contributing the proceeds of downsizing to superannuation. This so-called First Home Super Saver Scheme will do nothing to address housing affordability. Instead, it will undermine Australia's world-class superannuation system that Labor is proud to have created and continues to defend while the other side continually seeks to tear it down.

Superannuation accounts are supposed to be locked boxes to generate retirement income, not to be used at the whim of government to give access to whatever they wish. It sets a dangerous precedent. The government's plan would mean that first home savers who make voluntary contributions into the superannuation system can withdraw these contributions up to certain limits and an amount of associated earnings for the purpose of purchasing their first home. Concessional tax treatment applies to amounts that are withdrawn under the scheme.

It's ironic that this government has put forward this measure that goes against their own superannuation objective bill which has stalled in this parliament. That bill has sat in the Senate since late November of last year, and it's been nearly a year without debate. That bill stated the government's primary objective for superannuation to be:

To provide income in retirement to substitute or supplement the age pension.

We disagree with this, and it's unfortunate that the government has tried to push this through without general support—not to mention the fact that we had the Treasurer spruiking this scheme on social media in July, well before any legislation was drafted, let alone introduced. That only led to further confusion. But what could you expect from a confused government, from a rabble of a government?

We should also note that the ATO, which is the agency responsible for administering this scheme, says on its website:

It is emphasised that this measure is yet to be legislated, and under the current law it is not possible to withdraw superannuation contributions to buy a house. Therefore, if the law does not get enacted, any voluntary contributions made for the purpose of withdrawing them under this scheme, will remain in superannuation until such time that they would ordinarily be able to be released.

The other measure in this bill is about contributing the proceeds of downsizing to superannuation. The government proposes to allow people aged 65 or over to make a non-concessional contribution of up to \$300,000 from the proceeds of selling their home. These contributions would be exempt from the age test, work test, and \$1.6 million balance test for non-concessional superannuation contributions. Of course, we don't have any objections to the principle of helping people to downsize. If the government were to split the measure away from the First Home Super Saver Scheme measure, we would be open to considering the measure. However, in terms of actually reducing pressure on housing affordability, the measure is not the best. In the 2013-14 budget we had a pilot program that had the aim to do that, by trialling a means-test exemption for age pension recipients who were downsizing from their family home. Up to \$200,000 in proceeds would have been put in a fund and would have been exempt from the pension means test for up to ten years. Of course, this government, in its short-sighted nature, got rid of it.

Some important factors, such as the age pension income or assets test and stamp duty issues, are not addressed. Treasury's answers to questions on notice about this measure were enlightening. Treasury did not have an estimate of how many households were expected to downsize as a result of the measure, or the assumed increase in the effective supply of housing that the measure was expected to generate. So much for reducing pressure on housing affordability! Industry Super Australia has said that this measure will be used by self-funded retirees rather than age or veteran pensioners. That's because there's no change to the pension income or asset test. As I mentioned before, were the government to split this measure from the First Home Super Saver Scheme, we'd be open to considering it; however, as it's packaged up, we will oppose the bill as a whole.

I want to take the Senate through how the Turnbull government has arrived at its housing policy shambles. It's almost impossible to tell what the Liberal Party stand for these days. They're certainly not liberal. Given their recent history of attacks on the institutions of civil society and the rule of law, it is doubtful they are even conservatives. It's increasingly obvious that they are a party of social reactionaries who are obsessed with creating some kind of half-remembered hallucination of the past in Australia—a fantasy golden age that never existed. What's worse is that it isn't even an authentically Australian hallucination. They have never had an original idea in their lives. Their entire political philosophy is on loan from the country club conservatives and evangelical reactionaries of the American Midwest. We all know them. They are men—they're almost always men—who, over the past 30 years, have set out to prove that the 1960s marked the beginning of a terrible, civilisation-threatening decline in moral values and that only a return to the values of a golden age that existed, presumably before the 1960s, will prevent complete moral destitution and a lapse of common sense. Their targets are single mothers, divorce, the decline of Western civilisation, teenage pregnancy, tax, abortion, family values, social security recipients, marriage equality, left-wing media

bias, teenage promiscuity, safe schools, political correctness, nanny statism, creeping socialism and scientists.

That the Liberal Party has assembled this random sample of culture war targets in one party and still manages to call itself liberal is a considerable achievement. While the cultural warriors and reactionaries of the Liberal Party obsess about Judaeo-Christian values, young people worry about astronomical property values, student debt, penalty rate cuts and diminishing job opportunities. This is what the party of Menzies has become. Menzies championed thrift, self-reliance, private enterprise, individual responsibility and freedom, and the family as the best institutions through which the nation would express its best instincts. He warned of the danger of an all-powerful state, but he pitched his appeal to the middle class—excluding the rich and powerful, who did not need his help—and what he called the unskilled people, who he believed were protected by their unions and whose wages were safeguarded by the conciliation and arbitration system. Yet Menzies insisted:

... there is no room in Australia for a party of reaction. There is no useful place for a policy of negation.

Well, wouldn't Menzies be rolling in his grave now at this rabble across the Senate? He never claimed that his was a conservative party. On the contrary. He said:

We took the name Liberal because we were determined to be a progressive party, willing to make experiments, in no sense reactionary, but believing in the individual, his rights, and his enterprise, and rejecting the Socialist panacea.

He identified the state's obligations to address unemployment, provide economic security and material wellbeing through social legislation, and the difficulties of those who fell through the cracks were to be ameliorated. He said:

... we have nothing but the warmest human compassion—towards those ... compelled to live upon the bounty of the State ...

Well, look at their social security legislation now. Look at what they're doing to those people who have fallen through the cracks. It is certainly not Menzian. It is reactionary.

A few months ago the Liberal Party gave us all a glimpse of how far it has unravelled when it celebrated the 75th anniversary of Menzies's 'The Forgotten People' speech. When Menzies delivered this centrepiece of Liberal Party mythology, he positioned home ownership as the basis of a stable society. He said:

The home is the foundation of sanity and sobriety; it is the indispensable condition of continuity; its health determines the health of society as a whole.

He certainly didn't think the rich and powerful needed a leg-up. He said of them:

... in most material difficulties, the rich can look after themselves.

It's not my intention to eulogise Bob Menzies but to merely point to the fact that in the Liberal Party of 2017 there is no sign of the Liberal Party of Menzies. The broad church is gone. They've burnt it to the ground. Progressive Liberals have given up. The reactionary hard Right has somehow managed to claim Menzies's legacy and threaten retribution if the Prime Minister offends against the much diminished and increasingly deranged base. He is besieged on both sides: an uprising if he confronts the culture warriors who claim to speak for the party, and a loss of electoral support as he compromises on the more progressive liberalism he had promised the public for so long.

Rather than mythologising the forgotten people speech, today's Liberal Party—the party of Work Choices and penalty rate cuts, the party of the 2014-15 budget, the party of vindictive policies targeting social security recipients—would do well to read Menzies's speeches and other writings a bit more carefully. They would make sobering reading.

The record of the Abbott-Turnbull government on housing policy has been abysmal. The coalition's four-and-a-bit years in government have been wasted years. Since 2013, the Abbott and Turnbull governments have: refused to countenance reform of negative gearing and capital gains tax; closed the National Rental Affordability Scheme that had provided 37,000 new affordable housing units and was on track to achieve its target of 50,000; scrapped the First Home Saver Accounts scheme, which was helping people save for their first home; closed their ears and eyes to mounting evidence of housing system failure by abolishing the National Housing Supply Council and the Prime Minister's Council on Homelessness; failed to provide funding certainty under the National Partnership Agreement on Homelessness; defunded Homelessness Australia, National Shelter and the Community Housing Federation of Australia—the organisations that were out there helping the people who had fallen through the cracks of society; failed to appoint a dedicated minister for housing and homelessness; scrapped the Housing Help for Seniors trial that was announced in Labor's 2013-14 budget; and cut \$44 million a year in capital funding from homelessness services under the National Partnership Agreement on Homelessness, which has meant that older women in Australia have got nowhere to go for support and help, and young people coming out of out-of-home care are on the streets and, I'm advised by some of the NGOs, are being groomed by some of the hard-heads out on the streets. This is unacceptable. This is not a Liberal Party. This is a party of reactionary, basically male Australians, who base themselves on the right wing of the Republican Party in America.

In Labor's last budget, the 2013-14 budget, the Commonwealth's matched contribution to the National Partnership Agreement on Homelessness was \$159 million. In the Abbott government's first budget, the 2014-15 budget, the National Partnership Agreement on Homelessness was extended for two years, but the Commonwealth's annual contribution was cut to \$115 million. These cuts were directed at capital funding, which would have contributed to increasing the supply of short-term and emergency accommodation for women and children escaping family and domestic violence. What an outrageous position for this government to have adopted. To add insult to injury, the government has consistently claimed that its contribution to homelessness funding represented an increase in funding. This was based on the ludicrous proposition that, because the National Partnership Agreement on Homeless was to expire on 30 June 2015, we must assume that the funding base from 1 July was zero; therefore their reduced funding was new money. What an absolutely obnoxious proposition to be putting forward to justify cuts for the poorest people in this country. What an obnoxious proposition from a coalition that is basing itself on the right wing of the American Republican Party. It has nothing to do with the Menzian proposition of liberalism. In the hallucinatory world of the Liberal Party, down is up and the old is new. The Liberal Party these days is less Alfred Deakin and more Jefferson Airplane.

In the 2017-18 budget, the government announced a grab bag of unrelated housing measures about which John Daley of the Grattan Institute said: 'You would need a scanning

electron microscope to see any effect on housing prices.' These bills represent two measures from that grab bag.

There's a huge housing affordability challenge. Australian cities and many regional areas are now some of the least affordable in the world. Comparatively high housing costs by international standards make Australia an expensive place to live and an expensive place to do business. Cities are the engines of growth; they are also the places where housing stress is greatest. The impact of this on renters and aspiring home purchasers is well documented. The maximum affordable rent for a couple on the minimum wage with two children is \$416 a week, far short of the medium Sydney rent of \$743 per week for a three-bedroom house. Yet today, when they had an opportunity to actually restore the penalty rates that many working families depend on, they rejected that. This is not a government of Menzies; this is not a party of Menzies; this is a reactionary party that needs to go—and the sooner the better.

**Senator WHISH-WILSON** (Tasmania) (18:26): This government is like a toddler with a bowl of peas. They'll do almost anything and everything to avoid what's in front of them. What's in front of them is a hard decision that needs to be made. If we're going to tackle the housing affordability crisis in this country, if we're going to try to increase the supply of housing onto the market, and especially help first-home owners and lower-income Australians, we need to remove the perverse incentives that are rigging the system and making it harder for young Australians and low-income Australians to compete with the wealthy investors in the property market. Those two perverse incentives are negative gearing and capital gains tax concessions. We know that if we were to remove those we'd be able to raise tens of billions of dollars over the forward estimates to help pay for schools, hospitals and our social security net, and to allocate money towards infrastructure projects. There's a lot we could do with those funds.

We also know we could remove an anomaly in our system. It's an anomaly that's decades old and was set up by a previous Liberal government. At that time, there was probably some momentum and some real desire to give Australians the ability to grow their wealth by leveraging several homes, but it has created a monster. For those of us who have been following this issue closely, we have been repeatedly asking the Treasury secretary these questions, especially at every estimates: what's the government actually doing about housing affordability and how we are going to tackle that? But what we have in front of us is what we get. At best, this is rats and mice. Not only will it not impact housing affordability; the schemes themselves could also have perverse incentives. While the Greens look at the two separate parts of this bill in isolation for the sake of this debate, while we don't necessarily have any issues with the First Home Super Saver Scheme—and in my contribution I will get to some of the many problems that we have with that, but overall we see it as a fairly weak policy—

**Sitting suspended from 18:30 to 19:30**

**Senator WHISH-WILSON:** So, I now go to a little bit on the legislation that we're debating here tonight. Firstly, on the First Home Super Saver Scheme, this measure would allow first home buyers, defined in certain categories and under certain definitions, to save up to \$30,000 by making voluntary contributions to their superannuation fund. Those using this scheme would then be able to take advantage of superannuation tax concessions. The money put towards this scheme will be quarantined so that the scheme does not directly affect the



principal accumulated through compulsory superannuation contributions. It's designed to be a voluntary scheme—essentially a side scheme—to complement and go along with your compulsory superannuation contributions.

The scheme has received muted support—that's probably the best way to describe it—for providing first home buyers with tax arrangements that are closer to the tax-free status enjoyed by existing home owners on the capital appreciation of their home. But that's about the best thing that I could find that people have said about this scheme. More often, the scheme has been criticised on a number of different grounds. It undermines the government's own Superannuation (Objective) Bill 2016, which states the superannuation system is to:

... provide income in retirement to substitute or supplement the age pension.

It's yet another measure that will only work to inflate house prices, by allowing people to spend more money on housing than they otherwise would. This is a really important one, because, as I opened with in this contribution, we have a housing affordability crisis in this country, especially in Sydney, Melbourne, Brisbane and, to some extent, Perth. That crisis is because we have investors buying multiple properties and competing with first home owners, low-income Australians and young Australians that are trying to get into a home, and this measure won't do anything to fix that. If anything, it's just going to add more people to go along to the auction on a Saturday morning to bid for the house. It's not going to increase supply of housing, and it's just going to add to the demand-side pressures that are pushing up housing prices.

