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FORTY-THIRD PARLIAMENT
FIRST SESSION—FOURTH PERIOD

Governor-General
Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Office holders
Speaker—Mr Harry Alfred Jenkins MP
Deputy Speaker—Hon. Peter Neil Slipper MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP
Members of the Speaker’s Panel—Ms Anna Elizabeth Burke MP, Hon. Dick Godfrey Harry Adams MP, Ms Sharon Leah Bird MP, Mrs Yvette Maree D’Ath MP, Mr Steven Georganas MP, Ms Kirsten Fiona Livermore MP, Mr John Paul Murphy MP, Mr Peter Sid Sidebottom MP, Mr Kelvin John Thomson MP, Ms Maria Vamvakkinou MP

Leader of the House—Hon. Anthony Norman Albanese MP
Deputy Leader of the House—Hon. Stephen Francis Smith MP
Manager of Opposition Business—Hon. Christopher Maurice Pyne MP
Deputy Manager of Opposition Business—Mr Luke Hartsuyker MP

Party Leaders and Whips
Australian Labor Party
Leader—Hon. Julia Eileen Gillard MP
Deputy Leader—Hon. Wayne Maxwell Swan MP
Chief Government Whip—Hon. Joel Andrew Fitzgibbon MP
Government Whips—Ms Jill Griffiths Hall MP and Mr Ed Husic MP

Liberal Party of Australia
Leader—Hon. Anthony John Abbott MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Opposition Whip—Hon. Warren George Entsch MP
Opposition Whips—Mr Patrick Damien Secker MP and Ms Nola Bethwyn Marino MP

The Nationals
Leader—Hon. Warren Errol Truss MP
Chief Whip—Mr Mark Maclean Coulton MP
Whip—Mr Paul Christopher Neville MP

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## Members of the House of Representatives

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<td>Vasta, Ross Xavier</td>
<td>Bonner, QLD</td>
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<tr>
<td>Washer, Malcom James</td>
<td>Moore, WA</td>
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<tr>
<td>Wilkie, Andrew Damien</td>
<td>Denison, TAS</td>
<td>Ind</td>
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<tr>
<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
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<td>Wyatt, Kenneth George</td>
<td>Hasluck, WA</td>
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<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</td>
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</tbody>
</table>

**PARTY ABBREVIATIONS**

ALP—Australian Labor Party; LP—Liberal Party of Australia; LNP—Liberal National Party; CLP—Country Liberal Party; Nats—The Nationals; NWA—The Nationals WA; Ind—Independent; AG—Australian Greens

### Heads of Parliamentary Departments

Clerk of the Senate—R Laing  
Clerk of the House of Representatives—B Wright  
Secretary, Department of Parliamentary Services—A Thompson
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<td>Deputy Prime Minister, Treasurer</td>
<td>Hon. Wayne Swan MP</td>
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<tr>
<td>Minister for Regional Australia, Regional Development and Local Government</td>
<td>Hon. Simon Crean MP</td>
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<tr>
<td>Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate</td>
<td>Senator Hon. Chris Evans</td>
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<tr>
<td>Minister for School Education, Early Childhood and Youth</td>
<td>Hon. Peter Garrett AM, MP</td>
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<tr>
<td>Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate</td>
<td>Senator Hon. Stephen Conroy</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>Hon. Kevin Rudd MP</td>
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<tr>
<td>Minister for Trade</td>
<td>Hon. Dr Craig Emerson MP</td>
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<tr>
<td>Minister for Defence and Deputy Leader of the House</td>
<td>Hon. Stephen Smith MP</td>
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<td>Minister for Immigration and Citizenship</td>
<td>Hon. Chris Bowen MP</td>
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<td>Minister for Infrastructure and Transport and Leader of the House</td>
<td>Hon. Anthony Albanese MP</td>
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<td>Minister for Health and Ageing</td>
<td>Hon. Nicola Roxon MP</td>
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<tr>
<td>Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>Hon. Jenny Macklin MP</td>
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<tr>
<td>Minister for Sustainability, Environment, Water, Population and Communities</td>
<td>Hon. Tony Burke MP</td>
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<td>Minister for Finance and Deregulation</td>
<td>Senator Hon. Penny Wong</td>
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<tr>
<td>Minister for Innovation, Industry, Science and Research</td>
<td>Senator Hon. Kim Carr</td>
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<tr>
<td>Attorney-General and Vice President of the Executive Council</td>
<td>Hon. Robert McClelland MP</td>
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<tr>
<td>Minister for Agriculture, Fisheries and Forestry and Manager of Government Business in the Senate</td>
<td>Senator Hon. Joe Ludwig</td>
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<tr>
<td>Minister for Resources and Energy and Minister for Tourism</td>
<td>Hon. Martin Ferguson AM, MP</td>
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<tr>
<td>Minister for Climate Change and Energy Efficiency</td>
<td>Hon. Greg Combet AM, MP</td>
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Minister for the Arts
Minister for Social Inclusion
Minister for Privacy and Freedom of Information
Minister for Sport
Special Minister of State for the Public Service and Integrity
Assistant Treasurer and Minister for Financial Services and Superannuation
Minister for Employment Participation and Childcare
Minister for Indigenous Employment and Economic Development
Minister for Veterans’ Affairs and Minister for Defence Science and Personnel
Minister for Defence Materiel
Minister for Indigenous Health
Minister for Mental Health and Ageing and Minister Assisting the Prime Minister on Mental Health Reform
Minister for the Status of Women
Minister for Social Housing and Homelessness
Special Minister of State
Minister for Small Business
Minister for Home Affairs and Minister for Justice
Minister for Human Services
Cabinet Secretary
Parliamentary Secretary to the Prime Minister
Parliamentary Secretary to the Treasurer
Parliamentary Secretary for School Education and Workplace Relations
Minister Assisting the Prime Minister on Digital Productivity
Parliamentary Secretary for Trade
Parliamentary Secretary for Pacific Island Affairs
Parliamentary Secretary for Defence
Parliamentary Secretary for Immigration and Multicultural Affairs
Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing
Parliamentary Secretary for Disabilities and Carers
Parliamentary Secretary for Community Services
Parliamentary Secretary for Sustainability and Urban Water
Minister Assisting on Deregulation and Public Sector Superannuation
Minister Assisting the Attorney-General on Queensland Floods Recovery
Parliamentary Secretary for Agriculture, Fisheries and Forestry
Minister Assisting the Minister for Tourism
Parliamentary Secretary for Climate Change and Energy Efficiency

Hon. Simon Crean MP
Hon. Tanya Plibersek MP
Hon. Brendan O’Connor MP
Senator Hon. Mark Arbib
Hon. Gary Gray AO, MP
Hon. Bill Shorten MP
Hon. Kate Ellis MP
Senator Hon. Mark Arbib
Hon. Warren Snowdon MP
Hon. Jason Clare MP
Hon. Warren Snowdon MP
Hon. Mark Butler MP
Hon. Kate Ellis MP
Hon. Mark Dreyfus QC, MP
Senator Hon. Kate Lundy
Hon. David Bradbury MP
Senator Hon. Jacinta Collins
Senator Hon. Stephen Conroy
Hon. Justine Elliot MP
Hon. Richard Marles MP
Senator Hon. David Feeney
Senator Hon. Kate Lundy
Hon. Catherine King MP
Senator Hon. Jan McLucas
Hon. Julie Collins MP
Senator Hon. Don Farrell
Senator Hon. Nick Sherry
Senator Hon. Joe Ludwig
Hon. Dr Mike Kelly AM, MP
Senator Hon. Nick Sherry
Hon. Mark Dreyfus QC, MP
SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition and Shadow Minister for Foreign Affairs and Shadow Minister for Trade
Leader of the Nationals and Shadow Minister for Infrastructure and Transport
Leader of the Opposition in the Senate and Shadow Minister for Employment and Workplace Relations
Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts
Shadow Treasurer
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House
Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals
Shadow Minister for Regional Development, Local Government and Water and Leader of the Nationals in the Senate
Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee
Shadow Minister for Energy and Resources
Shadow Minister for Defence
Shadow Minister for Communications and Broadband
Shadow Minister for Health and Ageing
Shadow Minister for Families, Housing and Human Services
Shadow Minister for Climate Action, Environment and Heritage
Shadow Minister for Productivity and Population and Shadow Minister for Immigration and Citizenship
Shadow Minister for Innovation, Industry and Science
Shadow Minister for Agriculture and Food Security
Shadow Minister for Small Business, Competition Policy and Consumer Affairs

Hon. Tony Abbott MP
Hon. Julie Bishop MP
Hon. Warren Truss MP
Senator Hon. Eric Abetz
Senator Hon. George Brandis SC
Hon. Joe Hockey MP
Hon. Christopher Pyne MP
Senator Hon. Nigel Scullion
Senator Barnaby Joyce
Hon. Andrew Robb AO, MP
Hon. Ian Macfarlane MP
Senator Hon. David Johnston
Hon. Malcolm Turnbull MP
Hon. Peter Dutton MP
Hon. Kevin Andrews MP
Hon. Greg Hunt MP
Mr Scott Morrison MP
Mrs Sophie Mirabella MP
Hon. John Cobb MP
Hon. Bruce Billson MP

[The above constitute the shadow cabinet]
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<tbody>
<tr>
<td>Shadow Minister for Employment Participation</td>
<td>Hon. Sussan Ley MP</td>
</tr>
<tr>
<td>Shadow Minister for Justice, Customs and Border Protection</td>
<td>Mr Michael Keenan MP</td>
</tr>
<tr>
<td>Shadow Assistant Treasurer and Shadow Minister for Financial Services</td>
<td>Senator Mathias Cormann</td>
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<tr>
<td>and Superannuation</td>
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<tr>
<td>Shadow Minister for Childcare and Early Childhood Learning</td>
<td>Hon. Sussan Ley MP</td>
</tr>
<tr>
<td>Shadow Minister for Universities and Research</td>
<td>Senator Hon. Brett Mason</td>
</tr>
<tr>
<td>Shadow Minister for Youth and Sport and Deputy Manager of Opposition</td>
<td>Mr Luke Hartsuyker MP</td>
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<tr>
<td>Business in the House</td>
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</tr>
<tr>
<td>Shadow Minister for Indigenous Development and Employment</td>
<td>Senator Marise Payne</td>
</tr>
<tr>
<td>Shadow Minister for Regional Development</td>
<td>Hon. Bob Baldwin MP</td>
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<tr>
<td>Shadow Special Minister of State</td>
<td>Hon. Bronwyn Bishop MP</td>
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<tr>
<td>Shadow Minister for COAG</td>
<td>Senator Marise Payne</td>
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<tr>
<td>Shadow Minister for Tourism</td>
<td>Hon. Bob Baldwin MP</td>
</tr>
<tr>
<td>Shadow Minister for Defence Science, Technology and Personnel</td>
<td>Mr Stuart Robert MP</td>
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<tr>
<td>Shadow Minister for Veterans’ Affairs and Shadow Minister</td>
<td>Senator Hon. Michael Ronaldson</td>
</tr>
<tr>
<td>Assisting the Leader of the Opposition on the Centenary of ANZAC</td>
<td></td>
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<tr>
<td>Shadow Minister for Regional Communications</td>
<td>Mr Luke Hartsuyker MP</td>
</tr>
<tr>
<td>Shadow Minister for Ageing and Shadow Minister for Mental Health</td>
<td>Senator Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td>Shadow Minister for Seniors</td>
<td>Hon. Bronwyn Bishop MP</td>
</tr>
<tr>
<td>Shadow Minister for Disabilities, Carers and the Voluntary</td>
<td>Senator Mitch Fifield</td>
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<tr>
<td>Sector and Manager of Opposition Business in the Senate</td>
<td></td>
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<tr>
<td>Shadow Minister for Housing</td>
<td>Senator Marise Payne</td>
</tr>
<tr>
<td>Chairman, Scrutiny of Government Waste Committee</td>
<td>Mr Jamie Briggs MP</td>
</tr>
<tr>
<td>Shadow Cabinet Secretary</td>
<td>Hon. Philip Ruddock MP</td>
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<tr>
<td>Shadow Parliamentary Secretary Assisting the Leader of the Opposition</td>
<td>Senator Cory Bernardi</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for International Development Assistance</td>
<td>Hon. Teresa Gambaro MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Roads and Regional Transport</td>
<td>Mr Darren Chester MP</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Shadow Attorney-General</td>
<td>Senator Gary Humphries</td>
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<tr>
<td>Shadow Parliamentary Secretary for Tax Reform and Deputy</td>
<td>Hon. Tony Smith MP</td>
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<tr>
<td>Chairman, Coalition Policy Development Committee</td>
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<tr>
<td>Shadow Parliamentary Secretary for Regional Education</td>
<td>Senator Fiona Nash</td>
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<tr>
<td>Shadow Parliamentary Secretary for Northern and Remote Australia</td>
<td>Senator Hon. Ian Macdonald</td>
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<tr>
<td>Shadow Parliamentary Secretary for Local Government</td>
<td>Mr Don Randall MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for the Murray-Darling Basin</td>
<td>Senator Simon Birmingham</td>
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<tr>
<td>Shadow Parliamentary Secretary for Defence Materiel</td>
<td>Senator Gary Humphries</td>
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<tr>
<td>Shadow Parliamentary Secretary for the Defence Force and Defence</td>
<td>Senator Hon. Ian Macdonald</td>
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Shadow Parliamentary Secretary for Primary Healthcare
Dr Andrew Southcott MP

