

Procedural Information Bulletin

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For Budget estimates 28 May to 7 June and the sitting period 24 June to 4 July 2024

Senators and the Senate

The fortnight began with Senator Lisa Darmanin taking her seat. Senator Darmanin was chosen by the Victorian parliament to fill the vacancy caused by the death of Senator Linda White. Senator Stephanie Hodgins-May, who took her seat on 14 May, gave her first speech on 26 June.

On 1 July the Senate chamber provided the venue for the swearing-in of Australia's 28th Governor-General, Her Excellency Sam Mostyn AC.

On 4 July, Senator Fatima Payman announced her resignation from the Australian Labor Party and her intention to sit as an independent senator. She had been suspended from the Labor Caucus after crossing the floor on 25 June to vote for an Australian Greens urgency motion on the recognition of Palestine, and abstained from voting in the Senate in the days leading up to her resignation.

Legislation

Much of the government business time in the first week was consumed by debate on a bill dubbed <u>Getting the NDIS Back on Track</u>, which was then referred back to the Community Affairs Legislation Committee for further inquiry. That outcome seemed inevitable from the day the committee reported on its initial inquiry, with both Opposition and Greens senators insisting that additional time was required to examine the bill properly. Both parties circulated second reading amendments to send the bill back to the committee, and these were overtaken by a motion moved pursuant to a suspension of standing orders on 27 June.

The other major bill considered in the first week was a bill to reform vaping laws, which was passed under a guillotine on 26 June, after the sitting had been extended the previous evening to facilitate the second reading debate. The bill was passed with a number of government amendments, including amendments to allow pharmacists to provide therapeutic vaping goods containing nicotine without prescription from 1 October 2024, overriding the 'prescription only' regime applying from 1 July.

The Senate also passed a bill to set the salary of the incoming Governor-General. Section 3 of the Constitution provides that the salary shall not be altered during the Governor-General's term in office. On its face, the bill provides for a significant salary increase compared with that of the outgoing Governor-General, which had been set at a lower level to take into account his military pension. The salary is customarily set around the expected average level of the salary of the Chief Justice of the High Court.

On 1 July the Senate sat late to consider a bill to phase-out live sheep exports by May 2028. It was passed under a guillotine without amendment, over the vociferous objections of the Opposition and some crossbench senators. The bill was the subject of a short inquiry by a House of Representatives committee, however, several attempts to initiate an inquiry by the Senate Rural and Regional Affairs Legislation Committee were unsuccessful. Australian Greens senators supported the bill, but amendments they circulated to bring the ban forward to 2026 were unsuccessful.

A handful of government bills were passed under a guillotine on the last sitting day; however, one bill was rejected at the third reading stage. The Opposition, the Greens and independent Senator Van each sought to move amendments to change the membership formula proposed in a bill <u>to establish a statutory joint committee on Defence</u>. The bill proposes that up to 13 government and non-government members be appointed, including a government majority. The Opposition amendments sought to restrict membership to government and opposition members, while the other amendments sought to require the appointment of members from the crossbenches. None of the amendments were successful, leading the Opposition to join the Greens in voting against the bill. Presumably the government will seek to have the bill considered again.

The bill is modelled on the legislation establishing the Parliamentary Joint Committee on Intelligence and Security (PJCIS). They each require the government to consult other parties in the Parliament before appointing members and to "have regard to the desirability of ensuring that the composition of the Committee reflects the representation of recognised political parties in the Parliament". Despite these provisions, the PJCIS is frequently criticised from the crossbenches for having only government and opposition members. The efficacy of these provisions in providing for more diverse membership was tested in September 2022: see <u>Bulletin 364</u>.

Bill divided

On 27 June, the Senate agreed to a motion moved by Senator McKim to divide the Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Bill 2024 into two bills, by moving Schedule 1 of the bill into a new bill; the Treasury Laws Amendment (Build to Rent) Bill 2024. The motion also provided for the new bill to be referred to the Economics Legislation Committee for inquiry and report by 4 September. The division and reference were to take place after the bill was received from the House of Representatives and read a first time.

The provisions of the original bill had already been referred to the committee for inquiry and report (initially by 24 June 2024 and subsequently extended to 2 August) along with the provisions of the Capital Works (Build to Rent Misuse Tax) Bill 2024.

When the messages transmitting the Buy Now Pay Later bill and the Capital Works bill were reported, the government moved the usual motion for their first reading. After this was agreed, the chair indicated that the main bill had been divided. The government did not move the usual motion for the second reading of the bills. It will be interesting to see how the government seeks to progress the bills. When the Senate divided the <u>Closing Loopholes</u> bill, the Leader of the House told the House of Representatives that the government would only accept the division of a House bill by the Senate if it had been initiated by the government: see <u>Bulletin 377</u>.