Another very pertinent point, and probably the biggest criticism that I've received of this—and I sat down and had a very good chat with John Daley from the Grattan Institute about this only a couple of weeks ago—is that it's unlikely to be widely utilised and even less likely to be used by those on low incomes in this country. And, at the end of the day, that's where we have a housing affordability crisis. If you don't believe me, Acting Deputy President Williams—and I went through this in some detail when we last debated the issue around vacancy tax and deductions for home owners—look at the recent Household, Income and Labour Dynamics in Australia survey, commonly called HILDA. The data that was released was quite chilling. This was only three or four months ago. The 2016 edition of this report showed—and this is done every five years—that home ownership has been declining in Australia for some years now. The decline has been particularly concentrated among young Australians, especially in the individual category of 18 to 39. Women tend to be more affected, and their numbers are quite startling. In the 2014 survey, approximately 25 per cent of men and women aged 18 to 39 were homeowners. That's down from 36 per cent in 2002. Let's compare that: in 12 years, 36 per cent of Australians has fallen to 25 per cent. With a quick bit of maths, starting at 36 and down by about 12, that's about a third. Home ownership has declined amongst young Australians by nearly one-third over that period, and that includes during the GFC.

The other startling thing in this HILDA survey is that those who have been most affected tend to be in the lowest income quartiles. The HILDA survey tells us that it's not just about income inequality in this country; it's also about wealth inequality, and that's the point we're debating here today. We've got significant wealth inequality, and it's getting worse. Like I said before, this government is like a toddler with a bowl of peas: they'll do anything and everything to avoid it. The bowl of peas—the hard decision—is tackling what we know are

the perverse incentives that are helping to create this catastrophe for young and low-income Australians where they can't buy their own home. So, it's not just the housing affordability crisis and how that affects individuals and everyone's right to have safe, affordable housing; it is also about inequality. And it is not just income inequality but wealth inequality.

Acting Deputy President Williams, your generation and mine, to some extent, grew up in a country where everybody did aspire to own their own home, and although there were ups and downs—there were high interest rates at different periods—there was the hope that you could always get a reliable, stable job. That's gone now. There's no job security anymore. You could afford your own home then, but to many young Australians now that literally is just a dream that they can never aspire to. Some would even say it's a nightmare.

The best I can say for this super home saver is that it does level the playing field at some point, if you know how to use it. As John Daley from the Grattan Institute told me, it will tend to appeal to a certain kind of demographic. Generally, young, well-educated Australians on certain income levels will know about it. Accountants and others may push it for their clients. But it's really going to advantage those who are already doing reasonably well and are on their way to having a career, and it's just going to add to housing demand pressure.

We can compare it with the Rudd government's similar First Home Saver Account scheme, which this government closed down in 2015. This is virtually a replacement for that. Of course the mechanism is different, but why did this government close down Mr Kevin Rudd's First Home Saver Account scheme? It was a dud. It was hardly used. There was almost no take-up. If, as the experts are saying, we are expecting a similar take-up with this scheme in the legislation in front of us then we can hardly put our hands on our hearts and say that this is going to do something about the housing affordability crisis in this country or give young or low-income Australians a leg up.

The second part of this bill is about putting the proceeds of downsizing into super. This measure would allow people over 65 years old to make a contribution of up to \$300,000 from the proceeds of selling their home into their superannuation accounts. This contribution would be exempt from the lifetime transfer cap of \$1.6 million on superannuation contributions. Here's the catch: this scheme has been heavily criticised, including by economists, as being a scheme that will only advantage the wealthy. What do the statistics tell us? It's estimated that only 35,000 people in this country have a superannuation account in excess of \$1.6 million. Not many Australians have a superannuation balance of their savings over their life of \$1.6 million. The average superannuation balance for a 60-year-old Australian is \$240,000. So, do you think they're going to get benefits out of this scheme? No.

It undermines the government's own \$1.6 million transfer cap that was passed in this place about a year ago, in November 2016. The government received a significant backlash from their political base as a result of this measure. But one wonders, and I'll ponder on it here tonight, if this might actually be a fillip for the coalition's voters, the voters that weren't happy that the government actually changed super to try and streamline it a little and make it fairer. The Greens supported many of those measures. If you're a wealthy Australian over 65, this measure will allow you to sell your home that is probably too big for you anyway, and you're thinking about downsizing. Depending on where you are, your home's probably going to be worth, looking at median or average house prices, a million dollars or more, or certainly in the high hundreds of thousands, and you'll get a \$300,000 tax benefit. Australians who aren't in

that situation, who aren't as fortunate as the millions of pensioners across this country that have a low superannuation balance, are not going to be able to get the same benefit.

This scheme directly adds to inequality in this country. Unless there's a really good reason for it, and something important to offset it, the Greens won't support legislation that adds to inequality in Australia, or anywhere. We've always had a clean record in that regard. We're fairly neutral to negative on the First Home Super Saver Scheme, but we don't support the downsizing measure into super. To be honest, I haven't really read any commentary that does. I'll be interested to hear a little bit more on the debate from those who support the measure.

If we really wanted to make a difference, we would tackle unfair tax breaks that rig the system in this country in favour of investors. Many of those investors own multiple properties and are the same investors who go to auctions and bid on properties that we know young and low-income Australians, especially first home buyers, are wanting to buy. This is no accident. This is a deliberate policy, a tax system that encourages speculation on housing and encourages investors who are buying to rent to spend more money than owner-occupiers. In the Greens' view, this has been a key factor in driving up the price of homes across the country and has put home ownership out of reach for many young Australians.

Young people who have saved for a deposit are being outbid by wealthy investors, who are getting a leg-up from the taxpayer, and that's what perverse about it. I called it a perverse incentive earlier because it has had perverse outcomes. I also mentioned that, if we got rid of these schemes, we could raise billions of dollars in revenue and we could fix what I see as a structural problem in this country on a key issue like housing affordability and inequality, and we could raise revenue that we could spend on our schools and hospitals.

These young people are left to pay more rent to these same investor landlords under outdated and unfair tenancy laws. That's another debate for another time. Because homes are so expensive, especially in many of the capital cities, the level of household debt in Australia is the highest in the world. That is another incredibly important debate that we have to have, because these things are all tied together. If we look at this holistically, it is policies like negative gearing and capital gains tax concessions that also contribute to problems with our financial system in terms of system stability and the inherent systemic risks.

Instead of this debt being used to build much-needed infrastructure that would create jobs and set us up for the future, we are funnelling it into mostly speculative investment in private housing that does little to improve employment or productivity in this country. They are perverse incentives. The Australian Greens have a plan to end the rigged system that benefits the already wealthy at the expense of those less well off, especially younger Australians. We've been up front leading on the issue, going back to my colleague Senator Ludlam. Senator Rhiannon has been leading on this issue for years, and when Adam Bandt in the lower house was Treasury spokesperson he argued for the removal of negative gearing and capital gains tax concessions. We are glad that Labor came out before the last election and supported a similar policy. We hope that in the future we'll actually get this done.

The Greens' plan to dismantle the rigged system that privileges investors and landlords over the rest of us, and to fix housing, is to end negative gearing for all future investment properties; to phase out negative gearing for investors with two or more properties by 20 per cent each over five years—investors with a single property would be exempt; to phase out the capital gains tax concession over five years; and to support state governments to replace

stamp duty with a broad-based land tax. I know my colleagues will be talking in more detail about our broader housing plan, and about how housing is a right and everyone has a right to safe and affordable housing in this country, but I want to talk a bit more about the idea from the Greens for fixing the structural issue—a plan that has been well received by economists. The Greens' plan is about fixing the structural issue—not playing around the edges, like this policy that we are debating tonight, but helping to fix the major structural issue. Our plan is to get rid of one of the worst taxes in this country, which is stamp duty, and swap it with arguably one of the best and most efficient taxes, and that is land tax.

Swapping land tax for stamp duty would boost the economy by a massive 82c for each dollar swapped. We've had this costed by the PBO. And I notice that Mr Peter Martin in *The Sydney Morning Herald* recently talked about there being 'no bigger benefit imaginable for rejigging any taxes'. It also helps fix a problem that we have in the housing market, in that it frees up more supply and it helps adjust housing prices across different areas. That's a debate for another time, but I must say that I was surprised at the last estimates when the Productivity Commission said:

We see, from time to time, a lot of fiddling at the margin—  
which is exactly what we're doing tonight—

with propositions around how to make first home buyers' lives easier, which appear substantially to just drive up the price of property rather than deal directly with the issue.

That was their answer in response to a question of mine about why they supported swapping a broad-based land tax for stamp duty, which they came out and said we should all be talking more about. So there's a good solution from the Greens tonight. This legislation is about fiddling around the edges, and we won't be supporting the bills. (*Time expired*)

**Senator POLLEY** (Tasmania) (19:47): I rise to speak on the Treasury Laws Amendment (Reducing Pressure on Housing Affordability Measures No. 1) Bill 2017 and the First Home Super Savers Tax Bill 2017. These bills seek to introduce two measures that the government unveiled in the 2016-17 budget—the First Home Super Savers Scheme, and contributing the proceeds of downsizing to superannuation. Let me be clear from the outset: the Labor Party opposes this legislation.

Those opposite claim that the measures in this bill will reduce pressure on housing affordability, but nothing could be further from the truth. What we have before us is the latest brain snap from a desperate government that is incapable of coming up with a housing affordability policy. The only solution it can come up with to address the housing affordability crisis is to create a crisis in superannuation. That is the best that the government has got. This is the type of government we currently have leading the nation. The Australian people are sick and tired of listening to those opposite bickering, and they're sick and tired of thought bubbles that we see the Prime Minister grasp for every single day.

All of these government policies that they've put before us, these pieces of legislation, will leave Australians worse off. It's time for the Liberals to get real about housing affordability. When the two measures in this bill were introduced in the budget earlier this year, they were so small that the Grattan Institute said, 'You would need a scanning electron microscope to see the difference it would make.' That's how insignificant and minuscule the Turnbull government's policy on housing affordability is—that's if you could even call it 'policy'.

Getting back to the bills before us, the first measure I want to talk about is the First Home Super Saver Scheme, which will do absolutely nothing to address the Australian housing affordability crisis. The government's plan is to allow people to make voluntary contributions to their superannuation and then withdraw those contributions to help them purchase their first home. The idea is that individuals would benefit from the concessional taxation arrangements that apply to the superannuation scheme. That is not what superannuation should be used for. Superannuation accounts are meant to be locked boxes to generate retirement income. This is dangerous, thoughtless policy.

I'd also like to put on record that this measure completely contradicts the government's objectives of the superannuation bill, which has been sitting undebated since last November. The government's superannuation bill says that the government's primary objective for superannuation is to 'provide income in retirement to subsidise or supplement the age pension'. That's not what the bill before us today will do. Instead, it will undermine the retirement incomes of Australians and lock the next generation of people out of securing housing when they get older. We already know that the government doesn't care about homelessness amongst the elderly, but the measures in this bill will only seek to exacerbate the issue. That's how hopeless the government are. This is the best that they've come up with. They're a government at sea without a paddle and they're completely out of touch.

I'd like to briefly talk about the terms of reference for the government's 'necessary but regrettable' royal commission into banks. Labor has serious concerns about the government's narrow focus on the industry superannuation funds. The Minister for Immigration and Border Protection even said that industry super funds will face more scrutiny given that they have 'union members on the board'. Given that this out-of-touch government has spent the last 18 months letting rorts and rip-offs continue and ignoring the ongoing pleas of families and small businesses, it is incredibly disappointing to see them hijack this royal commission to continue their attack on the union movement.

If the Turnbull government does not get this right from the start, we will only see a continuation of financial scandals, a lack of justice for victims of financial wrongdoing and the systematic risks that are contributing to the uncertainty for the financial services sector. Those opposite have spent over 600 days doing anything they could to avoid a royal commission. Pull your socks up and do it properly! That's what the Australian people want. That's what the Australian people deserve.

The second measure in this bill is contributing proceeds of the downsizing measure. The government proposes to allow people aged 65 or over to make a non-concessional contribution of up to \$300,000 from the proceeds of selling their home. These contributions would be exempt from the age test, work test and the \$1.6 million balance test for non-concessional superannuation contributions. Again, we see that this government is only looking after the top end of town. I can assure you there won't be very many Tasmanians—you could count on one hand—who would benefit from such legislation. Labor doesn't have any objections to the principle of helping people downsize, but this is not the best way to do it. It's not the best way to deal with the issue of looking at the barriers to downsizing or housing affordability. I also note that this bill neglects to address important factors such as the age pension, income or assets tests and stamp duty issues. So I'll repeat what my colleagues

have said. If the government were to go back to the drawing board and separate the two measures in this bill, we would be open to considering the downsizing measure.

The Prime Minister might have taken Mr Joyce's by-election win as a new lease of life for his chaotic government, but I don't think that Mr Turnbull is going to finish up this year on a high, even if he thinks he will. The Liberals' policies have gotten progressively worse. The only thing this bill does, as it stands, is highlight their inability to do anything about inequality and housing affordability in this country. Under Mr Turnbull's watch, levels of home ownership continue to fall, and affordable housing for vulnerable people, including older Australians, is becoming more and more unattainable. Those are only a couple of points that highlight just how inefficient and ineffective this Turnbull government has been in addressing housing affordability. There has been no national housing plan, no housing minister, no idea and no real policy.

Earlier in the year when the household income and labour dynamics figures were released, we had those opposite get up in this place and deny that housing inequality is an issue in Australia. Wake up, Australia! Wake up, the Turnbull government! They cannot understand that there is a housing affordability crisis happening in this country. It doesn't matter what state you go to, or whether it's somebody trying to buy their first home or get a rental property, you have young person after young person competing and outbidding to get into some sort of housing. We know how difficult purchasing your first home has become. This is how offensive, delusional and out of touch this government is when they don't recognise the crisis that's on their doorstep. It doesn't matter if we're talking about federal or state governments, the Liberals are botching housing affordability full stop.

The housing affordability crisis is not just about first home buyers; new rental affordability index figures released last week show that rents for low-income households across all metropolitan areas in the nation remain unaffordable. This research highlights the devastating impact Australia's housing affordability crisis is having on low- and moderate-income households in the private rental market, as I have just said.