Shadow Parliamentary Secretary for Regional Health Services and Indigenous Health
Mr Andrew Laming MP

Shadow Parliamentary Secretary for Supporting Families
Senator Cory Bernardi

Shadow Parliamentary Secretary for the Status of Women
Senator Michaelia Cash

Shadow Parliamentary Secretary for Environment
Senator Simon Birmingham

Shadow Parliamentary Secretary for Citizenship and Settlement
Hon. Teresa Gambaro MP

Shadow Parliamentary Secretary for Immigration
Senator Michaelia Cash

Shadow Parliamentary Secretary for Innovation, Industry, and Science
Senator Hon. Richard Colbeck

Shadow Parliamentary Secretary for Fisheries and Forestry
Senator Hon. Richard Colbeck

Shadow Parliamentary Secretary for Small Business and Fair Competition
Senator Scott Ryan
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The SPEAKER (Mr Harry Jenkins) took the chair at 09:00, made an acknowledgement of country and read prayers.

The SPEAKER: If the member for Braddon might permit me, might I say good morning to you all on this fine Tuesday morning.

BILLS
Australian Energy Market Amendment (National Energy Retail Law) Bill 2011
Migration Amendment (Complementary Protection) Bill 2011
Schools Assistance Amendment Bill 2011
Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011

Returned from Senate
Message received from the Senate returning the bills without amendment or request.

Environment Protection and Biodiversity Conservation Amendment (Mining, Petroleum and Water Resources) Bill 2011

Explanatory Memorandum
Mr WINDSOR (New England) (09:02): by leave—Mr Speaker, I present the explanatory memorandum to the Environment Protection and Biodiversity Conservation Amendment (Mining, Petroleum and Water Resources) Bill 2011—and wish you a very happy morning!

The SPEAKER: I thank the member for New England.

National Health Reform Amendment (National Health Performance Authority) Bill 2011

Consideration of Senate Message
Bill returned from the Senate with amendments.
Ordered that the amendments be considered immediately.

Senate’s amendments—
(1) Schedule 1, item 130, page 38 (lines 25 to 31), omit section 78.
(2) Schedule 1, item 130, page 50 (after line 8), after section 109, insert:

109A Review of the Performance Authority
(1) The Minister must cause an independent review of the Performance Authority to be undertaken no later than 12 months after the commencement of this section.
(2) The review must examine the operation and the effectiveness of the Performance Authority and provide a written report of the review to the Minister.
(3) The review must include an opportunity for members of the public and health care professions to make written submissions.
(4) The review must be completed within 6 months of the commencement of the review.
(5) The Minister must cause a copy of a report prepared under subsection (2) to be laid before each House of Parliament within 5 sitting days after the day on which he or she receives the report.

The SPEAKER: I understand it is the wish of the House to consider the amendments together. There being no objection, I will allow that course of action.

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (09:03): I move:

That the amendments be agreed to.
In its happy mood, I will not detain the House. Suffice it to say that these amendments were agreed by all parties and
senators and, I understand, enjoy the support of the opposition here as well.

Question agreed to.

**Extradition and Mutual Assistance in Criminal Matters Legislation Amendment Bill 2011**

Report from Main Committee

Bill returned from Main Committee with amendments; certified copy of the bill and schedule of amendments presented.

Ordered that this bill be considered immediately.

*Main Committee's amendments*—

1. Schedule 2, item 68, page 32 (line 11), omit "the issue of", substitute "surrender under".
2. Schedule 2, item 74, page 33 (line 23), omit "the issue of", substitute "surrender under".
3. Schedule 2, item 82, page 35 (line 7), after "magistrate", insert "or, if a court made the order releasing the person on bail, before that court, ".
4. Schedule 2, item 128, page 42 (lines 21 and 22), omit "the extradition country, to a person appointed by the extradition country", substitute "New Zealand, to a person appointed by New Zealand".
5. Schedule 3, item 112, page 75 (lines 22 and 23), omit "that a person in a foreign country is capable of giving assistance that", substitute "carrying out a forensic procedure on a person in a foreign country".
6. Schedule 3, item 112, page 76 (lines 3 and 4), omit "a person in a foreign country is capable of giving assistance in relation to", substitute "carrying out a forensic procedure on a person in a foreign country may result in evidence relevant to".

**The SPEAKER**: The question is that the amendments made by the Main Committee be agreed to.

Question agreed to.

Bill, as amended, agreed to.

---

**Third Reading**

Mr CLARE: by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**Clean Energy Bill 2011**

**Clean Energy (Consequential Amendments) Bill 2011**

**Clean Energy (Income Tax Rates Amendments) Bill 2011**

**Clean Energy (Household Assistance Amendments) Bill 2011**

**Clean Energy (Tax Laws Amendments) Bill 2011**

**Clean Energy (Fuel Tax Legislation Amendment) Bill 2011**

**Clean Energy (Customs Tariff Amendment) Bill 2011**

**Clean Energy (Excise Tariff Legislation Amendment) Bill 2011**

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**Clean Energy (Unit Issue Charge—Auctions) Bill 2011**

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**Clean Energy (Charges—Customs) Bill 2011**
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Clean Energy (Charges—Excise) Bill 2011
Clean Energy Regulator Bill 2011
Climate Change Authority Bill 2011
Steel Transformation Plan Bill 2011

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

Mr BALDWIN (Paterson) (09:05): I rise today to speak on the 19 pieces of carbon tax legislation before the House. It is a disgrace that members are allotted less than 50 seconds per piece of legislation in which to debate the substantial arguments in relation to carbon tax. Let me state clearly and unequivocally that the issue here is not about whether or not to take actions to reduce Australia's CO₂ emissions by five per cent of the 2000 level—that is, to 530 million tonnes of CO₂. We all agree that we should give the planet the benefit of any doubt. As both the government and the coalition have the same targeted outcome, there is no dispute. The issue here is solely the method of delivering the achievement of that target.

The Gillard-Brown Labor-Green government's way is to introduce a new carbon tax—a tax based on directly charging $23 per tonne of emissions on the country's top 500 polluters. I also point out that the tax was to be based on the top 1,000 polluters only a month or so ago but, with the stroke of a pen, it is now just 500 major polluters. Taxing these 500 companies, which will include the electrical generators of this nation, will start an avalanche of inflation, a massive price hike and a cumulative tax that puts a price on everyone and everything, without an ounce of education or leadership on how individuals can make a difference. By way of comparison and direct contrast, the coalition's way of achieving a five per cent reduction in emissions is through a well-developed, fully funded direct action plan and an investment sourced from consolidated revenue without increasing taxes but funded through savings in the budget and, most importantly, invested in Australia for Australia.

This government's tax propLabor's way is to outsource its direct action overseas by spending $3.7 billion per annum in carbon credits instead of investing in Australia.osal will not even reduce the emissions created in Australia. I discovered from page 18 of the government's 'carbon Sunday' document, Strong growth, low pollution—modelling a carbon price, that our current emissions are 578 million tonnes. Our obligation is to reduce our nation's emissions by five per cent on 2000 figures by 2020—that is, to get Australia's emissions down to 530 million tonnes. The document is misleading. By the government's own figures, it does not say that we are reducing Australia's emissions by five per cent. The government's own figures say that in fact we are increasing our own domestic emissions from 578 million tonnes to 621 million tonnes, an increase from the 2000 figure of 91 million tonnes. So, at the 2020 figure of $29 a tonne for the carbon tax, our emissions will actually go up from 578 million tonnes now to 621 million tonnes in 2020. At $131 a tonne for the carbon tax in 2050, we do not get an 80 per cent reduction in emissions; we actually get only a six per cent reduction in Australians' emissions. Australia's CO₂ emissions in 2050, on the government's own figures, will have gone from 578 million tonnes now to 545 million tonnes.

In 2050 this Labor government will be spending $57 billion per annum offshore. That is right: offshore, buying 400 million tonnes of foreign carbon credits. In fact, it will have spent an estimated $650 billion by 2050 buying offshore carbon credits from foreign carbon traders. This government is
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just engaging in a massive transfer of wealth from this country to carbon traders overseas, and I have to ask: where is the sense of duty to the environment and the government's fiduciary responsibility to the taxpayers of Australia, to Australian industries and to Australian jobs? This government is so desperate to avoid any scrutiny of the fact that its carbon tax plan will send billions of Australian taxpayers' dollars—money from hardworking Australian families—straight to foreign carbon traders. Australia will be sending $57 billion a year overseas by 2050 according to its own Treasury modelling. And all of this will be at the expense of investment in Australia, at the expense of Australian industry and at the expense of Australian jobs.

This was highlighted in an article by Gemma Jones in the Daily Telegraph yesterday headlined '950,000 workers in danger, Carbon tax hit on business'. It states:

The Australian Trade and Industry Alliance claimed manufacturers would be worse off than their European counterparts under an emissions trading scheme.

... 950,000 workers were employed by companies which would be exposed to the tax without compensation or government assistance.

... 14.6 million European manufacturing workers were protected through free carbon permits—

... the new data highlights the risk to manufacturing jobs posed by the carbon tax at a time when firms are already under severe strain as a result of the strength of the Australian dollar.

Direct action works, as it has in the past. Australia, under the Howard government, through its direct actions met its Kyoto target to limit greenhouse gas emissions in the 2008-2012 period to 108 per cent of the 1990 emissions. And this nation did it without having to ratify the agreement. It did it through direct action, not by abrogating our responsibility by spending Australian taxpayer dollars offshore buying carbon credits from foreign carbon traders.