Orders and compliance

The Senate agreed to 10 new orders for documents in the sitting period, including orders relating to speechwriting services provided to the NDIS Minister (26 June), an evaluation report relating to the Cashless Debit Card (1 July), the collapse of Bonza airlines (3 July) and costs of charter flights

associated with the recent release of Mr Julian Assange (3 July). Three proposed orders were defeated, including in relation to neuroblastoma treatment (4 July) and for the final report of the Productivity Commission inquiry into philanthropic giving (2 July).

Following recent practice, the Senate on 3 July agreed to follow-up orders concerning orders for documents not yet complied with to require the responsible ministers to provide explanations of the failure to comply. The explanations, provided the following day, summarised the content of responses previously tabled in the Senate. In each case, the relevant minister also indicated that offers of private briefings had been extended to the senator that sponsored the original order.

Senate committees and the NACC

The Foreign Affairs, Defence and Trade Legislation Committee <u>published advice from the Clerk</u> about witnesses seeking to withhold information concerning investigations of the National Anti-Corruption Commission (NACC).

The *National Anti-Corruption Commission Act 2022* does not limit the powers of Senate committees to seek and receive information: NACC Act, s. 274. Any suggestion that material should be withheld from a Senate committee because of NACC investigations should therefore be dealt with in accordance with the processes for raising and determining public interest immunity (PII) claims.

Practice in relation to PII claims continues to evolve. That practice identifies a non-exhaustive list of "potentially acceptable grounds" for such claims, which are identified in Odgers' Australian Senate Practice, 14th ed., from p. 662. A committee considering a claim made on the ground of "prejudice to Anti-Corruption Commission investigations" might look to the principles that apply in relation to the grounds of prejudice to legal proceedings and prejudice to law enforcement investigations.

Drawing on those principles, a committee might conclude that "prejudice to Anti-Corruption Commission investigations" should be invoked only where it is established that there are NACC investigations in progress and that the information sought could interfere with those investigations. Such a ground should normally be raised directly by the NACC and "not by some other official who can merely speculate about the relationship of the information to the investigation": Odgers, 14th ed., p. 663.

In <u>additional information to the committee</u>, the CEO of Tourism Australia, who had raised the issue, clarified that the Commission's advice that certain information should not be provided to the committee was a recommendation or suggestion, and not a direction. The Commission agreed that it was appropriate to advance the matter by way of a PII claim. Tourism Australia then withdrew the claim when the NACC investigation concluded.

Inquiries

Fourteen bills were referred for inquiry and report as a result of <u>Report No. 6</u> and <u>Report No. 7</u> of the <u>Selection of Bills Committee</u>, with a further six bills referred by the Senate.

Four references inquiries were established, among them the <u>wrongful detention of Australian citizens</u> <u>overseas</u> and <u>Australia's sanctions regime</u> which were referred to the Foreign Affairs, Defence and Trade References Committee.

Reports

Six legislation committees tabled their Budget estimates 2024-25 reports. A further four reports were tabled, including the Economics References committee's <u>report</u> on the Australian Securities and

Investments Commission. The committee made 11 recommendations, among them that government consider separating the regulatory functions between a companies regulator and a separate financial conduct authority.

There were also 17 reports presented out of sitting, including the final <u>report</u> of the Select Committee on Perth Mint and Commonwealth Regulatory Compliance.

On 12 June the Senate Finance and Public Administration References Committee tabled its <u>final report</u> on the management and assurance of integrity by consulting services. The committee made 12 recommendations focused on lifting the standards of professional services provided to the Commonwealth, and improving transparency and probity, and management of conflicts of interest in the sector. The committee's final recommendation was that the Senate pass an order requiring the Minister for Finance to table biannual statements on Commonwealth consultancy contracts of \$2 million or more containing a range of details to improve transparency of the purpose and performance of these contracts.

On 3 July, on the motion of the chair of the committee, Senator Colbeck, the Senate agreed to an order for the production of documents, which is of continuing effect until the references committee reports to the Senate that <u>recommendation 8</u> (that the Department of Finance improve the useability of AusTender) has been implemented.

Budget estimates 2024-25

Budget estimates hearings took place from 28 May to 7 June.

Areas of examination involving public funds and administration included:

- Veterinary medicines on live export ships
- The regulation of deepfake videos and AI-generated material
- Reform of employment services and mutual obligation
- PFAS contamination at Department of Defence sites
- The possibility of Increased territory representation in the Senate

Additional 'spillover' hearings were held by six out of the eight legislation standing committees between 18 June and 4 July.

RELATED RESOURCES

<u>Dynamic Red</u> – updated continuously during the sitting day, the Dynamic Red displays the results of proceedings as they happen.

<u>Senate Daily Summary</u> – a convenient summary of each day's proceedings in the Senate, with links to source documents.

Like this bulletin, these documents can be found on the Senate website: <u>www.aph.gov.au/senate</u>

Inquiries: Clerk's Office (02) 6277 3350