Housing costs are biting everyday families. Analysis of the 2016 census shows that around 30 per cent of all households, including renters and mortgagees, are in a housing crisis. In my home state of Tasmania, Hobart was the second-worst area due to the number of people living on low incomes. These are real issues—issues that are affecting families' household budgets. It is a real issue for older Australians to have secure housing in their older years. We know that a growing number of older Australian women are finding themselves homeless. These are real issues. You have families living in cars, couch surfing, or moving from one relative to the other because they can't afford even a basic rent.

We know that there hasn't been enough money invested by this government, or by any of the state governments for that matter, in housing. But the sad thing is that the Prime Minister and the Treasurer refuse to accept any responsibility at all for this crisis—because the Liberals have, effectively, given up on housing policy. Christmas is just around the corner, and my office is inundated with calls from very desperate people trying to get accommodation. Crisis accommodation is in short supply. Crisis accommodation for families is all but non-existent. The real impact of this affects all our communities. It affects everyone. It's not just those people who are finding it hard to afford to rent a house or who are trying to come up with a deposit to buy their first home; it has an impact on the entire community. It has an impact on

those children who are going to school—if they are fortunate enough that they can go to school—after having to sleep in a car. That's a real impact of the housing crisis in this country. It's unacceptable. We're a rich nation. We should be able to find accommodation for all Australians. All this does is reinforce how out of touch the Turnbull government really is.

The Turnbull government own the housing crisis in Australia. They actually own it; it's their responsibility. We are four years in and nothing has been done. It's a disgrace that there isn't a housing minister. It's a disgrace that those opposite won't even acknowledge that there is a housing affordability crisis. I don't know who these people talk to. I don't know if they actually talk to the charitable organisations that help the people who are most desperate and most vulnerable. Those opposite don't understand that this crisis is real. There is nothing sadder than seeing a family going from one shelter to another trying to find accommodation and lining up to get food because they are that short of money in their household budget.

I have to say that the Turnbull government have absolutely no credibility on housing. The government have no credibility when it comes to homelessness. They have to accept that these are real issues affecting real people. There is no point turning your head and saying, 'It's not my problem. They should go and get a job,' because, as we heard from the previous speaker, Senator Whish-Wilson, there is no longer such a thing as secure employment. We have people who are underemployed and people who have a number of part-time jobs. They can't go to a bank and take a loan to buy their first home. That's unrealistic.

Nothing is happening. There is no leadership from this government. There is no leadership when it comes to policy. They just keep claiming that reforming negative gearing and capital gains tax concessions will raise rents. But this has been discredited. It is a null-and-void argument. Those people opposite should move on. We have already announced our policies that will have a real impact in terms of the housing affordability crisis. Any housing policy that doesn't deal with negative gearing and capital gains tax is a sham, and that's what this government is best known for.

We have a Prime Minister who sees a thought bubble and grabs it. That's what he does on every major issue. If he's not grabbing thought bubbles, he's doing backflips. That's what this Prime Minister is renowned for in the Australian community. We know he's desperate to save his own job. Why not come up with a decent housing affordability policy? That would be a step in the right direction.

The Liberals claimed that the 2017 budget would deliver an extraordinarily large housing package and that 'it would be an impressive and well-received package'. Let me tell you that there is nothing impressive about the package before us today. It's a do-nothing package from a do-nothing Prime Minister. Labor governments at all levels are leading the way on housing affordability, but there's not much use having terrific, progressive Labor governments if you have a federal government that is doing everything it can to undermine housing affordability.

It really is time for those opposite to take action on housing affordability. It really is, because we can't afford to wait until the next election and the incoming federal government—which will be under the leadership of Bill Shorten—to take the tough decisions to ensure that all Australians have the opportunity to either rent a home or aspire to buy their own home. It's a very sad day in this country when our young people don't even dream of owning their own home. When I grew up, even though I came from a poor family, we had our own home. We were all taught to aspire to achieving that. When you are an Australian, you work hard, take

on a second job and do what you have to do so you can afford your first home. You make some sacrifices along the way. That's what we should all be working towards so that young Australians have that same dream. It is possible, but you need to have the right levers, you need to have the right policies and, dare I say, you need to have the right Prime Minister who has the right policies and who will lead this nation.

The reason we're in this crisis now is that we have a do-nothing Prime Minister. We have a Prime Minister who is bereft of any policies. He's doing nothing to drive the Australian economy. He's doing nothing to ensure that we turn the tide of people who can no longer ensure they have full-time jobs. We have now in this country—which, I'm ashamed to say, is devastating—the working poor. We've seen the government attacking penalty rates. That's what they do, because they just don't get it. Not getting it is one thing, but it's even worse than that—I think they just don't care.

If you look at the measures in these two bills, all the government are interested in doing—as they do all the time, whether it's taxation, housing affordability or tax concessions—is looking after the top end of town and looking after their mates. That's what they do. It surprises me that some of those people on the government benches whom I respect aren't more vocal. No, that's right—we have a member from the other place, Mr George Christensen. He has other ideas—oh, but that's right, he lied about them. The government are entangled in their dysfunction. They are in chaos. They have a Prime Minister and a leader who is so desperate to keep his own job that he's taken his eye off the ball. He's not putting Australians first; he's putting his own survival and his own job as the most important things. We're coming to the end of 2017 and we've seen this Prime Minister is a do-nothing Prime Minister, a Prime Minister who has let down all those people who voted for him in the hope that he would show some leadership and change the direction of this country. He has let them down. I know that not just from a Labor perspective, but I know that from my Liberal friends who voted for him because they thought he was going to do something different. He's doing something different, all right. He's ignoring the Australian people, and he does that at his own peril.

**Senator RHIANNON** (New South Wales) (20:07): The First Home Super Saver Tax Bill should be opposed. The Greens will certainly be opposing it and speaking against it very strongly. Here again we see the Turnbull government delivering for their constituency. If you're wealthy, you'll do well out of this. We heard the previous speaker, Senator Polley, talk about all the problems the government might have—that they're wide of the mark et cetera—but they totally know what they're doing here. Remember where this bill comes from—it comes because there's a housing crisis, which has dominated the headlines for well over a year. People are doing it tough, and it's not just working-class families; it's middle-class families—so many disadvantaged people. And it's not just young people; a big cohort is women in their 50s, particularly those who become separated or whose children have left, who all of a sudden find they don't have anywhere to live. The crisis is extreme. The government won't deal with what needs to be done, because that would rob their constituency—the housing speculators, the developers, the real estate agents—of their income and their profits. They're nibbling around the edges. That's all that this is.

However, it's even worse than that, because it will make the system worse. It delivers for the wealthy. As I said, it's a Christmas present for the wealthy—the more they earn, the more



they benefit from the scheme. That is clearly wrong; it will drive more inequality. If you are rich, you are going to do well. If you are rich, this is the scheme for you. The super saver scheme, as I said, only works for the rich. It will drive inequality, which is already expanding. Inequality within the housing system is a big driver of inequality overall. If you don't have certainty in your housing arrangements, it's bad for your health, it's bad for your kids' education, it's bad for your employment prospects. Housing is central to a fair and decent society. This so-called super saver scheme sounds like something out of a TV program, where they sit around a desk and wonder what can they do that sounds really fantastic—though it's not going to be fantastic for most people—and they call it the super saver scheme. But what does it do? It pushes up prices, erasing any gains people may have made in their savings. It just robs people. It robs people of their rights, and the right we're talking about here is the right to housing. Housing is a human right, and homes for all should be the policy of any decent government.

This, in the end, is a distraction from winding back the unfair tax breaks that continue to dominate the housing market and drive such unfairness and inequality. The phasing out of negative gearing and capital gains tax discounts is long overdue. I'm very proud that it's a policy the Greens have been working on for a long time. Labor's largely come on board with it, and there are more people in the general community who recognise this as a con job. How rotten is it that you have a government that pushes a system where, if you've already got four properties, it's easier to get your fifth but, if you don't have a property, well, you are probably going to be locked out of the market for the rest of time? Again, I emphasise that housing is driving and cementing inequality. That is so dangerous and so wrong for any society.

The super saver scheme is going to make things worse. It's really, really wrong. I used the term 'nibbling around the edges' before but I think I was off the mark there, because the more you think about it the more you know that we're going into dangerous territory here. The point of this Liberal Party government is this: they won't fess up to the fact that they've got to respond to the housing crisis because it's dominating the headlines so much. People are complaining to their backbenchers, their lower house members and senators all of over the place. It's a topic of conversation, quite informally, in here. They know that they have to do something, and this is the best they can come up with. Again, I emphasise: why is that? It's because they can't go against the interests of their main constituency: the big developers and those who make heaps of money out of the property industry.

It's worth bringing political donations in here. In the last 10 years, the property industry has given \$21 million to political parties in this country. That's significant. It's very significant. I'm not saying that bags of money are handed over and that, if you give a bag of money to some Liberal MP, that MP in turn does something for you. It's corrupting the culture of how politics works in this country. There is a matter that I have spoken about many times—and it's highly relevant to this debate—and that is the High Court case of McCloy, the former mayor of Newcastle, who took the New South Wales government to court. I'd really urge members to read that High Court decision. It's beautifully written, it's very clear and it identifies the type of corruption that is expanding in Australia because of how we're operating with political donations. It becomes a quid pro quo relationship where the MPs, those elected, may not be paid off with bags of money but they know how to vote. You see that very clearly with the planning laws around the country. The planning laws around this country have been

weakened time and time again. The laws with regard to housing at a federal level—negative gearing and capital gains discount—are brought forward to benefit those who make money out of housing, to the point where housing, now, rather than being a human right, a homes-for-all-policy, is like another form of money in this country. If you're already in the game, you'll do pretty well, and you'll do pretty well out of what this government is bringing forward tonight.

Many economists are starting to recognise that we've got a problem. I want to share with you some of the comments from Saul Eslake, an economist who has really spelled out the problem we've got. He has said:

It's hard to think of any government policy that has been pursued for so long, in the face of such incontrovertible evidence that it doesn't work, than the policy of giving cash to first home buyers in the belief that doing so will promote home ownership.

You couldn't get it spelt out much clearer from an economist than that, could you? The super saver scheme will have that effect. That's what it will do if we pass this legislation tonight, because it will increase demand for housing. What does an increase in demand for housing do? It will have the effect of further inflating prices. It's a disaster. Who benefits if you inflate prices? Those already in the game. If you're locked out of it, you're sleeping in your car, you're on the waiting list for public housing or you're trying to get into a social housing scheme, this isn't going to help you. It's going to make the situation worse and lock you out for longer. Mr Eslake has also said that diverting more money into the demand side of the equation achieves two things: it pumps more heat into an already very steamy market while potentially undermining future retirement incomes.

Former Prime Minister Paul Keating has also weighed in on this. While you may not agree with him all the time, it's certainly entertaining—and sometimes he nails it. As an economic idea, he described this policy as scandalous. That's his word, 'scandalous', and it is. This needs strong language. He went on to say:

And to make matters worse, the proposed diversion of these savings into housing would simply push up the price of the current stock of properties. It would add to demand while doing nothing to supply.

Again, the people who know how the system works are revealing that what this government is up to is a con job that delivers for a few and robs the majority.

It's often interesting to look at overseas experiences, and some recent examples in Canada are very informative. There was a similar scheme introduced in Canada called the Home Buyers' Plan. The results were terrible. One of the architects of the Home Buyers' Plan now admits it was a massive mistake. This is their comment:

To date the HBP—

the Home Buyers' Plan—

has been used about 2.5 million times, with roughly \$30 billion removed from savings and investments and ploughed into real estate. When combined with dirt-cheap mortgage rates ... it's helped push home prices into the clouds.

They go on:

In other words, if you think letting people steal money from their financial futures in order to buy houses today which they really can't afford is going to make real estate more affordable, you've been spending too many evenings with the goat. The opposite is probable. In Canada, it's fact.

Do we want those facts in Australia? Because that's where we are heading. Those comments are also a reminder of what's going on here. We're not only driving the prices up and putting secure housing further out of the reach of so many people but also robbing the financial futures of people by misusing the superannuation scheme in this way. This is a disaster. It is a disaster that needs to be condemned in strong language.

There is no worse market failure in Australia today than the housing market. It's cruel and it's ruthless. You don't have to be that progressive or that left to know what's going on here. If you just want a society to work, even if you're not really into building an egalitarian society, what's going on here has ramifications for the type of society we should be—ramifications in terms of social service costs, health costs and education costs. What I mean by that is that, if people don't have secure housing, so many other things fall apart. I think many people would know these figures, but they're worth repeating in the context of this debate: tonight, more than 100,000 people will be homeless. They will be sleeping in cars, on the streets, on the concrete or in parks. Maybe, if they're lucky, they might have found a couch at somebody's place, but they're all part of the homeless number. That number is set to increase, and it's not just men. It used to be dominated by men once upon a time, but not now. Many women and many children, even, make up those homeless figures. Then what we see is that the government adopts measures that make no difference. At the same time as those homeless numbers, the public housing estates have been liquidated. We need major changes here.

European examples are very informative of the direction we should be going—not down these ridiculous super saver schemes that are biased in how they work but actually addressing how we bring change. We need something like a federal housing trust that would lend money according to people's requirements, and they then pay it back according to their needs. That might sound pie in the sky under the Australian system at the moment, because everything's dominated by the marketplace, but so many European countries have such a system. They don't have the crazy situation we have where only five per cent of our housing stock is social housing. In Germany, for example, it's about 30 per cent. Why is that? They have something similar to a federal housing trust where the money is lent to people. We're not talking about wiping out the private housing market; it exists alongside a strong public housing system, a strong social housing system. That is what is incredibly important. So, at the moment, the super saver scheme before us tonight needs to be defeated. We need to get it off the books, defeat it outright and get down to ensuring that Australia stands up for human rights when it comes to housing. That means homes for all. Thank you.

**Senator BERNARDI** (South Australia) (20:20): The Australian Conservatives can and will support schedule 2 in this bill—that is, the downsizer super scheme for those aged 65 and over—but it cannot support schedule 1, the First Home Super Saver Scheme. The downsizer scheme will likely achieve its goals to some extent. It will likely reduce the barrier to downsizing for those aged 65 and over with a type of lock-in effect and free up family homes for younger people and growing families to buy, enabling better use of our housing stock.