It is abundantly clear to any reasonable person that actions and leadership, not rhetoric and taxing, are what have worked to date and what will work in the future. Education and empowering people to make a difference worked with the Clean Up Australia campaign—and I congratulate Ian Kiernan for the outstanding effort in driving that campaign. It is a campaign which has delivered real and measurable outcomes without a tax.

There should be no false illusions as to the likely impact of a carbon tax on our Australian economy. It is time for the rubber to hit the road. For the last four years Labor has talked of taking action on climate change, 'the greatest moral challenge this nation faces', as one former Prime Minister said, but it has done very little. As usual, the Labor way is to talk the talk without walking the walk. That is reinforced when it comes to the record of leading Australians to doing their bit individually and by the fact that this government will be abrogating its responsibility by buying its CO_2 reductions overseas.

We should not be in this precarious situation. After all, it was this Prime Minister, Julia Gillard, the one who, hand on heart, promised the Australian people just days before the election on 16 August:

There will be no carbon tax under a government I lead.

And the same Prime Minister promised on 8 July, again just weeks before the election, on the issue of offshore processing:

I would rule out anywhere that is not a signatory to the Refugee Convention.

Labor's credibility is in tatters. Promises of no carbon tax, promises of people assemblies, promises of deep and lasting
consensus, promises of no refugees to countries that are not signatories to the UN convention and, sadly, the list goes on. The hallmark of this Gillard government is of one broken promise after another—and poor economic management.

I could forgive the Prime Minister if this was a matter of pure conviction, but it was this Prime Minister who told the Labor cabinet that Abbott's direct action plan would work. And it was this Prime Minister who was the author of that secret memo to the Rudd cabinet wherein she declared that the direct action plan would in fact work, that a direct action plan was capable of bringing down emissions by five per cent, and that a direct action plan was capable of doing it without a carbon tax.

What is in play here is a Prime Minister so desperate to stay at the Lodge that she has sold out on her promises. She has sold out her conviction, sold out the Australian people, who resoundingly, according to any and every poll, rejected this proposal of a carbon tax. So I have to ask the Prime Minister: what is it you actually believe in? Is this carbon tax just some Australian Fabian Society agenda, with its high taxing of Australians and shifting our dollars offshore? Is this a chapter from the book of socialism that you are a member of? I have to ask this because your membership of the Communist Party of Australia linked organisation, the Socialist Forum, that has now merged with the Fabian Society—

Mr Clare: Mr Speaker, I rise on a point of order. The point of order here is relevance. In an earlier part of this debate yesterday, the member opposite was arguing that members on this side of the House were not being relevant to this debate. Surely this member now is no longer relevant to the debate here about the climate change legislation.

The Speaker: The member for Paterson will relate his material to the question before the chamber, which is that these bills be now read a second time.

Mr Baldwin: Mr Speaker, this is directly relevant, because this is a chapter from the book of socialism of which the Prime Minister was a member. Prime Minister, I ask you about this not only because you were a member but you were on the management committee of the Socialist Forum for many years. So let us be clear about it: the Socialist Forum's agenda was, and I quote:

To sever Australia's alliance with the US, remove the spy base at Pine Gap—

The Speaker: The member for Paterson will resume his seat, and the minister can resume his seat, because I think I can predict the point of order. The member for Paterson is roaming wide when he starts to talk about the US alliance in the context of this bill. He must try much harder to relate his material to the question before the chair.

Mr Baldwin: The Socialist Forum agenda was:

To sever Australia's alliance with the US, remove the spy base at Pine Gap, introduce death duties and redistribute wealth from the rich to the poor.

That is what this carbon tax does. Is this what the Prime Minister is upholding? No wonder she is comfortable at being at the mercy of the Greens. Just as we, the coalition, have offered the Prime Minister a way forward with the Nauru solution—a country that is a signatory to the UN convention—that would give her the offshore processing—

The Speaker: The member for Paterson must confine his remarks.

Mr Baldwin: she so desperately wants, the coalition now will give the Prime Minister a way forward to achieve the emissions reduction target through a direct
action plan, a plan which will, by her own admission, reduce the emissions of carbon to the achievable target.

If this Prime Minister pursues a carbon tax, she is not only jeopardising the Australian economy but also Australian jobs. A Deloitte Access Economics report predicted job losses of 21,000 in Queensland, while separate Queensland Treasury modelling predicted 12,000 jobs would go. The Victorian government commissioned a Deloitte report, which found that there would be at least 23,000 fewer jobs created across Victoria by 2015. New South Wales Treasury modelling predicted 31,000 jobs would be lost in New South Wales by 2030 under this tax and 18,500 jobs would be gone from my region of the Hunter Valley alone.

Australian jobs in the steel industry, aluminium industry, energy industry, mining industry, manufacturing industry, tourism and hospitality industry and the agricultural industry are all under threat from this government's socialist agenda. As Englishman John Heywood said in 1546, ‘There are none so blind as those who refuse to see and none so deaf as those who refuse to listen.’

That sums up this unholy Labor-Greens alliance: they refuse to see, they refuse to listen to the Australian people, and any polling they conduct or look at will confirm that they are on the wrong path with this tax. That is why I question their agenda. In fact last week, after five days of random phone canvassing across the whole electorate of Paterson, my office found that only 11.5 per cent were in favour of a carbon tax while 73.5 per cent were against it, 8.75 per cent were unsure, and 6.25 per cent refused to comment. I am sure that any polling or focus group sessions that Labor does would be indicating the same response.

Labor and the Greens claim that young people in particular want a carbon tax. Well, last Thursday in discussions with a group of fine young Australians at the National Student Leadership Forum I canvassed their opinions. And, yes, all agreed that action was needed on climate change, and most thought that a carbon tax would fix the problem—that was until they found out that the coalition's direct action plan achieved the same five per cent reduction target. But the real game-changer was when they found out that this government was not taking any remedial action in Australia but buying their environmental future by purchasing carbon credits offshore. Young Australians, all Australians, want action in Australia for Australia.

It is said that Australia's tourist industry is largely driven by about three Australian icons: the reef, the rock and the Opera House. Labor is keen to state at every opportunity that only a carbon tax will save the Great Barrier Reef. Nothing is further from the truth. Only direct action—reducing run-offs, changing from chemical fertilisers to organics, utilising carbon sequestration here in Australia—will help reduce the impact, if any, on our reef.

I have a reasonable understanding of our Great Barrier Reef as I have an association with the reef that goes back over four decades, as a tourism operator, diver, fisherman and ship's captain. I have worked to save it when the crown of thorns invasion threatened the reef, I have toured the very length of it, fished it, dived it. I have lived it—and I love it. Taking environmental action offshore will provide little or no positive impact on our reef. What will the impact on our reef and our tourism industry be with this carbon tax? The Tourism and Transport Forum report, Carbon tax and tourism and travel—Trade and global warming exposed estimates that the
introduction of a carbon tax will lead to job losses of around 6,400 in the tourism industry and, worse still, most of those jobs will be in regional or rural Australia. In addition, the negative economic impact will be around $600 to $800 million. The tourism industry employs around half a million Australians—it is second only to the manufacturing industry—and if restaurant and hospitality services are added, it is around one million people. Yet there is not one single cent in the industry adjustment package for this industry under a carbon tax.

At the same time this Prime Minister gave $100 million to the steel industry. This is a bad tax by a bad government that will deliver a bad result for Australia; therefore, I oppose it.

(Time expired)

Mr MITCHELL (McEwen) (09:20): It is with great pleasure and honour that I speak on the Gillard government's Clean Energy Bill 2011 and related bills, particularly following the member for 'Henny Penny', the member for Paterson, who spent the first few minutes complaining that there was not enough time to speak on these bills and then talked about how the sky is going to fall in, without any real evidence at all. He talks about the Great Barrier Reef. What was your plan for the Great Barrier Reef? Your plan was to cover it in shadecloth. That is the answer, that is how you address climate change—cover it in shadecloth. What an absolute joke you lot are!

Speaking on this legislation is probably one of the proudest moments I have had in this place since I was elected to represent the people of McEwen. I am proud to be part of a government that is taking action on climate change and its dangerous effects on our community, not only in the present but for the future. As the member for Paterson pointed out, for the last four years Labor has talked about taking action on climate change, and we are doing it. The only thing in the way is the Luddites on the opposite side of the House who do not want to do anything. Even the shadow minister, Greg Hunt, when asked about how many trees you had to plant, said, 'Oh, 100 square kilometres.' That was all—100 square kilometres—and he found out he was wrong. He could not even get his maths right on how many trees you need to plant. Now we find out that we have got to cover the entire country in trees and we still will not have it done. The 19th century plan that those sitting opposite want to put forward is absolutely ridiculous.

I am proud to be part of a Labor government because, as history shows, it is Labor governments that deliver reforms that benefit each and every Australian, and the passage of this legislation will be no different in setting up the structures and foundations that we rely on. There is no denying the fact that climate change is real. It is something that we in this country have been debating for years and now we are finally getting on with the job because we have a Prime Minister who understands that just because something is tough does not mean you fold in and do not do it—particularly if it is the right thing to do by the country. That is what leaders are elected to do—it is about leadership, not opposition. As much as those opposite may fail to understand, there are things far more important than their sound bites, slogans and fraudulent scare campaigns. A fact that they might find even more astounding is that there are even more important things than the future of the Leader of the Opposition; take the country's future, for example.

Mr Baldwin: Mr Speaker, I rise on a point of order. I would ask you to ask the member to withdraw the term 'fraudulent'. The minister sitting opposite me raised this exact point last night with the occupant of the chair and that member was asked to withdraw the term 'fraudulent'.
The SPEAKER: The member for Paterson will resume his seat. The member for McEwen has the call.

Mr MITCHELL: I am not going to spend too much time talking about climate change and its effects on our country. All I will say is that climate change is real, which is why we have a plan to tackle it. Although the Leader of the Opposition himself, in one of his ‘united states of Tony’ moments, believes climate change is crap, he still has a plan to reduce emissions, albeit a plan that will hurt Australian families and damage the Australian economy just to help the big polluters—but we will get onto that a bit later.

Australia produces around 500 million tonnes of carbon pollution each year, making us one of the top polluters in the world—even more per person than the United States of America. Currently Australia’s biggest polluters create and release pollution into our atmosphere for free, despite the fact that it is damaging our environment. A carbon price changes that. The top 500 polluters in Australia will have to pay a price for every tonne of carbon pollution they create and release into the atmosphere. This, in turn, will create incentives to reduce pollution in the cheapest possible way, by encouraging big polluters to invest in cleaner ways to do business. It will help build the clean energy future our country deserves and our kids are entitled to.

Labor will cut pollution by making the big polluters pay and every cent raised will go to Australian households, Australian jobs and securing a clean energy future for our country, our kids and our grandkids. That is a fact. Pricing carbon will provide new economic opportunities for Australian workers, with opportunities to open up in existing industries as they invest in new technologies to generate less pollution. Jobs will also be created in new industries such as renewable energy, carbon farming and sustainable design. These new industries will strengthen our economy as well as improve our international competitiveness.

With tax cuts and the raising of the tax free threshold we will boost incentives for people to get to work. We will see about 500,000 new jobs created in the next two years and 1.6 million Australian jobs created by 2020. This builds on our record—Labor’s record—of creating 750,000 jobs since we came to office, as opposed to those opposite, who would have ripped the guts out of the Australian workforce and left 250,000 Australians out of work during the GFC. What they do is a disgrace.