The First Home Super Scheme will achieve little, if anything at all. Its take-up will likely be small and by those quite sophisticated or savvy in finance, tax, super and fine print and who can probably afford a deposit anyway. Extra complexity is great for the elites. It's great for financial advisers and their children but tends to ensure inequity. Complexity is often

inequitable in the areas of finance, tax, super and regulation. Keeping rules simple and the number of schemes minimal is often the most equitable path to take.

Whatever the take-up is, it will simply add to the demand and price of housing, eventually, without tackling the real drivers of our tight housing market which, I might add, are largely confined to the highly sought after suburbs in our capital cities, particularly those that are well-established, leafy or chic and with easy commutes. We will need soon to face up to the fact that our universities—or degree mills—are pumping out so many near-unemployable graduates who expect to own their own houses and who have become accustomed to living an inner-city lifestyle, which is well beyond the means of someone without a job. We will need to face up to the fact that we have a net 200,000-plus immigration intake which is applying additional pressures on the demand side.

Firstly, let me speak about schedule 2, the downsizer super scheme. The scheme will to some extent reduce the downsize barriers or lock-in effects for those aged 65 and over whose family homes have become too expensive or unwieldy to maintain. I support that; I think it's a wise thing to do. But those who take up this scheme will often be wealthier retirees—ones who don't comply with or qualify for the aged pension or have a small amount of aged pension to lose but want to downsize nonetheless. I don't think that should prevent the scheme from being introduced.

Self-funded retirees eager to downsize will be attracted by the new ability to effectively swap \$300,000, or \$600,000 for couples, from tax-exempt housing stock, being the family home, into tax-exempt super without the work test applying and in addition to the non-concessional contribution caps of \$100,000 a year and the \$1.6 million balance test, both of which such retirees may now already be at the limits of.

Some part-pensioners may also be attracted to the scheme. As super balances are in the aged pension assets test, converting proceeds from a test-exempt asset, the family home, to a test-included asset, super, is likely to reduce one's aged pension. This scheme softens the blow by allowing the proceeds of up to \$300,000 per individual to be fast-tracked into tax-exempt super rather than lying around in, say, a term deposit earning a taxable return or held back from entering super more quickly due to the \$100,000 a year non-concessional contributions cap.

While I suggest the take-up of this scheme may be dominated by relatively wealthy retirees, the tax costs are relatively small. It's about \$20 million per year by 2021, compared with the likely impact of a housing stock better utilised, particularly in our capital cities, by those more appropriately needing the demands of the relinquished assets.

As such, the Australian Conservatives can and will support this scheme if it's split from schedule 1 of the bill. We don't support schedule 1 of the bill. This is the proposed First Home Super Saver Scheme. This is yet another scheme devised by a government that wants to be considered to be listening and doing something about so-called housing unaffordability and its impact on wannabe first-home buyers. But, like other schemes in the past, it would deliver little in the way of real assistance to its target audience. It would slightly divert more funds through voluntary super into the housing market eventually and, therefore, slightly increase the demand for and price of housing stock over the longer term. As such, it's going to impact other buyers in the market whose voluntary super cannot be put to buying a home as it is not their first. When this new scheme's introduction is a distant memory but the unaffordability of

housing still remains, there will be a push for yet another scheme, as we've seen before, so the government can be seen to be listening and doing something. It is just rinse and repeat.

The government has tried to sell this to me as a tax cut for young people. I say, if you're serious about tax cuts, why don't you cut taxes for every person? None of us found it easy to buy our first home. Yes, there are elements of first-home buyers for whom it is completely unaffordable. But do you know what? If people are paying less tax and if they can get a job that is appropriate and commensurate with their qualifications, then they've got a real opportunity. If their cost of living is lower, if it's not impacted by the fact that governments continue to meddle in almost every aspect of our lives, including, say, the electricity market, which has seen prices double in the last few years because of government programs, then people will be able to make decisions more appropriately for themselves.

I also make the point that superannuation has always been for retirement. There are any number of worthy causes that superannuation could be applied to. Why not apply it to reducing HECS debt, which is going to cost the government \$20 billion in bad loans over the next 10 or so years? It's going to have our balance sheets swell out to \$80 billion or something in outstanding loans in that time, as well. Why wouldn't you allow young people to apply their superannuation savings to HECS debt instead of a housing loan? The reason is quite simple: superannuation is for retirement. The problem is that successive governments—most notably in recent times, the Turnbull government—have tinkered with superannuation or made such massive changes to it that no-one trusts the system anymore. It is a tax shelter. But it is a tax shelter that was designed for long-term retirement savings. The great difficulty I have with this is that, if you don't trust it, you're not going to tip extra money into it. They're now saying you can use superannuation for a first home. What's next off the rank? You're undermining the integrity or the reason for being of superannuation in its fullness.

There was a time when, I have to say, I argued at a Liberal Party meeting many years ago: 'Why couldn't we use our superannuation contributions to buy a home?' I was struggling to buy a home, like everyone else. Now, in the fullness of time, I recognise that the immediate demands and wants of the individual are often not best served by dealing with this stuff. It might mean that, in the future, if you want to seriously address these sorts of things and the cost-of-living issues, you should start to think about the level of superannuation contributions or when they actually kick in. Maybe they should kick in at the age of 30. Maybe they should be first applied to repaying the debts that have been accrued by the degree mills that don't really equip the younger generation to do stuff. Then, once the debts have been paid off to the Commonwealth, you could then say, 'Now you can start saving for your retirement.' As it sits currently, there's not a 20-year-old that I know that says, 'I'm going to put more money into superannuation because it's going to work better for me in the long term.' I don't think they're going to trust the government enough to tip money into superannuation in order then to get it out to help buy their first home. It's not really a tax cut at all; it's an increase in bureaucracy. It will advantage the elites who can access it.

If you're fair dinkum about housing affordability, you've got to look at a whole bunch of other elephants in the room. Firstly, you've got to look at the supply side, which is not in the purview of the Commonwealth. Housing affordability is directly related to the supply of housing, and it's almost entirely a state or local government issue. In South Australia they've taken the prevailing Land Management Corporation from a not-for-profit corporation to,

basically, a for-profit corporation. They land-bank and they withhold things until land prices escalate and they can make some money on it. That's government working against their citizens for their own purposes.

You've also got to look at the demand side. This is where one of the great robberies of the Australian people is occurring. Our migration intake is beloved of both sides of politics, principally because, the more people that are in this country, the more demand there is for individual widgets or burgers or anything else, and, the more demand there is for any economic activity, the greater the GDP grows. Governments love to talk about GDP as this great benefit. They say, 'Look, our economy is growing.' Indeed, that's why Australia has managed to avoid a recession over the last 25 years. It's nothing to do with the Rudd government spending or anything else. Principally, it's because we've been adding 200,000-plus people to our national economy every year through migration, and that's growing our GDP.

But what might be in the national interest or what might be in government's political interest is not working for the individual Australian. That's borne out by the economic reality of the Commonwealth Bank's research which says that, when you look at per capita income and per capita returns, this migration is far too great. It is far too large, because per capita incomes are going back. Governments cannot afford to keep up with the infrastructure demands that are going on. The quality and the composition of our migration intake are acting against us, because there are too many people that are languishing on welfare for too long a period of time. We're all expected to suck it up and say, 'This is working in our interest.' Well, the everyday Australian knows that it's not working in their interest. They are dealing with the congestion, the increased taxes and the increased costs of living. They are dealing with the lower quality of life and the greater struggles they have. They are dealing with the demands it places on housing stock—you cannot get away from that.

If you want to reform, make housing more affordable and make housing more accessible for the next generation of Australians, there are things that you need to do which are eminently sensible. A lot of them are on the demand side. That's why we can't afford to continue to add a city the size of Adelaide every seven years. I regret they're not coming to Adelaide. They're all moving to Sydney and making Sydney increasingly unlivable for the people there. It's very difficult for them. We need to think about the impact that this is having on our health system, our hospital system, our roads, our public transport and our schools. The only conclusion that you can come to is that immigration is far too high. We need to at least halve immigration, to 100,000, maybe even less.

We need to make sure that immigration is acting in our national interest until it's acting to the benefit of every individual Australian rather than just to the benefit of governments. I think we can do that in a myriad of ways. Our visa system is being abused and misused—I have no doubt about that—particularly in relation to temporary workers and international students. We've got to recognise that, if someone applies to come to this country under one particular visa category, it shouldn't necessarily be a shortcut to getting permanent residency or staying here. The average Australian knows this. They know that, if someone applies to come here as a student, once they complete their studies and their degree, they should go back. If they want to come back to Australia, let them apply to come back as a permanent resident or in a particular worker category. We need to take the sugar off the table. We need

to take away the easy permanent residency through the back door. If you want to address foreign ownership issues, one of the great ways to do it is by using the ethic of reciprocity. I continue to struggle with why it's okay for residents of another country to come here and purchase houses or land, or any other infrastructure, when we're not allowed to do the same in their country. I just find that extraordinary. We need foreign investment—I understand that and recognise it—but Australians want to invest in other nations as well. I struggle with this, that we are allowing a group of individuals to come to Australia, or to purchase property here without residency, when no Australian is entitled to the reciprocal right in their country. That's a meaningful difference. It would change the game and it would make house prices and apartment prices fall, which would have enormous consequences as well. That's what housing affordability is about.

If you're not going to address the elephant in the room, you're tinkering around the edges. I'm reminded about a senior Liberal many years ago who rang me when I wrote that the first home buyers grant should be abolished and he admonished me for speaking out against party policy. I posed the question and said, 'If we abolish the first home buyers grant, what will happen to house prices?' He said, 'They would fall.' I said, 'Will they fall by the same amount, or less or more than the first home buyers grant?' He said, 'They'd probably fall by more.' I said, 'Do you really want more affordable housing? If you do, you would remove the first home buyers grant.' He didn't like that because the government wanted to give something to people for free that they thought was going to benefit them. I remember even now senior government ministers saying we should be doubling and tripling the first home buyers grant—completely ignorant of economics. These people, unfortunately, are running the economic policies of the government. It's extraordinary that you can be so naive and wilfully ignorant of the realities of demand and supply.

If you want to make housing more affordable and you want to cut taxes for first home buyers or people just getting started in life, let's cut taxes for everybody. Don't cook up a scheme that's not going to work. It will be another reincarnation of the Rudd government scheme, which promised that 750,000 people would get into a first home buyers scheme and it delivered a fraction of that. You've got to deal in reality rather than aspiration. I regret that the person from the government selling this to me said my vote didn't matter anyway, that they had the numbers and they were going to get it through. I truly hope that's not the case. If they decide they want my vote then they'll split this and they'll ask me to vote for schedule 2, which I will. But I will not be voting for schedule 1. If they insist upon presenting them as a package, I'll be voting against this bill.

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (20:38): Earlier today, we heard all the reasons why young people in Australia are being screwed over. We know that's happening in so many areas. It's not just happening in the housing market; it's happening when it comes to education. Young people are lumbered with huge debt when they complete their tertiary education. Young people are finding it hard to access health care because of rising out-of-pocket costs. There is the cost of global warming, and the burden of action will fall heavily on young people. Of course, we know just how badly young people are being screwed over when it comes to being able to afford to put a roof over their heads.

In the First Home Super Saver Tax Bill 2017 what we have is an encapsulation of the quite pathetic response to an overinflated housing market where young people simply have no

chance of ever affording their own home. Effectively, it introduces another tax break into an already overinflated housing market. It makes a bad problem worse. There is no question that we have a housing bubble at the moment. There's always speculation about how long that will last and whether we'll see an abrupt end to the housing bubble through a crash or whether there'll be just a stagnant period of capital appreciation for properties. But, whatever the outcome, we know that the current situation can't continue. We're seeing massive capital gains that are out of keeping with gains in other asset classes and that are completely out of keeping with growth in wages. One of the problems is that it creates a massive intergenerational divide, this divergent path between people who don't have property as an asset and are relying on wage growth versus people who are fortunate enough to have been able to afford a property when it was relatively cheaper or investors who benefit from huge tax breaks within the system. That means that there's a gap. It's big and it's growing and it will continue to grow and continue to widen.

At some point, though, we do need to recognise that this bubble can't continue and that the unsustainable tax breaks in the system need to be addressed. This goes in the opposite direction. This makes a bad problem worse. It's inadequate to confront the multiple challenges facing young people in the housing market. As I said, we know that these tax breaks are already stacked well in favour of investors and those who already own property. To quote Saul Eslake, a well-known economist, his view about the problem that this bill reinforces is: 'Anything that allows people to spend more buying a home than they otherwise would has one effect and one effect only: people spend more money on housing than they otherwise would.' Makes sense, doesn't it? That means that you're going to see a housing bubble made worse and you're going to see another inflationary measure.

Of course, when you've got problems on the demand side, you don't want to continue to fuel that, and that's what this measure does. It will push up house prices for those people who are already locked out of the market. It provides another fig leaf for action when what we should be doing is taking those tax breaks out of the market, not adding new ones. If you want to make housing affordable for young people, you have to recognise that at the root of the problem are a series of tax breaks that mean that you artificially prop up demand. By giving incentives to investors to reduce their income tax by running a loss on rent and to get a boost to their profits when they sell the house—because they get a big discount on their capital gains tax—you are artificially propping up the market, and this seeks to add another incentive to an already overinflated housing market. If the government really cared about young people being able to afford their first home, they would start to do something about the incentives that already exist within the system. They would tackle negative gearing and they would tackle capital gains tax.