Labor’s plan to make the big polluters pay for the pollution they create and dump into our atmosphere will ensure that Australians are supported. Nine out of 10 households will receive financial benefit through tax cuts and/or payment increases. By making the big polluters pay for their pollution, we are able to provide Australian families with tax cuts. This builds on our tax cuts across the board for three years in a row since we have been in government. The average Australian wage earner is already paying $1,000 less income tax than they were three years ago.

Under the Gillard Labor government’s plan, pensioners will receive an extra $338 per year if they are single and $510 per year for couples combined. Families will receive household assistance through their family assistance payments: up to $110 per eligible child for families receiving family tax benefit A and up to $69 per year in assistance for families receiving family tax benefit B. Eligible self-funded retirees will receive an extra $338 per year in assistance for singles and $510 per year for couples combined. Eligible single parents will receive $289 per year. Students will get an
extra $177 per year. On top of all this, all Australians earning up to $80,000 get a tax cut. For most people it will be around $300. The tax free threshold will also triple, so nobody will have to pay tax on the first $20,000 that they earn. That means that half a million people go from having to pay tax to paying no tax, and a total of one million people will no longer have to submit a tax return.

The world is acting to tackle climate change and we refuse to allow Australia to be locked into a polluted economy and environment, in turn deterring investment, competitiveness and business in Australia. We have seen this already, directly, through the actions of the Victorian Liberal government, who have wiped out the wind industry and wiped out renewable energy. We are watching jobs and manufacturing leave Victoria purely because of the Luddite attitude of those opposite. The Liberal Party quite simply just do not understand the environment, economics or manufacturing. They fake 'We are the workers friend' but the first thing that they do when it comes to workers is say: 'The economy is a little bit shaky. What is the best thing to do? Cut worker's wages, cut worker's conditions and cut families' safety.' That is the first thing that they do; it is their answer to everything: cut, cut, slash, slash. That is all they can do.

Mr Baldwin: Mr Speaker, I rise on a point of order. As you reminded me, Mr Speaker, I ask you to bring the member back to direct relevance to the legislation before the House.

The SPEAKER: The member for Paterson will resume his seat. The member for McEwen knows his obligation to relate his material to the question. The member for McEwen has the call.

Mr MITCHELL: Thank you, Mr Speaker. We cannot afford to be left behind, and under the Gillard Labor government we will not be. I have said this before and I will say it again. This is not to say Labor is jumping into some time machine and going full throttle into the future. We are trying to keep up with the times, reflecting the views of those we represent and keeping an eye on the future. Labor is the party for today and for the future. It is setting goals because innovation, development and investment will follow. We will see things years from now which we cannot even begin to imagine today. It will be because of Labor that the unimaginable becomes possible and, because of the untapped talent and resources Australia boasts, these possibilities are endless. Al Gore has said:

… the people who still say that global warming isn't real are actually in the same boat with the flat earth society. They get together and party on Saturday nights with the folks that believe the moon landing was in a movie lot in Arizona. That is what we have opposite in this place.

In the 21st century we have an opposition so outdated and prehistoric it is just like the dinosaurs. The Liberal Party will always be around as a reminder of what the past looks like. They are well-conserved, just like dinosaurs in the Melbourne museum—something you go and look at as a reminder of days past. All 22 million people in this country will be affected in some way by the effects of climate change. However, 88 people are trying to get in the way of taking action—all for one person, all for the goal of getting the Leader of the Opposition into the Lodge. They are a self-interested party with no priorities. The Leader of the Opposition's campaign against carbon pricing is as legitimate, credible and believable as a 20c Rolex—it might tick for a while but pretty quickly it stops working and you see it for the cheap, desperate phony it is.

Let us quickly look at the Liberal Party's plan—their 34-page document of deceit, as it
was well called. Let us call it what it is: a big tax grab. The Leader of the Opposition will try and cut pollution by making Australians pay. Australian households will have $1,300 ripped off them per year and that money taken from Australian families will go directly to big polluters. The Liberal Party want to give the hard-earned money of Australian working families to the big polluters. We Australians should not have to surrender both our clean air future and our own hard-earned money to pay the big polluters for their dirty habit. It is a ridiculous plan that they put forward, and they know that it will not achieve anything.

We all know the Leader of the Opposition is good at scaring people. He is like a little child at Halloween, except the mask seems to be permanently fixed. I would like to read out one of the many emails that I have received from locals supporting a price on carbon. It reads:

I am writing to show our support for the Labor government to implement a carbon price and other measures for addressing climate change and transforming our economy away from reliance on fossil fuels. Please do not allow a fear campaign to weaken your resolve—stay firm and let's take Australia into a more sustainable future. I am sick of hearing from people who still think they are living in the 1980s—it's time to embrace the 21st century and build new industries. This is a key initiative I want from the Labor government that I voted for.

This is what it is all about. It is risk management for our future and our children's future. What is the worst case scenario? That we invest in a cleaner future, we lower pollution or at best we mitigate the problems that climate change will bring to our future. I ask this question to those opposite: how could anyone look in their child's eyes and say, 'I'm not prepared to do all I can to do give you a cleaner, pollution-free future.'? It is wrong and it is not what we should be doing here. I support putting a price on pollution because I support our country's future.

**Mr SCHULTZ** (Hume) (09:33): I rise to vehemently oppose the package of the Clean Energy Bill 2011 and associated bills. This package of legislation represents the most audacious attempt yet by a government to cripple the Australian economy whilst achieving nothing to abate climate change.

There are three major reasons why I so passionately oppose this package. Firstly, this legislation is illegitimate. The public did not vote for this policy at the last election and have been ruthlessly denied the opportunity to do so since. Secondly, the international community is moving further away from concerted action on climate change. Furthermore, the few schemes that have been enacted are already showing signs of being exploited by white collar criminals and politicians trying to boost their green credentials with no tangible reduction in emissions to show for it. Thirdly, I oppose this legislation because I believe that the Australian economy and small businesses should not become sacrificial lambs to the green movement.

The Clean Energy Bill is a classic illustration of the Labor party's reckless approach to government. Its actions and those of the Prime Minister have rendered this bill illegitimate in the eyes of the Australian people, a fact that should be reflected in this House. It has mismanaged the policy and politics of the climate change debate ever since former Prime Minister Rudd dumped his doomed Carbon Pollution Reduction Scheme. Most disturbingly and deceitfully of all, this government has deliberately deployed a political fear campaign exploiting natural disasters such as bushfires, droughts, floods and heatwaves, using them as an outrageous justification for ramming through climate change legislation.
Thousands of pages of historical review have been printed, trying to work out why Mr Rudd threw away the CPRS and his credibility with it. The answer is very simple. The Leader of the Opposition Tony Abbott argued for and made the compelling case that Australia should not be the first to drink the Kool-Aid and should not proceed with a market mechanism as part of a climate abatement strategy until the rest of the world had agreed to do so at the Copenhagen summit in 2010—a very sensible approach indeed, vindicated as it was by the failure of the global community to reach an agreement on a market mechanism.

A member of the government once said to me that politics is a stayers' game; so, in that vein, the Labor Party regrouped and rather than persevere dumped both the policy and the Prime Minister and called an early election. It was at that extraordinary election that both major parties outlined their contrasting policies on climate change. In reality only one leader and one party took a policy on climate change to the last election. Tony Abbott presented to the Australian people the coalition's real action policy on climate change which would meet our bipartisan commitment to a five per cent emissions reduction by 2020. Through this policy the coalition has proven that emission cuts can be achieved without Labor's carbon tax. The coalition's plan to tackle climate change has been in public circulation for well over 12 months and supports a range of measures that will reduce emissions and improve Australia's environment.

By contrast the Labor government and the Prime Minister did not have anything that even remotely resembled a responsible policy on climate change at the last election. Outrageously, the Prime Minister took to the Australian people a plan to outsource the development of the nation's climate change policy to an unelected citizen's assembly of 150 individuals. Never has a government so blatantly dismissed the centrality of the Westminster system of parliamentary accountability. Subsequent to the election, which the Prime Minister failed to win, in a deal done out of pure political desperation the Prime Minister succumbed to the demands of the Greens and the opportunistic Independents.

Clinging to the wreckage of a lost election, a perverse alliance was formed between the Greens and the Prime Minister. The Greens agenda is quite simple: tax hardworking Australians back to the Stone Age, and destroy the fruits of generations who have fought and laboured to build this country, so that we can all frolic in the forest with fairies. So detached from reality is the Greens' manifesto that I am amazed good people on the government benches sat by and allowed the Prime Minister to agree to implement Green-Left rubbish like this bill, abandoning all their principles to protect hardworking Australians in the process. The result of the election—in which the Australian people clearly registered their vote of no confidence in the Labor Party to govern—left us with this Frankenstein government beholden to the whims of rural fruit loops and out-of-touch inner city elites.

The Prime Minister could have chosen not to compromise her principles as she did and sent the Australian people back to the polls at the end of 2010 to allow both parties to better articulate their vision for the future of our country. Instead of doing what was best for democracy, instead of doing what was right, the Prime Minister copped out. In one calculated action this Prime Minister chose to cast aside all principle, to tear away those last annoying shreds of dignity clinging to the office of Prime Minister, and to go back on her promise before the election. And not just any promise—not core or non-core but an iron-clad, no ifs or buts promise that
'There will be no carbon tax under the government I lead.' I repeat, 'There will be no carbon tax under the government I lead.' In all my time involved in politics I have never heard an individual who held the highest office in this country so blatantly and dismissively betray the trust and honour bestowed upon that office. We are here today as a result of this betrayal. I can proudly state that I went to the last election to have the people of the electorate of Hume judge me on my pre-election commitments and the policies that we as the Liberal Party developed and the principles I stand for. When voters—mums, dads, nurses, pensioners, veterans—all went to the polls throughout the country, they made their decisions based on the promises we made before polling day. The public have to take us at our word that we will deliver on the promises we make. People cast their vote anticipating that the promises each candidate and party make are genuine and will be followed through. But that sacred trust, inherent in our democratic system, the one between voter and politician, is destroyed when the person holding the highest office in the land makes a conscious decision to turn her back on her public stated commitment to the Australian people.

I struggle to comprehend the sheer audacity of this Prime Minister to present this series of bills before the parliament. Clearly, she has the most public case of political amnesia or she holds the trust placed in her by the Australian people, that she would not introduce a carbon tax, with complete and utter contempt. This bill has no legitimacy and therefore no place being presented before this House. Nobody in Australia voted for this carbon tax; nobody in Australia was given the opportunity to vote either for or against this carbon tax; nobody in Australia should have to wear the cost being imposed upon us because of this carbon tax.