We're very proud of our record on this. The Greens have campaigned for many, many years on abolishing negative gearing for anyone who buys a future property. We've also campaigned very hard on the abolition of the capital gains tax discount. We think that needs to happen. We think it needs to be phased out—and phased out very, very quickly. Unfortunately, the Liberal Party is much more concerned about protecting its donors, protecting wealthy investors, than it is about looking after young people. The government is saying to young people, 'We're going to provide you with the fig leaf of actually doing



something when the reality is that our existing policies in this market are making housing unaffordable for you.'

It doesn't matter how much supply we create—this isn't a supply side problem; it's always going to make more economic sense to buy a house for someone else to live in than to buy your first home. It makes sense based on the current tax settings. If we build more houses, our tax settings mean that those new houses will be swallowed up by investors. They have a head start. There is a big and growing gap between investors and wage-earners. Unless that is addressed, the reality is that you simply are not going to make any headway. Giving people a tax break by saving for their first home is not going to change that. It won't change the dynamics that operate within an already overinflated housing market.

The other element to this housing package is that it allows retirees to pocket even more money from selling their house by putting that money in tax-sheltered superannuation. So it creates an incentive for retirees—and remember, these are the people who benefited from cheap and affordable housing—another tax break through super: as if the intergenerational divide wasn't bad enough. You've now got a response at the other end of the system that will make the problem even worse. So retirees will sell their house to downsize, but, under the government's policy, these homes are going to be snatched up by investors. So it's pretty good if you're somebody who is in the position where kids have moved out of home, or you've got a big house, and you're a retiree who wants to downsize and to minimise the amount of tax you pay on the capital gains. Well, park that money in super, get a huge tax break for that—and yet there's the situation where a young person is still going to have to compete with a property investor who gets a big tax break and for whom it is cheaper to buy their second, third, fourth or fifth property than it is for a young homebuyer to buy their first.

We have to get to the root of the problem here, and the root of the problem is this tax system that stacks the odds in favour of the wealthy and investors, and against people who seek to buy their first home. The response should be that the government needs to go back to the drawing board. It needs to listen to young people and it needs to listen to the economists who have been critical of this package and who say, 'Well, it's good that you finally recognise that it's become increasingly difficult for a younger person to buy their own home, but you need to come up with a policy that helps them to get into the market, rather than one that continues to protect investors and a system where the imbalance is all wrong.'

Those of us who were fortunate to buy property when it was affordable also had the benefit of free education. Those of my vintage and older also had the benefit of being able to consume and pollute the planet with almost no cost associated with that. Yet we're handing over to those generations who follow us a legacy which means that, for the first time in human history, it might be that they will be lumbered with tougher living conditions than those we experienced. They face job uncertainty and a jobs market, where—even though many young people will be lumbered with huge fees—they don't even know if they are going to get a job at the end of their period of tertiary education, sometimes for a decade or more. They don't know whether the jobs they're training for will exist in the future. And yet we have a token response from a government that is really just protecting its mates and is not prepared to take the tough decisions which are necessary to get rid of the massive incentives that favour the wealthy.

Unless we start to rebalance the system—and until we recognise that people who own property, and have owned it now for many years, need to understand that that growth can't continue, that it should plateau out and that one of the ways of minimising a crash in the market is to try and stabilise property prices at current levels and allow, over time, young people to enter that market—then what we face is the potential for a significant and serious downturn in the market, which will cause much more disruption than if we act now and act rationally. That is why we need to get rid of negative gearing; that is why we need to abolish the capital gains tax discount; and that is why we need to ensure that we start to put in place measures that are much more rational.

If we care about downsizing and property mobility, then we have to look to more innovative solutions. The Greens have already put forward a revenue-neutral proposal where we abolish stamp duty and we replace it with a land tax. It can be done in a way in which people who have already paid stamp duty aren't subject to a land tax, and it will assist individuals who buy new properties because they won't face the huge up-front barrier that exists as a disincentive for people to move to ensure that their life circumstances are matched by the house that they live in. When you have stamp duty, you realise that there is a big barrier to moving and you reduce mobility. When you have a proposal where, rather than allowing individuals to shelter the profits of their home through super, you replace stamp duty with a land tax and you do it in a revenue-neutral way and in cooperation with the states—and we have a proposal for how to do that—you encourage mobility and you give more opportunities for people to enter the housing market.

The reality is that the government has dragged its heels for so long. We know that the constituency that the government represents includes property investors who often own three, four, five or six properties, and the government knows that it's that constituency that might be impacted by a change to negative gearing and capital gains tax. But that shouldn't stop us from making the change, because it is unfair that we have a big and growing gap and this generation is preventing future generations from enjoying the same opportunities that it has experienced. The government's got it very wrong on this one, as it does on so many issues. The reality is that most Australians want to see change and they want a better future for young Australians. They want a better future for their kids and their grandkids.

We have to start by recognising that housing is a different asset class to other assets—that it is, first and foremost, a human right; that it is, and should be, the right of every Australian to have a roof over their head; and that we need to start to tackle the tax incentives that skew the system in favour of the rich and powerful and away from ordinary Australians. That's why the Greens will support measures that help us get there; that's why we have led the debate on negative gearing and capital gains tax; that's why we've put forward innovative proposals like the replacement of stamp duty with a broad based land tax, done in conjunction with and cooperation from the states; that's why we support a significant investment in public housing; and that's why we support more funding for social housing. That's why we will not support a measure that simply overinflates an already overheated housing market; that's why we won't support a measure that says to young people, 'We're going to treat your super in the same way as we treat your ability to save for your house'; and that's why we won't support measures that allow wealthier retirees to simply park their profits in super as a tax dodge. This at least identifies a problem that everybody knows exists—that is, young people are being priced out

of the housing market—but it does not do anywhere near enough to get to the root of the problem: our tax system favours the rich and powerful and it does over ordinary people. It's about time that changed.

**Senator BARTLETT** (Queensland) (20:54): I follow my colleague and leader in highlighting some of the significant problems with the approach that is put forward in this legislation: the Treasury Laws Amendment (Reducing Pressure on Housing Affordability Measures No. 1) Bill 2017 and the First Home Super Saver Tax Bill 2017. Naturally—I certainly hope it is natural—everybody in this chamber, from all sides, would like to see genuine measures that would improve housing affordability for average Australians. The real problem is that the measures contained in this legislation are not going to achieve that and in many respects will, by ignoring the real drivers that are making housing so unaffordable for so many Australians, actually make things worse. By pointing to something that is actually not going to work and saying, 'We've now dealt with this issue'—as this government, no doubt, will try to do—it will take the heat and the political pressure off the very strong and building frustration amongst more and more people in the community, particularly younger people, about the lack of affordable and secure housing.

A key area that this legislation completely ignores and potentially makes worse is the very large number of Australians who rent their home. I spoke about this issue just last week in regard to the latest affordability index for rental housing in Australia. Focusing on my own state of Queensland, the data is very stark. It is almost literally unaffordable for people on income support, in particular, to keep a roof over their head. None of these measures are going to help, for example, a single pensioner who does not own their own home. These measures will assist those who have more wealth and capital to get a further hold on buying a house and will make it harder for those who are simply trying to rent.

As I mentioned in one or possibly two of my contributions in recent weeks, when I was in this chamber last, over 10 years ago, this was a topic I focused a lot on. I very much recall standing in this part of the chamber and asking question after question of the then government. I asked Senator Minchin, who was the Leader of the Government in the Senate and I think the Minister for Finance, repeatedly what that Liberal government was going to do about housing affordability. It was at crisis levels then and it is at even worse levels now. The answer then was basically, 'Nothing.' In fact, most of the time the answer was, 'That's a state issue and we don't see that as a role for the federal government.' That in itself was damning. The only other thing they could come up with is, 'We keep interest rates low.' That was a farcical answer then, but it has been shown to be ludicrous to the point of economic illiteracy. That was seriously put forward as a housing affordability measure by the Howard government.

I suppose at least I can say that this government is thinking that it does have a lever or two in the housing area. At least it is saying it is not vacating the field. The trouble is, as with a number of measures of Liberal governments in the past, their measures, particularly when it comes to fiddling with the tax system, have made things worse. People talk about negative gearing, in particular, as something that both parties of the establishment have failed to address in the past. It is something that people talk about when they are in opposition but seem to not act on when they are in government, except for the Hawke government. To their credit, the Hawke government did act on that for a very brief period of time in their early

days. I might be wrong here—my memory gets a bit fuzzy when I am going back to the 1980s—but I'm pretty sure Paul Keating at one stage called it a rort. That was a reasonable assessment of how it operated. That doesn't mean that people making valid use of a legal tax measure are doing something wrong, but in terms of the way it operated and operates today it is a measure that clearly operates to the benefit predominantly of those who are wealthier, so it's a regressive tax measure. That's probably a better and less emotive description to use.

It is unfortunate that the Hawke government lost the political courage in regard to negative gearing and wound it back. It is doubly unfortunate that the negative impacts of negative gearing in regard to housing affordability and distorting wealth distribution upwards were magnified by the Howard government with the changes to the capital gains tax regime. That really turbocharged the growth in wealth inequality that has continued till this day. It is very unfortunate that at that time the Labor opposition enabled that to happen by giving it the necessary support for it to pass through the Senate. Those measures on their own, if you look at the tax expenditure reports that are tabled each year in this place, have meant billions and billions of dollars of foregone revenue. It's a perfect thing to point to, frankly, whenever we hear talk from financial commentators and the dwindling number of people who try to defend the failed fundamentalist free market economic model that's been pursued for so long in this country. They always come up with, 'Oh well, where's the money to pay for investing directly in public housing, for example?'

Look at the billions and billions of dollars that are forgone each year because of these regressive tax breaks. That's where the money is and that's been a key driver in the creation of the significant and untenable growth in wealth inequality that's been built around private home ownership and investment in private housing. That has been a key driver of the massive increase in private debt that is creating a problem in terms of the underpinnings of our economy. It's a significant problem in regard to the business model of our major banks. But of course it works well for them.

When you look at the disclosure records that the Electoral Commission puts out, it is no surprise just how much money the banks and the finance industry put into the two parties of the establishment, particularly the current government. It is commented on regularly and just in the last couple of days, quite appropriately, but it can never be said often enough: it's no surprise this government resisted a meaningful inquiry into the banking industry when the banking industry, as we've all seen, basically tells this government what to do. The banking industry would certainly tell this government, 'Don't bring in tax measures that will hit our profit base,' even if it would help to create more affordable housing for the majority of Australians. Unfortunately, instead, what we get are the sorts of measures like this First Home Super Saver Tax Bill 2017.

Income inequality is something that more and more people recognise as a major problem around the world and in this country. Certainly in my own state of Queensland, income inequality and, more importantly, wealth inequality continues to steadily rise. One of the key drivers of wealth inequality is inequality when it comes to access to housing and the cost of housing. Linked to that is the steady decline in the proportion of people who own their own home. Over 40 per cent of Queenslanders 20-odd years ago owned their home outright with no mortgage. Just a year or so back that number had dropped to only a little over a quarter of Queenslanders.

The proportion of people's income that is spent on housing has increased significantly over the last 20 years, while wages growth in Queensland and elsewhere has flatlined—and that is for people who have a permanent steady, reliable and secure job. As we know, jobs are more and more insecure, and people are relying more and more on piecemeal work, casual work and part-time work. All of those people are even less able to afford a home. It is certainly out of the question for them to think about the prospect of purchasing a home, even at a sizeable debt. So all of those people are excluded from the potential alleged positive impact of this legislation. That's why we now have an entire generation of young Queenslanders and other Australians facing a lifetime of renting. Many of those people willingly adopt that approach. I rent my home, but I'm not portraying that at all in any way as a second-class option. Where it is a second-class option, though, is in regard to the security that people have in being able to continue to live in their own home.

If we really wanted to address stability of housing and the security of having a home, we would see this government adopt recommendations that have been made time and again in Senate committee reports over the years. I can remember at least a couple from more than 10 years ago when I was in this chamber previously about moving towards a consistent set of national standards for the rights of renters. I remember former Greens senator Scott Ludlam did a lot of work promoting the need for a national approach to a basic set of standards for renters' rights. These are the sorts of things that governments that have an actual commitment to addressing disadvantage and inequality across the community would take a leadership role on.

It's the classic cop-out for a national government to say, 'Well, that's up to the states.' Of course, tenancy law is a state measure, but, as we've seen time and time again, if a national government has the courage and the desire to take the lead on an issue, then they can drive it a very, very long way. Instead, we've had the opposite of that. There has certainly been no interest, no courage in wanting to do that; indeed, there has been a desire to stymie any attempts to get strong changes to the rights of renters around the country. We have, nonetheless, seen some small movements forward in some states in recent times. But this is an area where change is needed urgently, and that's the sort of thing we should be considering in this chamber, in this parliament, at a national level.

There is a growing proportion of people who are renting their homes and will rent their homes for the foreseeable future, who need to have more rights and more stability and security with regard to their homes. What we need, if we are talking about housing affordability measures, is not only to ensure that those who rent their homes have greater rights, because they certainly do not have a level playing field at the moment; in addition to that, we need measures from government that will ensure that there is a greater investment back into public, social and community housing.

What we've basically done—as one would expect under the free-market fundamentalism that we've seen from both the parties of the establishment over the last few decades—is, in effect, privatise housing. The amount of housing that used to be provided through publicly funded public housing, social housing and community housing has declined. We've just said, 'Let the market handle it.' What we've seen is a classic case of market failure. More and more people are being priced out of the market, there is more and more inequality happening, the

wealthier are doing better and better, and those who are not are being put in more and more tenuous circumstances.

I encourage all senators, and anyone interested in this issue, to look again at the report from last week that looked at the enormous level of housing stress and financial stress for people on income support, whether they be pensioners, carers, sole parents, people who are unemployed, or people moving in and out of paid work. For all of those people, the proportion of their income that they're already having to pay just to keep a roof over their heads—and that's even before they deal with all the other issues that people have to deal with to get by—is simply scandalous. They are being completely left out of the debate that's before us tonight. They're being completely left out of the measures that are proposed in this legislation.