My second reason for opposing this job-destroying piece of legislation is that the international community is moving further away from concerted action on climate change. As I mentioned earlier, Copenhagen illustrated that the global community has no stomach for imposing a global carbon trading system that will actually reduce emissions. The Prime Minister has already acknowledged that the purchase of carbon credit offsets from other countries will be integral to Labor's ability to achieve the bipartisan five per cent emissions reduction target by 2020. As my colleague the Deputy Leader of the Opposition outlined in her speech to the House the day before yesterday, the Kyoto protocol era international carbon credit market has collapsed within the space of six years. Representing a value of $25 billion in 2005, that market is now valued at a paltry $1.5 billion because the international community are abandoning their commitment to the protocol after its expiry in 2012. Even more disturbingly, in Europe law enforcement agency Europol reported that raids were conducted in Norway, Switzerland, Belgium, the Czech Republic, Denmark, Latvia, the Netherlands, the Slovak Republic, Italy and Portugal. As the Deputy Leader of the Opposition pointed out, 90 per cent of trades in the European Union emissions trading scheme were fraudulent, resulting in a loss to European taxpayers of more than €6.6 billion. Yet the Prime Minister wilfully ignores this evidence. The Prime Minister also fails to see her moral double standard of continuing to support the export of coal to China and India to pollute the atmosphere yet expects Australians to pay for overseas countries to do so. I cannot possibly support a package of bills that intends to waste over $57 billion of taxpayers' dollars on overseas
carbon credits simply to assuage the Green left-leaning politicians and inner-city elites and what they feel over humanity's industrial advancement, with no evidence that climate change will either be stopped or abated.

There is a third major reason I refuse to support the Clean Energy Bill package. This government has already exhibited its appetite for attacking small enterprise. Throughout my electorate, small businesses in places such as Picton, Goulburn, Boorowa, Harden, Young, Yass, Grenfell, Cowra, Cootamundra and Crookwell are struggling under the burden of overregulation and cost increases. As recently as last week, Senator Eric Abetz came to my electorate where I introduced him to small-business people from Goulburn, Boorowa and the Wollondilly region to discuss industrial relations policy. Not only was overregulation a burden on small business, but the message they gave us regarding the carbon tax was overwhelming. Coupled with the colossal increases in the cost of doing business under this government, implementing a carbon tax will devastate the bottom line of many small and family run businesses who cannot keep up with the increase in electricity prices as it is. The money merry-go-round that this legislation hopes to implement delivers virtually no compensation for small enterprise. Even under their own example of assistance for small businesses, a cash-strapped cafe owner would need to find $6,000 for some new equipment to receive a one-off earlier tax benefit of $1,800. Any additional one-off tax benefit will not relieve the ongoing and unavoidable increased operating costs due to escalating energy costs under the carbon tax, particularly the price of electricity.

I have raised the fear being felt by small business on numerous occasions both in this House in August and in opinion pieces highlighting the struggle they will face if this business-busting carbon tax is introduced. Sadly, what I have been hearing out in my electorate from small business is being echoed in towns and suburbs across the country. On Tuesday 13 September the Australian Retailers Association released a statement that declared that retailers could not cope with the price hikes and other flow-on effects of the carbon tax as new research released by Deloitte Access Economics showed the sector had posted the worst growth results in 20 years. The report went on to say:

Almost 85% expect carbon tax will have a negative impact on business profitability

Over a third of retailers surveyed to shed staff as a result of lost trade

Small business will struggle to survive and jobs will be lost if the Prime Minister gets her way and succeeds in passing this package of bills. In all my 23 years in state and federal politics, I have never witnessed anger about a government policy as widespread as I have with the introduction of this carbon tax. The Prime Minister said there would be no carbon tax under the government she led. This bill represents a betrayal of the trust invested in the democratic process by the Australian people. This bill represents a colossal waste of taxpayers' money on offshore carbon credit schemes proven to have been corrupted by the people charged with the white and clean environmental consciences of gutless politicians and latte-sipping socialists. This bill represents the greatest act of economic sabotage since Federation and will destroy the lives of small businesses and employees who will find themselves out of business and out of work. This bill to introduce a carbon tax is a betrayal of Australia's democratic process, an enormous waste of money and will vandalise our economy for absolutely no environmental gain. I cannot and will not support this bill.
Ms LIVERMORE (Capricornia) (09:47): I am pleased to have this opportunity to add my support to the Clean Energy Bill 2011 and related bills which set Australia on its path to a clean energy future, a path to a clean energy future that will see our economy transformed in ways that will cut our national emissions of carbon and drive innovation and improvements in efficiency in both existing and emerging industries; a path to a clean energy future that provides for generous compensation to pensioners and families, provides assistance to industries to protect and grow jobs, and delivers tax reform.

As I have said many times in media interviews, my support for this package of bills, the introduction of a carbon price and the other measures that go with it, should come as no surprise to anyone. After all, it was only two years ago that I was up on my feet speaking in support of the Carbon Pollution Reduction Scheme, not once but two or three times, and every time the CPRS came back before the House I voted in favour of it. So it should not come as a surprise that, given another opportunity in here to vote on putting a price on carbon, I will act consistently with what I have done in the past and vote for it. We are here with these bills before us again, and faced with this decision yet again, because the reality and the challenge of a changing climate, a warming world, has not gone away. It has not gone away since the defeat of the CPRS two years ago; it has not gone away in all the many years that this parliament and international forums have been presented with increasingly alarming scientific evidence and asked to respond. It is not going away just because some choose to ignore it or deny it. Successive governments starting with John Howard's signing of the Kyoto protocol and commissioning of the Shergold report, and the Rudd government's negotiations over the CPRS have brought us to this point. Now is the time to finish the job they started and pass these clean energy bills. There is no value to Australia in continuing the uncertainty and delay over something that scientists tell us requires urgent action and that economists warn us will only get more difficult and costly to our economy the longer we leave it. As I made clear in my speeches on the CPRS, I strongly support the direction the government is taking. I agree that Australia should do our bit to respond to the threat of climate change and I agree that we should do that by putting a price on carbon. This is not an article of faith for me, rather it is an issue like many others that demand the government of the day to make a decision and take action. Our Labor governments and the Howard Liberal government before us were presented with this problem as one needing attention and a response. Our government and the Howard government before us sought advice from scientists, economists and other experts as to the dimensions of the problem and the range of solutions available to us.

On the basis of that advice, our government and the Howard government before us came to the same conclusion: that climate change is real, that it is caused by human activity, that we should reduce Australia's greenhouse gas emissions and that the best way of doing that is by means of an emissions trading scheme. That led to both parties going to the 2007 election promising to introduce almost identical emissions trading schemes to cut carbon pollution. I do not remember the Leader of the Opposition getting all hot and bothered about John Howard's emissions trading scheme when he proposed it and started legislating for it back in 2007, a scheme that we now know—and the member for Wentworth confirmed last week—was very similar to the one we are debating today.
This debate has been characterised all along by the inconsistencies of the opposition leader and his determination to never ever let the facts get in the way of his unremitting scare campaign. The facts start with the science. Although it is going over old ground it is worth restating in this debate why we see the need to do what we are doing to reduce carbon emissions. I could go to any number of sources to support my conclusion and the conclusion of those of us in government that we can be confident in accepting the scientific consensus on climate change and using that as the basis for our judgments about whether and how to take action. There are the Intergovernmental Panel on Climate Change, the CSIRO, the Bureau of Meteorology and the Australian Academy of Sciences all telling us the same thing. Professor Garnaut summarised his reasoning for accepting the mainstream science on climate change in his 2011 report: The vast majority of those who have spent their professional lives seeking to understand climate and the impacts of human activities on it have no doubt that average temperatures on earth are rising and the human-induced increases in greenhouse gases are making major contributions to these rises. They are supported in this by the learned academies of science … in all of the countries of scientific accomplishment.

So much for the world government conspiracy to corrupt scientific data. Depending on what day it is and on what audience he is addressing, you might find the opposition leader accepting the scientific consensus that we should cut carbon emissions or you might find him ridiculing that very same science. Luckily there is a rational voice within the opposition, the member for Wentworth. He tells us that it is absolutely Liberal Party policy to accept the scientific consensus that the globe is warming and that human greenhouse gas emissions are substantially the cause of it. Labor and the Liberals are agreed on the climate change science. The member for Wentworth in the same speech confirmed that both parties are agreed on the need to cut emissions and the extent to which we intend to cut them. Just as the Labor government is pledged to cut emissions in Australia by five per cent on 2000 levels by 2020, we have it from the member for Wentworth that it is also the Liberal Party's policy to take action to cut Australia's greenhouse gas emissions. This is the same unconditional target adopted by the Rudd government and the Gillard government and pledged at Copenhagen. Labor and Liberal are agreed on the target for emissions cuts.

The next fact is that if you want to meet that target for a reduction in the amount of carbon going into the atmosphere, the most effective and least-costly way of doing it is to put a price on carbon. There is almost universal agreement among economists that the best way to meet emissions reduction targets is through a market based mechanism putting a price on carbon. In response to that pricing signal, business and consumers will do what they always do—innovate, look for value, create solutions, find cheaper and better ways of doing things. In that way a price on carbon will lead to lower emissions and will drive the economic reform that we need to build the modern competitive industries and the skilled productive workforce that the 21st century demands.

The world is not going to wait for us; it never has. Australia accepted that challenge in the eighties and nineties, floating the dollar and bringing down the tariff wall and transforming our industries. It was not easy at the time, but we have been reaping the benefits of that change to an open, competitive, outward-looking economy ever since. It is why the government has adopted a similarly market based approach to meeting this latest challenge of reducing carbon emissions and starting the transition
to an economy based on efficiency and clean energy. This is a very comprehensive package of legislation. It is based on the best scientific and economic advice, including extensive Treasury modelling. It has been the subject of broad consultation and intense debate for at least the last four years.

I turn to two particular aspects which will be of interest to the people I represent. The first of those is the assistance that individuals and households can expect to receive as a result of this reform. The first point to make in that regard is that the carbon price is not a cost to be paid by individuals. This legislation requires just 500 of the biggest emitters of greenhouse gases, those companies that emit 25,000 tonnes or more per year, to pay a price of $23 per tonne for the gases they emit. In Central Queensland that equates to the major coalmining companies, Stanwell Power Station and a handful of other businesses. The carbon permits that companies are required to purchase will generate significant revenue for government which leads to the second and very important point.

Over half of that revenue will be returned to families, to workers, to pensioners, to self-funded retirees and to students in the form of either tax cuts, higher Centrelink payments or both. What that means for people in Capricornia is that for most of them any costs that might be passed on to them from companies that have to pay the carbon price will be at least partially compensated and, in most cases, completely covered by the extra money they will have in their pockets from tax cuts and pension increases. For example, there are almost 20,000 pensioners in Capricornia. Single pensioners will receive an extra $338 per year and couples up to an extra $510 in their pension payments. On average the expected increase in costs due to a carbon price for a single pensioner will be $204 per year. With the increase in their pension payments they will be $134 better off. Out of 64,000 taxpayers in Capricornia, around 47,000 will receive a tax cut and out of those 47,000, 39,000 will receive a tax cut of at least $300. We want to support households, families and pensioners while we make this economic transition. The price on carbon will drive that transition and the revenue it raises will allow us to help low- and middle-income households meet any resulting costs. Updated Treasury modelling shows that those costs to consumers will be minimal and for most households more than met by the compensation measures. The average household food bill is estimated to increase by only 80c per week and the overall rise in the cost of living for an average household would be just 0.7 per cent in the first full year of the carbon price. That compares to a cost-of-living jump of about 2½ per cent with the introduction of the GST.

The opposition scare campaign just does not stand up to the facts in this debate. Nowhere has this been more obvious than in Capricornia where opposition members and the Coal Association have been making the most overblown and fanciful claims about the impact the price on carbon will have on the coal industry. I have lost count of how many times I have been asked to respond to their latest warning that this spells the end of the coal industry. The trouble for the opposition is that the mining companies would not stick to the doomsday script. It started with Peabody’s multi-billion-dollar bid for Macarthur Coal the day after we announced the details of the carbon price. Then it kept going because the companies, their shareholders and their banks have obviously judged that the future is too bright and the opportunities in the coal sector are too valuable to slow down their investment activity even for a couple of months for the
sake of keeping up the pretence about the impact of the carbon price.