We've just had, the weekend before last, the state election in Queensland. It is not just a matter of simple partisan boasting to talk about the strong result the Greens achieved in that election; it is a matter of pointing to the fact that the public supports and is looking for parties to put forward measures that will deal with fundamental issues relating to people's cost of living and to their material needs. It is worth pointing out that, in those seats where the Greens particularly focused on and gained significant swings—seven, eight, 10 per cent swings—and in the seat we're most likely to pick up, which is a leafy Liberal seat, the Greens campaigned very hard on housing affordability and on investing in public housing.

There was a laughable, ludicrous, front-page beat-up from *The Courier Mail*—even more laughable and ludicrous than their usual front-page beat-ups—because the Greens had this crazy idea to invest significantly in large amounts of public housing. It was literally described as a Cold War, East Germany-type policy because we actually want to invest in good-quality, affordable housing for the community. That's dismissed as some crazy communist idea. Whatever the Murdoch media's distortions might want to suggest, the fact is that the public support ideas like that, particularly when they recognise that they can be paid for and the revenue can be raised when the massive tax breaks for the wealthiest are removed and when property developers pay their fair share rather than get the windfall gains they continually get. Whatever the Murdoch media's distortions want to suggest, the fact is that the public support ideas like that, particularly when they recognise that it can be paid for; that the revenue can be raised when the massive tax breaks for the wealthiest are removed and when property developers pay their fair share rather than get the windfall gains they continually get.

There's a very good reason that, out of all the groups that are recognised as needing to have their ability to donate to political parties curtailed, it's property developers that are top of the list. It's already illegal for property developers to donate to political parties in New South Wales. We've seen a wide range of examples—as my colleague Senator Rhiannon would be able to tell me in great detail—of attempts by various state Liberal MPs to get around that, because they are so addicted to developer donations.

*Senator Cameron interjecting—*

**Senator BARTLETT:** Whether it's the back seat of a Bentley or the back seat of a Nissan, the point is that significant donations have continued, even after it was made illegal, to a whole range of New South Wales Liberal MPs or campaign workers. It's no coincidence that the Queensland Crime and Corruption Commission inquiry into political donations and distortions in the local government elections in Queensland last year singled out donations

from property developers—to the exclusion of everyone else. The Greens would like to see caps on all political donations and caps on all electoral expenditure. We'd like to see a curtailment of donations from all for-profit corporations. But it's no coincidence that the one group that the Crime and Corruption Commission identified as being the most distorting, the most literally corrupting of our political process, is property developers. If you want to look at a group that is making windfall profits and windfall gains, and is behind completely inappropriate overdevelopments in our communities and in our urban spaces, and taking all of those windfall gains that could otherwise be provided to make housing affordable, it's property developers.

In the new state parliament, the Greens will very much be supporting and driving the push to ban not only political donations from property developers but also expand that—along the lines, I might say, of the Crime and Corruption Commission—to putting a cap on all political donations. They only talked about it at a local government level, because that is all their terms of reference focused on or enabled them to do—but that's what we need to do. This is a classic area. If you want real political action that's really going to deal with housing affordability, let's focus on those that are making the windfall gains now—that is, the banks, the property developers, and all those who are making the most of the massive tax breaks that are costing billions and billions of dollars that would otherwise be provided back to the coffers for public investment in all sorts of positive infrastructure, including housing.

Those figures are provided in reports to this place every year. That's not just a wild statement; that is a simple fiscal fact—billions of dollars in tax breaks that can be wound back and can provide actual relief for housing affordability. We need to couple that with proper investment in public and community housing, and to level the playing fields so that people who rent their home actually have a fair go and have basic rights. That's what we need to get housing affordability properly addressed in this country, not the sorts of measures that are put forward in this bill.

**Senator STEELE-JOHN** (Western Australia) (21:13): If everybody here in the chamber takes a second to listen very carefully, I think you will join me in hearing a scraping, scratching and wailing noise—which is, of course, this government being dragged kicking and screaming to the admission that Australia is experiencing a housing crisis, because that is what these bills, the Treasury Laws Amendment (Reducing Pressure on Housing Affordability Measures No.1) Bill 2017 and First Home Super Saver Tax Bill 2017, amount to.

There are roughly 200,000 people on the social housing waiting list in Australia, and 69,000 of those are classed as being in greatest need—meaning that they are close to ending up in homelessness or poverty because of their housing situation. Less than 0.2 per cent of all available rental housing is affordable to people living on Newstart. Home ownership among young people is at its lowest rate in 60 years. Income expended on mortgages now equals 134 per cent. So the system is in crisis and the government has been forced to admit it. We know that every single night—I've quoted this figure before and I will quote it again until there is some substantive action from this chamber on this issue—10,000 people go to sleep either on the streets or without a permanent roof over their heads. Every single night, 200 people in the suburbs of Mandurah and of Rockingham, near where I live, go to sleep on the streets—every

single night. As I go to bed tonight, they will sleep under a rag, in a car, out in the open. So the system is in crisis. It is ruining people's lives. There does need to be action.

But, most unfortunately, when we pull up the hood on what can generously be described as a bit of an old clunker of a policy package, what we find is utterly inadequate. We've got a tax break, basically, for the richest 35,000 Australians, who will now be able to click their heels with joy at the fact that they can deposit an extra \$300,000 in their superannuation scheme. We've got another policy mechanism which says to my generation, the generation which will retire with the least amount of super and with the least amount of savings because of an employment environment which is increasingly casualised: put an extra \$30,000 aside to invest in the housing market—yet another demand-side initiative in a housing market which, as has been rightly noted by my colleagues Senator Bartlett and Senator Di Natale, is already being overheated by demand-side initiatives put forward by the LNP and, unfortunately, left alone by the Labor Party.

If you want to know what modern distortion of politics based on the influence of vested interest looks like, you need look no further than the housing market and our policy systems in Australia. Negative gearing and capital gains tax exemptions amount to nothing more than a rort, pushed for and advocated for by the richest, most wealthy and most powerful Australians—on their behalf, no-one else's. Seventy per cent of the benefit of these policies go to the top 30 per cent of our society. They have been proven over and over again to do nothing except exacerbate the problems which cause homelessness and financial instability, and which cause people to lose their homes and their dignity. Yet there is not a member on the LNP side of the benches who would really lift a finger to do a damn thing about it. They know the minute that they do, their offices will be deluged by a veritable army of besuited lobbyists who will go in to bat for these vested interests.

Meanwhile, on the opposite side of the chamber, you have very many sympathetic words towards the problem. There are very many solemn pledges that action must be taken and very many remonstrations that when they were in government they did this and when they get back in government they will do that. Well, it isn't good enough. Nowhere in this chamber is there a commitment to the fundamental reforms of housing policy in Australia which are so urgently needed if we are to address these problems. Find me the senator who does not sit on the Greens benches who will support comprehensive, value-based land tax reform. It is not easy, not simple and not shiny but utterly necessary if we are to address this problem. Find me the senator in this chamber who is willing to confront the vested interests which sustain negative gearing and capital gains tax concessions in their current form. You won't find them, or, if you do find them, you will find them then subsequently bound to a different policy position because it's too hard to do otherwise.

It is not good enough. My generation stands on the abyss, on the precipice, of being the first in Australian history to have a lower quality of life than those that came before. Inequality, driven by an economic model which is destructive at its very core, is robbing us of our future, and nowhere is that more clear than in the housing market. We have subscribed to a myth in this country. It's a myth that you can treat housing as a market, a casino, another delicate and pretty addition to a bejewelled portfolio of investments, that we can treat it that way, that we can incentivise its treatment in that way, and that nobody will get hurt. It is a delusion subscribed to by so many, and it does not work. It destroys lives. It is destroying



lives as we sit here. Yet the challenges presented by the housing market are not insurmountable. There exists a wealth of excellently undertaken research, put forward by some of the most committed experts and advocates in the nation, detailing the steps we would be able to take to alleviate this problem: reforming and removing negative gearing, reforming and removing capital gains tax exemptions, transitioning to a values based land tax, and utilising some of our reserves in the superannuation space to incentivise the building of and facilitate the construction of affordable housing. These are policy solutions which sit on the table before this Senate, waiting to be picked up by those brave enough to cop the flak that comes with grasping them, waiting for a party to come forward and say: 'This is not right. This cannot be. This must not be. We must act.'

I am proud to sit here this evening with the only party, so far, that has been willing to do that—not just to act as though it will do it but to actually do it. I would not suggest for a moment that there are many on either side of this chamber who would answer in the affirmative when asked the question: do you like the fact that people sleep homeless on the streets every night in Australia? I don't think there's a member of this chamber who would answer in the affirmative if asked the question: do you think that it is right that a generation is being locked out of the housing market, that kids of the people who send you here are competing with property investors for their first home and that the Australian dream of a home somewhere to call your own is moving further into the distance? Nobody here would genuinely answer in the affirmative to that question. But it is not enough to bemoan the seemingly inevitable passing of a golden age in which education was affordable—near free for many of those in here—housing was affordable and employment was reliable.

It is not enough to simply cry a sentimental tear for the passing of these things. These are the privileges which allow you to be here. These are the privileges, the rights, which are being denied to my generation. They have been sacrificed on the altars of big business and vested interests and the politics of the possible. These things are lost when the courage leaves this place, when the determination leaves this place and when the conviction leaves this place. That is what goes.

I vote against this series of bills tonight with a great feeling of disappointment. There are those within this chamber on both sides who recognise this problem. There are those within this chamber who feel as I do and who, in an ideal world, would act as we Greens will tonight against these bills, in the name of what actually needs to be done to alleviate this problem. The great tragedy of instances such as this is that so many more of those who feel this way do not act in accordance with these values. They do not feel the sentiments strongly enough to put them before the vested interests which are so good at getting in their ears and so willing to fund their campaigns. But these are the key issues of our time. If we do not act on them, a generation will be lost. I, as the youngest person to be elected to this chamber, will not sit by and watch these opportunities go unacted upon. Nor will I sit by and allow inaction to take place without calling it out for the political cowardice that it is. I thank the chamber for its time.

**Senator PATERSON** (Victoria) (21:27): Senator Cameron, I hope you feel appropriately chastised after that speech from Senator Steele-John for your apparent impotence in this debate. Perhaps you will have the opportunity in due course. I'll come back to Senator Steele-John's comments in a moment, but, before I do, I want to put on the record, as others have

done in this debate, why I share the concern held by many that this is a very serious issue. Like Senator Steele-John, I am a young person—not as young as him but still younger than most in this chamber—and I feel the pain of my generation when it comes to housing affordability. Most of my friends don't yet own a home, although they certainly aspire to it, and many of them right now are wrestling with the challenges of the housing market. They are struggling to save a sufficiently large deposit to buy a home, or are struggling to service large mortgages, or are contemplating servicing large mortgages and all the impacts that will have on them, their life decisions and their family.

There are some, particularly in the media, who like to suggest that this is not a serious issue and that young people these days are just entitled and want to have everything at once. While there are perhaps some valid criticisms of my generation, happily in this debate we have some objective data which allows us to measure whether, in fact, housing affordability is more severe and problematic than it ever has been before. All of that data points to the answer being yes. To take one example—one stable measure throughout time—which is the average number of years of average salary required to buy an average home. In the mid-1980s it would take about three years of household income for an average household to buy an average home. Today it's more than six years—more than doubling. In cities like Melbourne and Sydney, it is considerably higher. It up to eight or nine times the average person's salary to buy an average home. Another good measure which really captures the difficulty for young people to enter the housing market is the proportion of household income required to save a deposit to enter the housing market. In 1990 it was 50 per cent of an average household income to save a deposit for an average home. Now, according to the Reserve Bank of Australia, it is 100 per cent. So there are some fairly tangible measures of why this problem is serious and why we should confront it.

Before I get to the measures that the federal government announced in the budget and the other ideas that other senators have suggested in this debate that the federal government should take up—and I do acknowledge that there is a role for the federal government in this debate—I think it is very important that we recognise that, primarily, those with the most powerful levers at their control are state and local governments when it comes to the question of housing affordability. This is best captured in an annual report produced by a think tank in the United States called Demographia, which, for more than 13 years, have measured housing affordability in comparable Western countries. The consistent finding that they reach year after year after year is that jurisdictions that have the most restricted land supply policies and the most restrictive development policies, which allow the least new homes to be built, surprisingly, or perhaps unsurprisingly, have the least affordable homes. Those jurisdictions with relatively relaxed land release policies with relatively light regulation on property construction are also the jurisdictions that have the most affordable housing. It holds both internationally and within one country, such as the United States, when you compare jurisdictions for housing affordability. In cities like San Francisco, with very restrictive land release and housing development policies, compared to a city Houston, which has very relaxed policies in that area, the gulf in housing affordability is particularly stark.

It's a very relevant point for Australia to consider, because Australia is not like jurisdictions like Hong Kong, Singapore or Switzerland, which have relatively limited land masses and where there is a natural restriction on the supply of land for housing. We are the least densely

populated continent on the planet and there is no shortage of land available to be developed for housing. The only restrictions we have on the release of land and the regulation of what you can do on that land are those that are artificially imposed by governments. As Senator Whish-Wilson will remember from his economics classes, when you artificially restrict the supply of something, its price goes up.

This is an issue where the primary responsibility rests with state governments and local councils, who do control very important levers in this area. That's not to say that the federal government has no role in increasing housing supply. There are some ways in which we can do so. I was very pleased that the government announced in the budget that they were examining all the Commonwealth land held by the federal government, including some now unused defence sites and whether or not they can be developed for housing. There's one in Maribyrnong, in my home state of Victoria, which is going to be developed for a very significant housing development, and I think that is a really positive move. Of course, the federal government can also incentivise states to release more land and help states meet the cost of infrastructure if that land is on the fringe. That is often a great cost borne by states, which leads them to be reluctant to release new land. So there are some things that the government can do and does do to expand supply—but, primarily, that is a matter for state and local governments.