Day after day the opposition soldiers on with its scare campaign while the people of Central Queensland can see with their own eyes the evidence of a mining boom that shows not the slightest sign of slowing down. I will give a snapshot of what has been going on in my electorate since this package was announced in July. I met with Xstrata who told me they are full steam ahead with their Wandoan Coal Project—that is, a mine, hundreds of kilometres of railway line and a major new port facility at Balaclava Island. Representatives from Indian company Adani did a roadshow to Bowen to talk up the opportunities coming their way with the expansion of the port at Abbot Point to ship out the coal from Adani's mine in the Galilee Basin. Landholders in the Central Highlands held mass meetings over concerns that not one but three companies are each proposing to build their own individual 500 kilometres of railway line from the Galilee Basin to the coast. BHP was reported as insisting on fly-in fly-out operations in the Bowen Basin because it does not know how else it can fill the hundreds of jobs it is projecting in the region in the coming years. BHP is also encouraging steelworkers from other parts of Australia to come and fill jobs in its Bowen Basin projects. QR National confirmed that it is going ahead with an expansion of its rail network between the Bowen Basin and the Hay Point/Dalrymple Bay coal-loading terminals. Vale came to see me last week to tell me about their long-term plans to lift investment in their coal business in Australia. Proponents of the Fitzroy River Coal Terminal are working hard to progress their project, with huge interest from coal producers in the Surat and Bowen basins. And ABS figures released last week show that a record $207.2 million was spent exploring for coal in the June quarter. That is a jump from the December quarter, and of course that jump happened after the details of the carbon price were announced.

This was all summed up best in a headline in the *Australian* newspaper's business pages last month: 'Watch what miners do, not say, about the carbon tax'. Exactly. When it comes to the future of the coal industry, my advice to central Queenslanders is to follow the money, because that exposes the opposition's scare campaign as a complete sham. The money trail tells the real story: that investment in mines and infrastructure, the search for workers and the investment by members of the opposition in mining company shares continue to grow.

I am confident that there is nothing in this legislation for my electorate to fear. In fact, there are opportunities in embracing a lower carbon future that I have not had time to detail today: opportunities for farmers and graziers through the Carbon Farming Initiative; opportunities in renewable energy, like Mackay Sugar's cogeneration plant using biomass from sugarcane; and opportunities to improve efficiency in the meat-processing sector, which I know local plants are already investigating.

I attended my first briefing on emissions trading in 1999, my first year in the parliament. We have marked time on this issue for long enough—12 years now. Let us get this debate behind us and get started on the real work of creating a clean energy future for this nation.

Mr BRIGGS (Mayo) (10:02): I rise to speak on the carbon bills that are before the House, the Clean Energy Bill 2011 and related bills, which we are debating as part of this move by the government to introduce a carbon tax into the Australian economy by 1 July next year. You cannot have this debate in this chamber without stepping through the
history of how we got to this point. I reflect upon some of the comments of the previous speaker, the member for Capricornia. She mentioned that this debate has now been held in this House for three or so years, and indeed it has. The former government took to the 2007 election an emissions trading scheme which the Labor government then put into a proposal called the Carbon Pollution Reduction Scheme in the last parliament. They brought it to this place, I think, on three occasions, and it was defeated each time through the parliament.

Then, of course, the Labor Party, led by the now Prime Minister, decided that it was a policy that they no longer wanted to have as part of their platform to go to the 2010 election, so in April 2010 the 'gang of four', as it was known—the former Prime Minister, the current Prime Minister, the Treasurer and the former Minister for Finance and Deregulation—decided, outside the cabinet process, to do away with the Carbon Pollution Reduction Scheme because, they said at the time, there was not a consensus for it and therefore they did not want to pursue it any longer. It was reported—of course, these things sometimes leak; we are not sure how these things ever leak—that the now Prime Minister was leading the charge about making that change to the Labor Party's policy position. That is a reasonable thing, of course, for a cabinet to do: to change its mind on a policy. So they went to the 2010 election following a change of leadership in our country. The new Prime Minister, the current Prime Minister, then took a very clear and explicit promise to the last election that there would be no carbon tax under a government she led. She said that five days out. Just a day out from the election, on the front page of the Australian newspaper of 20 August 2010, she was reported as saying, 'I refuse to have a carbon tax.' She was not alone. On 12 August 2010,

some nine days before the election, the Treasurer said, 'We have made our position very clear; we have ruled it out.' This specifically dealt with a question that was asked on the 7.30 Report by, I presume, Kerry O'Brien.

So there was a very clear position, and that position was, fundamentally, that the Labor Party would seek to develop a community consensus. They were going to have 150 people chosen from throughout Australia, separate from the parliament, to come to Canberra to develop a community consensus. Of course, 150 people are chosen by the electorate to come to Canberra to develop policy, but they were going to have 150 people who were separate from the parliament to develop a consensus. They were going to have 'cash for clunkers'. That was the big announcement with regard to climate change during the last election, an absolutely economically insane proposal that would have wasted more money than any of their other programs, whether it be wastage on school halls or the insulation debacle. Cash for clunkers would have put all that to a side because it was such a ridiculous policy proposal. Thankfully, it was dumped when the Queensland floods occurred earlier this year.

But that was, in essence, what this Prime Minister and this Labor government took to the election. All those members on the other side who were elected—72 of them—were elected on the promise that they would not have a carbon tax as part of their policy program. They very clearly ruled it out. They did not even countenance having an emissions trading scheme, as some have tried to suggest in the last few days. There was a very clear promise at the last election that there would be no carbon tax under a government that this Prime Minister led. In fact, it was a promise that the Treasurer also
made. That was the position of the Labor Party.

The position of the Liberal Party and the National Party, if I can speak for my colleague at the table who is part of the coalition, is that we would also not have a carbon tax and we would not support an emissions trading scheme. We made that decision after the Copenhagen consensus fell over, and that meant a big change in the events in the world. There was a view that, because we were coming to the end of 2009, the Copenhagen conference—President Obama and the world—would be able to bring together an agreement which would lead to global action on climate change: global targets and therefore a global price. Of course, that did not happen. Copenhagen, even for its greatest supporters, was an abject failure and that changed the essence of this debate. So we took to the election a very clear promise that we would achieve a five per cent reduction in emissions by 2020 with what is called direct action.

The Labor Party now stand in this place and elsewhere, and their supporters in the community—the ever-diminishing group of people in the community who say they support the Labor government—make the claim that you just have to forget about this promise and move on. They think that somehow the Prime Minister is showing leadership, that this is something she had to bring together because of the parliament—and that is the other excuse we hear. We heard grand speeches by people like the member for Capricornia and the Prime Minister when she introduced this bill about how wonderful this is going to be for the economy, how it is going to lift our standard of living and create jobs and more opportunities. Yet the thing she is most fearful of seems to be actually giving the Australian people the opportunity to have a view on this.

In fact, there was a very interesting article in the Australian newspaper last Friday from a well-renowned economist, Henry Ergas, which talked very specifically about how the bills would be impossible to be unwound. If the Australian people did not like the direction of this government and there was a change of government, the 17 bills we are debating today would be impossible for a future government to unwind. I think that shows the complete lack of regard that the Labor Party and this Prime Minister have for the electorate on this matter. They refuse point blank to listen to what the Australian people want to do on this issue. In my electorate I constantly hear feedback from the Australian people that this issue should be taken to an election before this parliament makes a decision to implement a carbon tax. It is the right thing to do.

To put this in a historical context, many on the Labor Party side, including the minister at the table, will remember that former Prime Minister Howard took to the 1998 election a promise that he would implement a goods and services tax. That was after a promise made in 1995 when he said there would never ever be a GST. In 1997 he changed his mind and he took the proposal to the election. He took the Australian people into his trust. He just won the election, it is fair to say, because there was, dare I say, a scare campaign run against the proposal, but he was able to get it through with a slim majority, it must be said. He passed it through this parliament but in the Senate the Labor Party—even though he had taken it to an election—refused to accept the wisdom of the implementation of a goods and services tax and opposed it every step of the way.

We saw the Minister for Regional Australia, Regional Development and Local Government, the then shadow treasurer, the member for Hotham, day after day come in
with the former Leader of the Opposition, Kim Beazley, and there would be a stunt of the day—there were the Hockey bear pyjamas, there were cans of fruit—they tried every trick in the book to oppose this tax. They predicted the end of the world, they predicted every possible outcome from the implementation of the goods and services tax. Their mates in the states did the same even though they now sit back and enjoy the vast revenue that the GST brings. Let's not be too precious about this claim that somehow there is a scare campaign being run. The fact is that the Labor Party, when they had their opportunity in opposition, when John Howard had taken a policy proposal to an election, still opposed it every step of the way.

I say to the Labor Party, if they are so proud of this legislation, we should stop this debate today. We should have an election, they should take it to an election, they should get the endorsement of the electorate and they will then have the moral right to pursue this policy through the parliament. That is the opportunity that the Labor Party have and they refuse point blank to take it. So this debate is held under a dark cloud of a complete fib prior to the election and a complete backflip on the position. Now we see legislation which is designed to make it impossible for the Australian people in a future time to withdraw their support for a government who did not get their trust in the first place.

While I am talking about scare campaigns and claims, I noticed last night on Four Corners there was a piece which included an interview with the Minister for Climate Change and Energy Efficiency, who made some unbelievable claims about scare campaigns and how somehow the debate in Australia was being dragged down in comparison with what had happened in the past. I am sure the minister for climate change used to be a very senior member of the ACTU executive; I am nearly positive that was the case. I am happy to be corrected if I am wrong but there was certainly a guy with dark-rimmed glasses, who looks very much like the minister for climate change, who was a very senior member of the ACTU executive when they smashed up Parliament House. They smashed the front of this place to bits. They caused thousands and thousands of dollars of damage in 1996 and I am sure that is the man who was on Four Corners last night making this claim:

You know, the whole hype that Tony Abbott has created about in his terms 'unimaginable you know cost impacts', of course is completely deceitful and untrue.

The concern he has generated about job security is also completely unfounded and untrue.

He has said that the entire coal industry will be destroyed. That's what he said!

He's forecast that entire towns and regions are going to be wiped off the map, that the manufacturing industry will die.

I mean, this is the most absurd hyperventilating tripe that I can remember in public life.

I can take the minister for climate change back to some other hyperventilating tripe if he likes. How about the waterfront dispute? Let us go back to the waterfront dispute when again I am sure a guy who looked very much like the minister for climate change was the head of the ACTU which led the most vicious personal campaign against the minister at the time whose family received death threats and were moved out of Melbourne because of the behaviour of people in the ACTU that he led. Now he seeks in this place and outside to make claims that somehow we on this side, by opposing this tax, are encouraging the most hyperventilating tripe. Give me a break. This man has no credibility when it comes to this issue. He led some of the most vicious protests, some of the biggest fibs ever known
in Australian public life when it came to reforms that the Howard government moved, important reforms which have made our country and our economy stronger, and now he seeks to somehow create this perception that it is all the Leader of the Opposition's fault that the Australian people have lost trust in this government who refused to take them into their trust in the first place. They are hung by their own petard when it comes to these issues.

In relation to the actual claims also by those on the other side, in the time I have remaining, that this is somehow moving in concert with the rest of the world, in pace with the rest of the world, of course is also wrong. We saw with the breakdown of the Copenhagen talks that the world is not moving to put a global price on greenhouse emissions. We saw in their own documentation and their own modelling that there are suggestions that this is based on the fact that somehow the United States by 2016, halfway through the next presidential term, will have a global price on emissions. That is simply not true. The United States will not have a global price on emissions by that time.

Yesterday in the Australian Mr John Lee, who is an adjunct associate professor at the University of Sydney, wrote a fascinating piece about the pace of change in China. He said:

While gross domestic product has been growing at about 10 per cent during the past five years, Chinese consumption of coal has been increasing at about 17 per cent each year and coal production has been increasing by more than 20 per cent in the same period.

It is clear from what the Chinese are doing that they are moving to continue their growth and they are doing it in any way they can. The quickest way that they are doing it is through coal fired power plants and through nuclear power plants. So the world is not moving. International comparisons also say that the carbon tax that this government has before the parliament will raise $9 billion a year. The European scheme raised about $500 million each year in its first five years of operation, so this is the world's biggest carbon tax. It is also a carbon tax which will have local effects. A local manufacturer in my electorate Mr David Hall has submitted to the inquiry about the dangers that this has for his business. His competitors are in the United States where they will not have to deal with this carbon tax, but he will have to deal with the carbon tax. This is a bad piece of policy at the wrong time with no environmental gain. At the very least, the Labor Party should take this to an election and get the Australian people's support before they push ahead with it. (Time expired)

Ms KING (Ballarat—Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing) (10:17): I rise in support of the Clean Energy Bill 2011 in this cognate debate. What we have just seen on display from the member for Mayo is in fact the real raw core of what is actually happening in this debate. The science has not changed in this debate. If anything, the science in terms of the effects of climate change is predicting even worse outcomes. The economics has not changed in this debate. What has changed in this debate is the politics. What we just saw from the member for Mayo is all about the politics of this debate not about the policy. Jamie Briggs, the member for Mayo, on 15 October 2008 said:

In this respect, the planned introduction of an emissions trading scheme will be a key test for both sides of the House. I believe this debate risks being hijacked by extremists who are intolerant of a range of legitimate views.

In 2009 the member for Mayo stated:
I believe an emissions trading scheme is one of the policy levers that can be used to change the energy mix in Australia.

Mr Briggs interjecting—

Ms KING: What has changed? It is the politics that has changed. The opposition sniffs a political opportunity and that is exactly what they are doing: sniffing a political opportunity, trying to trash the government at every opportunity.

Mr Briggs interjecting—

The DEPUTY SPEAKER (Hon. Peter Slipper): The honourable member for Mayo has had his opportunity.

Ms KING: It is poor policymaking, and the member for Mayo should be ashamed of himself. In this place he purports to be someone who potentially has frontbench aspirations, someone who is about good policymaking. This is not what this is about, Member for Mayo, this is about absolute and utter pure politics and it shows again that this opposition is determined at every opportunity to trash good policymaking in the interests of its own political opportunity. We are seeing it in the area of immigration and asylum seekers at the moment. We are seeing it across the board in policymaking—not having a sense to the advice that is being given, not having any regard whatsoever for what the science says and what economists say, but taking absolutely every opportunity to trash good policy making—and we saw it on display just before.

The need to address the impact of climate change is one of the most important discussions that we, as a nation, will have. The debate is not new. I have been talking about this for the 10 years I have been a member in this place. There are many people who have been talking about it for a lot longer still. The time to act is now. For decades, Australian people have highlighted why we need to act on climate change. Most recently, we saw the former Howard government undertake considerable work in an effort to implement a price on carbon. We have seen climate change policy debated across more than 30 parliamentary committee inquiries. Professor Ross Garnaut has undertaken two extensive reviews into tackling climate change. The Multi-Party Climate Change Committee was established and met for nine months to complete a full review of the approach to tackling climate change. Labor members were invited to the table, as were the Greens, as were the Independents and Liberal and National party members. Only the Liberal and National party members—many of whom, only two years ago under the leadership of the member for Wentworth, agreed to support action on climate change—refused to participate and dealt themselves out of the opportunity to actually get this issue right.

You have to ask yourself what has happened in recent times to change the approach of opposition members, and the answer, as I said previously, is absolutely simple: it is about playing politics, not about implementing good public policy. Like a horde of puppets, they follow the opposition leader in his display of negativity. Instead of listening to the economists, to the scientists, to the advice they are receiving, the established policy—they take advice from people such as Christopher Monckton.

On Thursday, 8 September I spoke at a climate forum at the Wendouree Centre for Performing Arts in my electorate of Ballarat. I spoke to the residents about the government's Clean Energy Future package. I also had the pleasure of hearing from Professor David Karoly, as he spoke at the forum. Professor Karoly outlined the impact that climate change is having on our planet and the impact that humans are having on our climate. The professor's speech was based on science and based on facts. The
professor understood the importance of putting a price on carbon. The majority of Australians accept that climate change is real and that human beings are contributing.

The Climate Commission report released in May, *The critical decade*, provided the strongest evidence yet of the impact of climate change. It showed that global temperatures are rising faster than ever before, with the last decade being the hottest on record. In the last 50 years, the number of hot days in Australia has more than doubled. Sea levels have risen by 20 centimetres globally since the 1800s, impacting many coastal communities. Another 20-centimetre rise by 2050, which the scientists warn is likely, on current climate change projections, would more than double the risk of coastal flooding. The Great Barrier Reef has suffered nine major bleaching events in the past 31 years, where previously it had experienced none. It is now beyond any reasonable doubt that excess carbon dioxide in the atmosphere, caused mainly through the burning of fossil fuels, is what is triggering the changes we are currently seeing in the climate. In the report, the scientists warn a rise of more than two degrees Celsius in global temperatures will result in dangerous climate change, with more intense weather events like droughts, floods and cyclones. We have to act.

Not only is there an environmental argument; there is a strong economic argument as well. The Commonwealth, along with the state and territory governments, commissioned Professor Ross Garnaut to look at the impact of climate change on the Australian economy. Professor Garnaut and many leading economists have stated that putting a price on carbon is the cheapest and most efficient way to cut pollution in our economy. This is also an effective way of creating new jobs and business opportunities in Australia's renewable energy sector.

The plan before the parliament has four main elements. The first element is to introduce a price on carbon and to establish guidelines around who will pay this price on carbon and how the government will use the revenue raised from the carbon price to provide support for jobs and to assist households. We have decided to put a price on carbon because it is the most effective and cheapest way to cut carbon pollution. We are introducing a direct charge on around 500 of Australia's largest polluters. It is these large polluters that will pay for polluting our atmosphere. I want to emphasise that this is not a direct charge on individual households. It is not a direct charge on small businesses or farmers.

The starting price for Australia's largest polluters is $23 per tonne. This charge will rise by 2.5 per cent in real terms over the first three years. At the end of the fourth year, when we move to an emissions trading scheme, the price will then be set by the market. Australia's largest polluters will have an incentive to drive down emissions. They will invest in cleaner technologies. No longer will they be able to pollute for free. If they do not do their bit, they will have to pay. Households around Australia have been doing their bit for years. Turning off a light switch, installing solar panels, saving water—we are all doing our bit. Now it is time to see a real drive from our nation's biggest polluters.

We understand that those big polluters may pass on some costs to households. We have not tried to hide that. We have done the modelling and we are saying very publicly that we do expect there will be a small impact on prices. That is why over 50 per cent, over half, of the revenue raised from the carbon price is being paid directly back
to households as compensation for that rise. We understand it is happening—unlike the opposition, who are refusing to reveal in detail how they intend to pay for their so-called direct action plan. That direct action plan costs money. Where are they going to get the money from? They are going to get that money from households. We at least have been honest about what we think the price impact will be. We have done the modelling. The opposition are trying to deceive the Australian public on that point.

There is substantial compensation as part of these bills. Treasury modelling has shown that the impact of a carbon price will cost around $9.90 per week. That is less than $1 per week for the average grocery bill and around $3 per week on the weekly electricity bill. Petrol for passenger and light commercial vehicles will not be subject to a carbon price. Although $9.90 a week is not much for some, it is a lot for many, and we do understand that. We do know that it is a cost and it may be very difficult for low- and middle-income earners. That is why we are using the revenue obtained from the carbon price to assist households, on average, by about $10.10 a week. Sole pensioners will receive an extra $338 a year, and pensioner couples will receive a combined additional income of $510 a year. Self-funded retirees holding a Commonwealth seniors health card will receive the same as pensioners and may also be eligible for tax cuts or the low-income supplement. Job seekers will get up to $218 extra a year and $390 a year for couples combined, while students will receive an extra $289 a year. All people earning up to $80,000 a year will receive a tax cut, and most will receive a cut of at least $300 a year.

Our household assistance package is directed at assisting low- and middle-income earners. In addition, we have lifted the tax-free threshold from $6,000 to $18,200, which means that an additional one million Australians will no longer be required to fill in a tax return. This assistance to households will be permanent. Also, as the carbon price goes up, so too does the assistance. It is an extremely important part of the package, one which I note pretty continuously that the opposition refuses to actually acknowledge is there and refuses to talk about in any of its debates. In addition to the assistance to households, the remaining revenue will be used to support jobs in high-polluting industries that are exposed to international competition and to support clean energy programs.

The second element of our plan is the $13.2 billion in funding which we will be providing for clean energy projects. It is a significant investment in clean energy projects—investment in renewable technologies like solar, wind, wave and geothermal. Australian companies will be looking to invest in cleaner energy projects as our Clean Energy Future plan rolls out, and this funding will see investment in clean energy technologies to reduce their carbon output. The Gillard government will also establish a $10 billion Clean Energy Finance Corporation to drive private investment in clean energy technologies. Furthermore, the government will establish the Australian Renewable Energy Agency to manage another $3.2 billion in research and development in clean energy technologies. The third element of our Clean Energy Future plan is targeted at helping communities become more energy efficient. These energy efficiency measures are open to small businesses, councils and other community groups. I know the Minister for Regional Australia, Regional Development and Local Government has been talking to a number of local governments and a number of regional communities across Australia.
who are very excited about the opportunities in clean energy, who have already been working in this space quite substantially, who are keen to see the investment in jobs that clean energy will bring into their local economies and who are very keen to see the clean energy fund put in place. These measures will help local councils, small businesses and other community groups to become more sustainable and reduce the cost of essential services such as power and water.

Many households, businesses, local governments and community organisations across Australia have already been playing their part to reduce energy use, and we want to see this work continue. We will be providing funding of some $330 million under our Low Carbon Communities program for local councils and communities to access competitive grants. These grants will be open to initiatives such as energy efficiency upgrades and retrofits to council and community use buildings, facilities and lighting.

The Low Carbon Communities program includes two new initiatives. The first is the Energy Efficiency Program for Low-Income Households program, which will provide up to $100 million in grants to consortiums of local and state governments, community organisations, energy retailers and energy service companies to assist low-income households to reduce their energy costs. The second is the $30 million Household Energy and Financial Sustainability Scheme, which will help around 100,000 low-income households better manage their energy consumption.

The fourth and final element of our clean energy fund is an agricultural and land package. This package will bring economic benefits to farmers and other land users who reduce pollution or who can store carbon on their properties. This is of significant importance to people living in rural and regional Australia, to whom it will bring significant benefits and opportunities.