As I said, in a moment I'll come to the things that the federal government is doing that I support and which are in this legislation—which I hope passes the Senate, if not tonight, in the next few days—but I think we should consider the things that the federal government should not be doing that have been advocated by other senators in this debate. Senator Steele-John was not alone among Greens senators and, indeed, Labor senators in advocating that negative gearing and capital gains tax be reformed or abolished in order to deliver more affordable housing. If you took the word 'housing' out of that sentence and you applied it to any other market, people would ask that you have your head read. If we were ever worried about the affordability of bread, milk, meat or any other staple products, no-one would suggest that a way of solving that affordability problem would be to increase taxes on people who buy them or who produce them. That is exactly what Labor and Greens senators are suggesting in this debate. They think that somehow housing will become more affordable if we increase taxes on housing. It's very strange logic and, happily, we have the experience in this country of having tried to do so under the Hawke government, as previous senators have mentioned, and it was not a happy experiment—even the then Hawke government realised the adverse impact that had on housing affordability, particularly for renters, and in cities like Sydney that led to a massive spike in rental prices, and they quickly reversed their decision.

What I love most about the discussion about negative gearing—and it was particularly evident in Senator Steele-John's speech—is the idea that Labor and Greens senators are striking a real blow against the rich and the ruling class by getting rid of negative gearing, and that it'll really teach all those rich fat cats to stop taking advantage of the tax system. The truth is much more mundane. The people who most often take advantage of negative gearing are, in fact, middle-income people. The professions who most frequently take up negative gearing are teachers and police. Even if you abolished negative gearing, as the Greens and Labor propose, it wouldn't remove negative gearing as a feature from the system entirely. It would just close it to middle-income people. It would remain an option for high-income people, and

it's worth spelling out exactly how this is the case so that perhaps the Greens senators and other senators can reconsider their policy in this area.

Rich people don't need to use negative gearing, because they don't derive their income primarily from a salary; they derive their income from investment income from shares, property and other assets. Often they hold these assets in a company structure, so they can put a home, a commercial property, shares, or any other asset or business within a company structure. Any losses incurred by one of those asset classes can be offset against the income earned in the other asset classes, so rich people, effectively, always have access to negative gearing because they are able to include all of their income-generating assets in one structure, a company structure.

Middle-income people can't do that. They can't afford to set up a company structure or put their home or their investment property in a company structure, because they don't have enough money to make that worthwhile. Accounting and legal fees, let alone the complexity of doing so, mean that it's not worthwhile for them. So the negative gearing system that we have instituted in this country is available to those middle-income people, and it allows them to offset the losses they might make on their investment property against their personal salary income and levels the playing field between them and wealthy people. Abolishing negative gearing would have the perverse effect of taking away this right for middle-income people but preserving it for the wealthy, which I assume is not the intention of the Greens and others.

I'd like to come now to another idea proposed by the Greens—and particularly clearly articulated in Senator Bartlett's speech—which is that the federal government should abolish stamp duty and replace it with a land tax. Whatever we think of the merits of that idea, there's a fairly major obstacle to implementing it—that is, stamp duties are levelled at the state level by state governments. Any land tax that would be levelled would happen at the state level, so proposing a swap from one to the other is not really something we can practically do here in Canberra. Senator Seselja might make some observations in his speech about how that experiment is going at the territory level where, right now in the ACT, the ACT government is doing a swap between land tax and stamp duty, and—

*Senator Seselja interjecting—*

**Senator PATERSON:** Lo and behold; surprise, surprise. What does it result in, Senator Seselja? In higher taxes. Most homes in the ACT are now paying more tax than they did previously under the old system. It was supposed to be revenue-neutral. It was supposed to be a direct swap. It's not working out that way for most homeowners in the ACT.

I'll come now to the measures in this bill that the government are proposing, and I want to focus on the initiative to encourage savings because, as I mentioned earlier in my speech—as have others—one of the real barriers to entering the housing market is being able to save enough for a deposit. While the bank may be willing to lend you a significant amount towards the principal cost of the home, you do have to be able to save enough for a deposit. In a climate—particularly like that of the last few years—where house prices have been rising, the amount that you have to save for a deposit has been increasing quite fast as well. So many young couples have been struggling to keep up with the rising house prices, and therefore the rising deposit, and it's made it really difficult for them.

The government has proposed—and I want to particularly congratulate my colleague in the other place Michael Sukkar for championing this initiative—the First Home Super Saver Scheme, which takes advantage of the superannuation system we already have in place, and has a tax advantage of being able to save money. While it's a very important thing for young people to begin to save for their retirement in 40, 50 or 60 years time, wouldn't it be better if they were also able to save for a much more immediate and important financial goal? For most young people, it is to get into the property market. This policy will allow young people to make contributions of up to \$30,000, at a total of \$15,000 per year, into a specially sequestered part of their superannuation account to go towards their first home. They won't be able to remove any money from their superannuation for this purpose other than the money they put in for it. It won't come out of the legislated requirement of employers to put in nine per cent per annum towards their savings for retirement. It will allow them to put in extra above and beyond what they are already saving, but to do so for a particularly important purpose for most young people.

Giving that significant tax discount for many young working people will allow them to save for their deposit much more quickly than they otherwise would and to save a bit of tax on the way. I think this is a really positive, sensible, measured and targeted initiative. It goes to the heart of the real problem for young people in getting into housing market in a precise way and it uses existing legal structures. It does not necessitate the creation of any new legal structures. The superannuation system is there. We trust the superannuation industry to manage this money for the short time it will be there. I think that's a really positive initiative.

Another really positive initiative is to reduce the barriers to downsizing. One of the problems in the housing market is the incentives that are in place, partly in the tax system but also in the welfare system. Many older people who may still be living in the family home in which they raised their children but their children have grown up and moved out have perverse incentives to stay in that home longer than they might otherwise wish to, because of their superannuation, their pension or other welfare or taxation stresses that they may face. So they stay in their home for much longer than they would otherwise prefer to, and those homes are not available to young people and families who are looking for homes. It would make very good financial sense for a lot of older couples to downsize.

We have made some changes to the superannuation system to incentivise older couples who wish to downsize to do so. From 1 July next year, people who are aged 65 or over will be able to make a non-concessional contribution of up to \$300,000 into superannuation from the sale of their family home, as long as they have held it for at least 10 years. If both members of a couple choose to do so, contributions of up to \$600,000 may be made, and that is on top of all the existing caps. So any couple that has already reached their cap will be able to make this extra contribution of up to \$600,000 into their superannuation. This is a real win-win initiative. It will improve the availability of family style homes in the housing stock, which is going to be particularly welcomed by young families. It will help secure the retirement income of older couples. It will encourage them to downsize when moving into a smaller and more appropriate home might be a very wise thing for them to do.

I will finish on one final note, which is to address another observation made by Senator Bartlett. As is often the case in these debates, when the Greens can't quite bring themselves to understand why other parties or senators have a different position to them, they look for a

bogeyman. In this case, they've decided that it is property developers: property developers are the reason why the Liberal Party and the Labor Party and others may have the position they do on this issue. It's an intellectually lazy argument. We could easily make the same argument about them. It's certainly known that renewable energy companies donate generously to the Greens and that the Greens strongly support policies which encourage renewable energy. Renewable energy companies benefit from this because of the protection that, for example, a renewable energy target or other subsidies or schemes provide for the industry. Yet you don't often hear coalition or other senators come into this place and say, 'The only reason the Greens are supporting a renewable energy target is that they are trying to help their mates in the renewable energy industry who donate money to them.' It wouldn't be true because the Greens sincerely support renewable energy. They believe in it, and that's probably why renewable energy companies donate to them. I don't think that the cart and the horse are the other way around and that the Greens dreamt up this policy as a result of donations from the renewable energy industry.

It would be nice if the Greens occasionally showed that kind of understanding and that kind of goodwill towards other parties. There are many reasons for holding the positions that we do. Most of them, I believe, derive from genuinely philosophically held positions, well thought out positions derived from a careful analysis of the facts and the problems and out of a genuine attempt to solve them. Not everything in politics that is different from your own view must be badly motivated. Not everything in politics must be caused by some evil bogeyman behind the scenes making donations. If we were to follow the Greens' logic, we wouldn't just ban donations at state level in New South Wales from property developers; we'd also ban donations from any company that got an incentive out of the political system, and that would rule out many of their donors, too. I'd be interested to see whether they propose it. It would rule out the trade unions donating, too. If we didn't want to have people who potentially got something out of it donating to politics, we wouldn't allow trade unions to donate to the Labor Party.

I don't really believe that's why trade unions donate to the Labor Party. I don't believe that's why the Labor Party holds the positions that they do. I believe they hold those positions because they've sincerely thought about them and it goes to the core of their philosophy. That is my final plea in this debate tonight: even when we disagree in this place, it's not necessary to ascribe bad motives to others.

**Senator SESELJA** (Australian Capital Territory—Assistant Minister for Social Services and Multicultural Affairs) (21:45): It's great to follow Senator Paterson, who always gives such a well-thought-through contribution, and I thank him for it. It has been an interesting and robust debate so far. In the brief time I've got before we move to the adjournment debate, I want to put a few points on the record.

One is that this legislation is a part of a comprehensive package. I pay tribute, not just to Michael Sukkar, as Senator Paterson has, but also to Scott Morrison, for their leadership of this package. In my own portfolio, Minister Porter and I have worked on other aspects, including the social housing and the commitment to giving certainty for homelessness funding. When the Treasurer, Scott Morrison, and the Prime Minister and others of us in the government looked at this, we didn't just look at one aspect, as some would perhaps have us do, we looked at all aspects. We looked at what levers can be pulled on the supply side and

what levers can be pulled, in this case, for first-home buyers. I think it's a very well-calibrated package, when you look at the challenges for first-home buyers, to give this effective tax break, not just for people's retirement 30 or 40 years down the track but for that important first asset, but calibrated in a way so that it won't act as other incentive programs have acted in the past when, for instance, a lump sum is suddenly handed to people and we can see a sudden inflationary impact.

I also want to touch on some of the other aspects of the debate. The Greens say it's all about taxing people more, and we hear a lot about that. But they don't want to take responsibility for the policies that they often push—at a local council level, at a state and territory government level—that is, the restriction of land supply. It's always the restriction of land supply. They're always against new housing developments, whether that's unit developments or whether that's greenfields. I've seen so many examples, here in the ACT and right around the country.

Going back some years, I recall very well a Greens-inspired policy: there was a long-planned-for suburb called Throsby here in the ACT. It had been on the books for 30 years. And of course, when you don't allow it to be developed for other reasons—only light grazing and the like—it has some environmental values, and that's a really good thing, and we value that in Canberra. But the Greens' response to that was to try and have the suburb not developed at all—even though it had been there, on the plan for decades, so that it would be available for housing. Labor responded to that by wiping out a lot of the development in that suburb. What we have seen over the last couple of years is that land finally started to be released in Throsby for \$1,000 a square metre—in a greenfields site on the edge of town: \$500,000 for a 500 square metre block on the outskirts of Canberra. That's not affordable for a first home buyer. That was created specifically by this Greens-Labor policy of squeezing land supply because of environmental values. We can balance the two realities: we can preserve land for environmental values but still get land to market so that there can be enough for first-home buyers.

The Greens will often help create the problem, and then lament it. And their answer to it is more taxes. Well, we don't agree with that. We do agree with a range of policies that open up land supply, that create some of the right incentives—like we see with this bill—and that look after the most vulnerable people in our community, as evidenced by our homelessness package, where we have put money on the table that no governments previously done, because these programs always ended. The homelessness package that we have put on the table, this legislation, is one part of an overall housing package. That homelessness aspect actually puts money on the table in perpetuity for homelessness funding, which is exactly what the sector asked for. You wouldn't hear some of those opposites ever giving credit for that. But I absolutely pay tribute to people like Michael Sukkar and Scott Morrison, who have shown great leadership in this area.

Debate interrupted.

### ADJOURNMENT

**The ACTING DEPUTY PRESIDENT (Senator Williams)** (21:50): Order! It being 9.50 pm, I propose the question:

That the Senate do now adjourn.

### Road Safety

**Senator GALLACHER** (South Australia) (21:50): I rise to make a contribution on a familiar topic of interest to many people in Australia, and that is road safety. The Hon. Darren Chester recently told 650 delegates at the Australasian Road Safety Conference in Perth:

... there is a war on our roads and we have to keep working together to win each of the battles. Like any war, it needs a national focus, it needs a national response, and it needs national leadership. We have to battle together for funds, we have to battle our own internal bureaucratic systems, and we have to battle complacency. On that point, I fear we've become too accepting of the casualties on our roads. We seem almost resigned to the bloodshed. We seem immune to the horrific losses we sustain on a daily basis, and perhaps that comes from the mistaken belief that it won't happen to us, that I'm a good driver, it won't affect me. But as each and every person in this room knows, it affects us all.

So we have a minister who understands the issues and who is able to easily articulate the problems.

What I want to go on to is setting a bit more of the background to this. Twenty years ago, in 1998, the Federal Office of Road Safety published monograph No. 23 of 1998, entitled *The history of road fatalities in Australia: the war on the roads*. The opening paragraph said:

Road crashes are a major cause of death and injury in Australia, and incur costs estimated to be in excess of \$6 billion annually.

... ..

Some 160,670 lives have been lost—

since 1925. It continues:

... this death toll greatly surpasses the aggregate Australians killed in the four major wars in which this country has been involved (89,850 deaths). Whereas this should be an ongoing cause for concern to all Australians, it is worth noting what has been achieved in eliminating the problem.

This is in the areas of safer vehicles, seatbelts, helmets, drink-driving enforcement and improved roads, to name just a few. We've got the problem pretty well nailed. We've actually got a lot of the solutions on the books and we know what works. We have a minister who wants to go in the right direction, but addressed a road safety conference of 650 people exalting them to help him achieve the result we need to get.

The Hon. Barry Cohen, a past federal minister, wrote in *The Australian* in 2013:

Whichever graph you study, it shows there are about 90,000 people alive today who would have been dead without the work of scientists, engineers, road safety lobbyists and politicians who refused to accept the industry's propaganda that the fault lay with the drivers.

Ralph Nader said:

It is faster, cheaper and more enduring to build operationally safe and crash-worthy automobiles that will prevent death and injury than to build a policy around the impossible goal of having drivers behave perfectly at all times under all conditions in the operation of a basically unsafe vehicle and often treacherous highway conditions.

So the best minds know the issues and know the problems, and we know the solutions. But this is the problem: a report from the Insurance Institute for Highway Safety in the United States last week noted, 'No matter how quickly technology develops, it will take at least 25 years before nearly all vehicles on US roads have today's latest technology.' And we haven't even started in Australia. We're probably not even looking that way.



Authors from Virginia Tech and Carnegie Mellon, in an article titled, 'Some of the best parts of autonomous vehicles are already here', have said:

... it's important not to lose sight of smaller improvements that could more immediately save lives and reduce injuries and economic costs of highway crashes.

... elements of self-driving car systems, such as adaptive cruise control, lane-departure warnings and head-on collision-avoidance systems, could reduce road deaths by up to one-third if these were available on every car in the U.S. Other researchers have confirmed the benefits of these incremental automotive innovations, but they're not universal yet. For instance, only 6 percent of new cars in model year 2017 have lane departure warning as a standard feature.

We know the problem. We know the solutions. The real issue here is a lack of action by this federal government. It may be that they've only carried on from previous federal governments that haven't acted in this space, but we do know this: in 2017, to the year ending October, 1,217 people lost their lives on Australian roads. And we know that there is technology that could avoid that. We know that there is technology which could be implemented on the imported cars that are coming into Australia, of which there are more than a million a year. We don't manufacture motor vehicles anymore. We're importing in excess of a million. We could be mandating these life-saving technologies, and we're not doing it. That's a disgrace. We know that in 2017, to the month of October, 31 people in New South Wales lost their lives. In Victoria, 10 lost their lives; in Queensland, 22; in South Australia, nine; in WA, 14; in Tasmania, four; and, in the NT, four. Zero in the ACT have lost their lives, and that's a very good result. But the reality is we're not going to have zero. We're going to continue to have a lot of people who will lose their lives through road accidents. In a lot of cases, that could be avoided with the implementation of this smart technology and with the implementation of simple and clear strategies. And they're abundant.

If you look at the Australasian College of Road Safety or the Australian Automobile Association, they've developed a national road safety platform:

**A re-established Federal Office of Road Safety** to coordinate the national policy response to the ongoing deaths and injuries caused by road crashes—

That doesn't seem like an inordinate requirement; it's common sense—

**Improved data collection** — To help identify gaps in road safety and measure success.

**Promoting best practice and research** — All states and territories should be equipped with the tools to address emerging and critical issues in road safety—

Common sense, once again—

**Funding of land transport infrastructure** — Proven risk assessment methods such as AusRAP should be used to prioritise projects which have a positive road safety outcome to put risk assessment at the heart of strategic decisions on road improvements, crash protection and standards of road management.

**Safer vehicles** — Ongoing Government funding should be provided for ANCAP to continue conducting independent crash tests and vehicle safety assessments. Resourcing should also be provided to engage in proactive assessment of international developments which may affect the Australian Design Rules.

So we have the solutions; we have the technology; we have a great body of road safety experts; and we have good work done in every jurisdiction in Australia. We just seem to lack the will federally. It is disgraceful that, in any jurisdiction in Australia, money that was allocated through the Black Spot Program was not all spent. That means that, somewhere,

someone's been killed or injured. A black spot's been identified; it's gone through a testing and evaluation procedure; it's been put up through a recommendation of a committee to the federal government; and the money's been allocated, but the job hasn't been done. We know from previous speeches in this place and previous reports that you get a 30 per cent reduction in death and injury if you fix a black spot, yet we have a government which says all the right things but isn't getting on with the job. It's a disgrace.

### **Climate Change Meat Consumption**

**Senator RHIANNON** (New South Wales) (22:00): Tonight, I encourage people to eat less meat. I have thought carefully before making this call. I've considered my comments long and hard because one's diet is something that is very personal. I have decided to add my voice to this call now as I believe the combination of the need for climate action, the need to reduce the suffering of animals, the need to end land clearing for grassland that reduces biodiversity and the need for healthy humans warrants a loud voice for an animal-free diet or, at least, a reduced animal diet.

The evidence about the impact animal agriculture has on increasing greenhouse gas emissions is very significant. In 2014, the Intergovernmental Panel on Climate Change released the report *Climate Change 2014: Mitigation of Climate Change*. The panel said this about animal agriculture in that report:

... changes in diet and reductions of losses in the food supply chain, have a significant, but uncertain, potential to reduce GHG emissions from food production ...

The IPCC findings came after another study that identified the importance of reducing meat and dairy consumption in meeting stringent climate change targets. That was published in the April 2014 edition of the climate change report. In 2010, a United Nations report called *Assessing the Environmental Impacts of Consumption and Production: Priority Products and Materials* stated:

A substantial reduction of impacts would only be possible with a substantial worldwide diet change, away from animal products.

That report put agriculture's global emissions at 14 per cent. The report stated that animal products, both meat and dairy, in general require more resources and cause higher emissions than plant based alternatives.

Overall, animal agriculture is responsible for about nine per cent of human-based, human-caused carbon dioxide emissions globally—that's from the United Nations Food and Agriculture Organization. The same body has found that the livestock sector is responsible for about 37 per cent of human-caused methane emissions and about 65 per cent of human nitrous-oxide emissions, mainly from manure. They're all very significant contributors to the climate change that we are now urgently dealing with. The University of Adelaide's professor of climate change, Barry Brook, has estimated that raising animals for human consumption is responsible for half of Australia's short-term global warming gases. It's a very significant study that has been quite groundbreaking.

Eating vegetables, we know, produces lower greenhouse gas emissions. For example, potatoes, rice and broccoli produce approximately emissions that are three to five times lower than an equivalent mass of poultry and pork. I imagine a lot of people here would probably be

horrified, and I'm not suggesting that they live on potatoes, rice and broccoli. I am just making the comparison, because these are urgent issues that we need to think about. The reason there is such a difference is simple, and this is what we need to get our heads around. It's more efficient to grow a crop and eat it than to grow a crop, feed it to an animal as it builds up muscle mass and then eat the animal. So I will emphasise again that, while I'm urging people to have an animal-free diet, there is also the very clear option of reducing one's animal product intake.

The evidence detailing the impact of an animal-based diet has been well documented by many credible academics and respected institutions. That work—and I've detailed some of it tonight—is having an impact. People are changing their attitudes and changing their diets to eat no or reduced amounts of animal products. Animals Australia have done some excellent work in this area, and they have documented some of the changes. There's a very significant climate action group in the United States called 1 Million Women. They've taken up this cause, as have Oxfam. Al Gore, who's done such significant work in this area, is now a vegan. Then there is the work of so many schools around the world. Many of them are adopting meat-free Mondays as a way to teach their students and staff about another way of putting fuel into their tank—that is, with fewer animal products. There really is some fantastic and considerable work that is gaining momentum and getting to critical mass.

The Stockholm International Water Institute is warning that we must reduce global animal production to just five per cent of our calorie intake by 2050 to make sure that we don't run out of fresh water. I forgot to give that reason when I nominated the many advantages of reducing animal products in our diet. The issue of the amount of fresh water that is needed for animal agriculture is huge, and the Stockholm International Water Institute has made that clear recommendation. Greenpeace has also encouraged its global followers to get behind World Meat Free Day. Again, this is an example of the momentum that is there for this change.

Reducing or replacing animal products in our diet is not hard. There is the great spin-off of being healthier, and the cost of your diet will be less. There's also the excellent spin-off for our society. Our society has an extraordinarily serious problem of increasing obesity, and an increasing number of people who are overweight. I'm sure most people here would have read the figures that show this alarming increase. There's also the spin-off of less animal suffering.

When I opened my speech I said that I had thought carefully about this. It's something I've thought about for a long time. But I've been reluctant to talk about it because I'm very conscious of how personal one's diet is. I became conscious of this from my experience, from my family's experience and just from mixing with people, particularly in social situations. When you meet somebody socially, you so often share food. Therefore, I've always been very careful and not voiced an opinion about the food that they should be sharing and enjoying. But I've now changed my attitude on that, and I think that we need to have this conversation.

It's also worth considering that, as individuals within a collective society, we've changed our attitudes in so many ways. In our own lifetime, we've seen changes in smoking. When I was growing up, people would smoke anywhere. Now there are restrictions on it. The issue of seatbelts and speeding are examples of how we have changed our behaviour for our own wellbeing and for the wellbeing of those around us. Then there are the restrictions on alcohol. There is also recycling: when I was little girl, we just threw all the rubbish in the bin. We

didn't think about it. But then we learned that there was something that we could do that was very responsible. We are working as individuals in our own home, but it is having a collective benefit. I think that all those examples are reminders of how we can change our ways. Surely our diet is something that now warrants our attention. It will bring benefits to us personally, to our planet, and to all the animals that inhabit the planet with us.

**Senate adjourned at 22:08**

## **DOCUMENTS**

### **Tabling**

The following documents were 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.]*

*Civil Aviation Act 1988—*

Civil Aviation Regulations 1988 and Civil Aviation Safety Regulations 1998—Civil Aviation Legislation Amendment and Repeal (Australian Technical Standard Orders) Instrument 2017 [F2017L01553].

Civil Aviation Safety Regulations 1998—

Exemption — from certain flight examiner course requirements for FER and FEE applicants participating in a TCO—CASA EX141/17 [F2017L01540].

Exemption — maximum take-off weight requirements in aerial application operations—CASA EX164/17 [F2017L01537].

Fire Bottle Discharge Cartridges – Inspection—AD/FPE/8 Amdt 1 [F2017L01552].

Repeal of Airworthiness Directive—CASA ADCX 019/17 [F2017L01538].

*Corporations Act 2001—*ASIC Corporations (8 Daphne Street Botany Ltd – Real Estate Company) Instrument 2017/1063 [F2017L01549].

*Federal Financial Relations Act 2009—*

Federal Financial Relations (General Purpose Financial Assistance) Determination No. 104 (November 2017) [F2017L01543].

Federal Financial Relations (National Partnership Payments) Determination No. 127 (November 2017) [F2017L01539].

Federal Financial Relations (National Specific Purpose Payments) Determination 2016-17 [F2017L01545].

*Health Insurance Act 1973—*Health Insurance (Section 3C Pathology Services—17p Deletion Testing) Amendment Determination (No. 2) 2017 [F2017L01542].

*Industry Research and Development Act 1986—*Industry Research and Development (Cooperative Research Centres Projects Program) Instrument 2017 [F2017L01202]—Replacement explanatory statement.

*Migration Act 1958—*Migration Regulations 1994—Migration Agents (IMMI 17/047: CPD Activities, Approval of CPD Providers and CPD Provider Standards) Instrument 2017—IMMI 17/047 [F2017L01236]—Replacement explanatory statement.

*Motor Vehicle Standards Act 1989—*

Vehicle Standard (Australian Design Rule 33/00 – Brake Systems for Motorcycles and Mopeds) 2007 Amendment 1 [F2017L01551].

Vehicle Standard (Australian Design Rule 33/01 – Brake Systems for Motorcycles and Mopeds) 2017 [F2017L01554].

*National Cancer Screening Register Act 2016*—National Cancer Screening Register Rules 2017 [F2017L01547].

*National Health Act 1953*—

National Health (Highly specialised drugs program) Special Arrangement Amendment Instrument 2017 (No. 10)—PB 95 of 2017 [F2017L01555].

National Health (Listed drugs on F1 or F2) Amendment Determination 2017 (No. 9)—PB 97 of 2017 [F2017L01544].

National Health (Listing of Pharmaceutical Benefits) Amendment Instrument 2017 (No. 10)—PB 92 of 2017 [F2017L01548].

National Health (Originator Brand) Amendment Determination 2017 (No. 8)—PB 98 of 2017 [F2017L01550].

National Health (Pharmaceutical benefits – early supply) Amendment Instrument 2017 (No. 9)—PB 94 of 2017 [F2017L01541].

National Health (Price and Special Patient Contribution) Amendment Determination 2017 (No. 9)—PB 93 of 2017 [F2017L01546].

### **Tabling**

The following documents were tabled pursuant to standing order 61(1)(b):

#### **Documents to be presented by the President**

Vacancy in the representation of South Australia—Qualification of former Senator Kakoschke-Moore—Reference to Court of Disputed Returns—Letter to the President of the Senate from the Principal Registrar, High Court of Australia (Mr Phelan), dated 29 November 2017, and court notice.

#### **Auditor-General's reports for 2017-18**

Australian National Audit Office—Report by Independent Auditor—Australian National Audit Office Performance Audit: Review of cyber security, dated December 2017.

#### **Government documents**

*Crimes Act 1914*—Department of Immigration and Border Protection—

Authorisations for the acquisition and use of assumed identities—

Report for 2015-16.

Report for 2016-17.

Witness identity protection certificates—Report for 2016-17.

Fisheries Research and Development Corporation (FRDC)—Report for 2016-17.

Grains Research and Development Corporation (GRDC)—Report for 2016-17.

Independent National Security Legislation Monitor (INSLM)—Report for 2016-17.

National Heavy Vehicle Regulator (NHVR)—Report for 2016-17.

Workplace Gender Equality Agency—Report for 2016-17.

#### **Committee report presented out of sitting**

*[report will be recorded in the Journals of the Senate and available for consideration on Tuesday under standing order 62(4)]*

Economics References Committee—Australia's steel industry: forging ahead—Report, dated December 2017, Hansard record of proceedings, documents presented to the committee, additional information and submissions. [*Received 1 December 2017*]