I have outlined here today the importance of tackling climate change. It is the reason we are debating this issue in this parliament, and I do not want that point to be lost in the debate. We have also been debating the reason our Clean Energy Future plan is the most effective way of reducing our carbon input. With the four main elements of our plan, along with strong support from industry and community leaders and strong leadership from across the globe, the Gillard government is acting. Opposition members persist with their mindless negativity on this issue. While they do that, we get on with the business of good policymaking in this country. Labor's plan will cut carbon pollution while supporting jobs. It will apply a price to around 500 of the biggest polluters, not to ordinary Australians. We are acting. It is the right thing to do. It is time for this debate to be concluded and to ensure that these bills pass this House and the Senate. The time to act on climate change is now.

Mr CRAIG KELLY (Hughes) (10:33): Here we are, debating a bill that both the Prime Minister and the Treasurer promised, on the eve of the last election, that they would not introduce. What an absolute affront to our democracy. As the Prime Minister has noted:

…the judgment of history comes sooner than we expect.

I suggest that the Prime Minister should be careful what she wishes for. When the vote on this bill comes next month, anyone who sits on that side of the chamber and says yes to introducing a tax that they explicitly promised before the last election they would not introduce, says yes to higher electricity prices, says yes to placing Australian
industry at a competitive disadvantage—putting hundreds of thousands of jobs at risk—and says yes to enriching foreign carbon traders by sending billions of dollars offshore will be remembered by history as trashing our democratic principles.

Last Wednesday, 15 September, was the International Day of Democracy. The preamble of the UN resolution for that day states:

Democracy is a universal value based on the freely expressed will of people to determine their own political, economic, social and cultural systems …

The imposition of the world's biggest carbon tax on this economy is not the free will of the Australian people; it is an assault on our democratic principles.

While everyone remembers that infamous misleading statement, 'There will be no carbon tax under a government I lead', for which history will forever remember this Prime Minister, history should also remember this Prime Minister for another, equally misleading statement. She pledged not to introduce carbon trading until a time 'when the Australian economy is ready and when the Australian people are ready'. The Australian people are certainly not ready for this big tax, having voted against it at an election, and the Australian economy is not ready. Just look at the results of the recent Sensis small business index for September. It found that business confidence is plummeting, with small business profitability falling sharply during the quarter and now standing at record lows. It also found that all key performance indicators fell in the last quarter, and there has been a substantial increase in the number of small businesses looking to either close their doors or sell up. In this climate, how can anyone come into this chamber and even contemplate slugging this economy with the world's biggest carbon tax?

Back in high school, one of the books I studied was George Orwell's Nineteen Eighty-Four. It painted a frightening picture of a future in which an authoritarian government maintained power through the systematic use of propaganda and disinformation. Ultimately, Orwell's writings warn us about the fragility of democracy. The parallels between Orwell's Nineteen Eighty-Four and the practices of those peddling this carbon tax would have Orwell spinning in his grave. In his novel, the 'Ministry of Truth' was the official government department for telling lies to deceive the population. The parallel with today is that we have a Prime Minister who once stood up before this parliament and proclaimed that 'the Labor Party is the party of truth-telling'. That is right: the same political party that promised, in order to get itself elected, that there would be no carbon tax and that is now introducing one is the very same party that claims to be the party of truth-telling.

In Orwell's Nineteen Eighty-Four, the character Syme, admiring the shrinking volume of a new dictionary, says:

'It's a beautiful thing, the destruction of words.'

Today, this government has destroyed the word 'dioxide'. Every government spokesman corrupts the language by referring to carbon pollution, which creates the false impression that the carbon tax is about preventing carbon pollution—that is, black soot being emitted into the atmosphere. But the theory of global warming is all about that clear, odourless gas that makes plants grow: carbon dioxide. According to this logic of carbon pollution, champagne is just chardonnay infused with carbon pollution. So, according to this government, if we want to reduce our emissions of carbon pollution, we could just drink chardonnay instead of champagne. I find the repeated Orwellian chants of 'carbon pollution' and 'big polluters'
both offensive and dangerous. In truth, carbon pollution is black soot, also known as particulate matter. Numerous recent studies have found that these substances cause a variety of serious diseases, including cancer, heart disease, diabetes and asthma. For the Liverpool area of Sydney, which I represent—where the local council will need to find another $330,000 for electricity costs under this carbon tax—statistics show that people aged between 16 and 24 have a 50 per cent greater chance of suffering from asthma. This is most likely the result of true carbon pollution through particulate matter from diesel exhaust.

However, the government's proposal for a carbon tax—or, more correctly, for a tax on carbon dioxide—will do nothing to address the very serious health concerns associated with particulate matter. It will do nothing to tackle the problem of diesel exhaust. In truth, if we trained our guns on carbon dioxide, we would simply weaken our economy, burdening it with higher costs of producing electricity. By doing so we would in fact weaken our ability to tackle real pollution that is causing harm to human health today and that will cause harm to human health for our next generation.

Orwell's Nineteen Eighty-Four also gave us the concept of 'doublespeak', language that deliberately disguises, distorts or reverses the meaning of words. If Orwell were alive today he might well have used the term 'greenspeak'. By using doublespeak or 'greenspeak', global warming has now morphed into climate change. No less an authority than Professor Phil Jones confirmed in a BBC interview that from 1995 to 2010 there was no statistically significant warming and that since January 2010 there has in fact been slight global cooling. So with no global warming occurring since 1995 in the land of droughts and flooding rains, we can always have a perpetual war against climate change. Using doublespeak—or greenspeak—taxing carbon dioxide emissions has now become the mantra of 'putting a price on carbon,' as this government simply refuses to tell the truth and use the word 'tax'. But if it looks like a tax, if it works like a tax, if it puts prices up like a tax and if this Labor-Greens government has anything to do with it, you can bet your bottom dollar that it is a tax. And—using doublespeak or greenspeak— attempts to control global temperatures by forestalling global warming is twisted into the often repeated Orwellian chant of 'taking action on climate change'. The claim of taking action of climate change implies that something is actually being done that will achieve something to reduce global temperatures, but that is simply a myth that is being spun.

Firstly, even on this government's own figures, under this carbon tax, emissions of carbon dioxide will actually increase. This carbon tax will do nothing to change the temperature. It will do nothing to change the levels of CO$_2$ in our atmosphere. The Orwellian mantra of 'taking action on climate change' also implies that this carbon tax will somehow stop the sea levels from rising, the rise that has been occurring for the last thousand years. But the truth is that this carbon tax will have as much effect on sea levels as King Canute did when he had his throne carried down to the seashore and when the tide came in he commanded the waves to advance no further. So what we have is a carbon tax that is all pain for absolutely no environmental gain.

In Orwell's Nineteen Eighty-Four, the government use memory holes to manipulate the past by rewriting history and changing facts to fit the party doctrine—and just look at the parallels today and at how past scare campaigns of the preachers of global warming have been sent down the memory
hole. Remember the prediction by the UN climate body that claimed that, by 2010, the world would be flooded with 50 million climate refugees because of rising sea levels. The science was certain, we were told, the time for debate was over! So certain was this prediction, a website affiliated with the UN even had a map showing where these climate refugees would come from. But with 2010 having come and gone, and without any climate refugees—let alone the promised 50 million—this map has now been sent down one of Orwell's memory holes and has been deleted from the World Wide Web.

Then look at one of the other predictions: that climate change had caused the endless drought. We had Tim Flannery telling us, 'Even the rain that falls isn't actually going to fill our dams and rivers.' The science was certain; the time for debate was over. So government spent billions of dollars which have now been wasted on useless and mothballed desalination plants, money that should have been spent and invested elsewhere on badly needed infrastructure. So now the endless drought has ended and we have Lake Eyre in Central Australia full, something that has only happened three times in the last century.

Orwell's Nineteen Eighty-Four also warned us of the psychological manipulation of institutionalised brainwashing with the quote:

Who controls the past controls the future.

Look at the parallels today, with claims by a group pedalling this carbon tax and trashing our democracy under the name of the Australian Youth Climate Coalition. Their website states:

… we want to be able to enjoy a stable climate similar to that which our parents and grandparents enjoyed … we need … a safe climate for our future.

There is no such thing as a safe climate or a stable climate. There has never been one in the past and there will never be one in the future. Our grandparents never enjoyed a safe or stable climate. Just look at some of the facts and disasters from our history: between 1803 and 1992, at least 4,200 people in Australia died as a direct result of heatwaves, including the 1895-96 heatwave, which killed 437 people. As well as heatwaves, our parents and grandparents and great-grandparents have had to live with severe storms and floods. For example, on 24 June in 1852, 89 people were drowned in a flood in Gundagai; in March 1899, 410 people were killed when Cyclone Mahina hit Bathurst Bay; in March 1934 another cyclone killed 99 people by creating a nine-metre storm surge in northern Queensland; and, on 29 November 1934, torrential rain turned Melbourne's Yarra River into a raging torrent, leaving 35 dead, 250 injured and 3,000 homeless. As sure as night follows day these heatwaves, floods and severe storms—these unsafe and unstable climatic conditions of the past—will simply continue to occur again in the future. Whether or not Australia introduces a carbon tax will make absolutely no difference.

Another misleading claim that we often hear is that this carbon tax will build competitive industries. We simply cannot build a competitive economy by generating electricity with Chinese solar panels or by building giant steel windmills while at the same time sending Australian black coal off to China and India where it is turned into low-cost electricity. Let us be clear: this tax will place Australian industry at an internationally competitive disadvantage. It will lower our standard of living and it will reduce our ability to tackle many other pressing environmental problems.

Next, we have the doublespeak or greenspeak of the compensation. The
compensation under this bill is little more than a bribe funded by the government borrowing another $4 billion, mainly from overseas. The compensation will be marginal and it will be temporary, but the damage from this carbon tax to the economy will be permanent. If this tax is effective it will act as a penalty. Once the tax gets high enough, instead of using low-cost, efficient black coal electricity, producers will change to hopelessly inefficient Chinese solar panels or giant steel windmills to produce electricity. When this happens and the tax actually has the desired effect, there will simply be no tax collected. So there will be no money to be put into the pot to pay the compensation and so we will be stuck with higher prices, but there will be no government funds left to pay the ongoing compensation that will be required.

And, finally, the world's largest carbon tax is not only the greatest act of economic vandalism and trashing of our democracy since Federation; it will be dwarfed into insignificance once the lunacy of carbon trading starts. Under this nonsense, by 2050, we will be sending $57 billion—that is right, $57 billion—offshore to foreigners to buy pieces of paper called carbon certificates. And, for just a few dollars more, they might even put them in a decorative frame for us, just to keep our lights on. If we calculate the constant increase in the number of permits and their price from $2.7 billion, it is not only $57 billion by 2050 but the cost between 2020 and 2050 adds up to nearly $650 billion.

Finally, Orwell, in *Nineteen Eighty-Four*, gave an apt description of those supporting the government when he described them as possessing:

... paralysing stupidity, a mass of imbecile enthusiasms—one of those completely unquestioning, devoted drudges on whom...the stability of the Party depended.

Those who support that bill show these parallels apply equally today. *(Time expired)*

Ms RISHWORTH (Kingston) (10:48): I do rise to support the Clean Energy Bill 2011 and related bills. It is interesting to hear the contribution from the member for Hughes, because I was waiting to hear the commitment from the member for Hughes, because I was waiting to hear the contribution from the member for Hughes, because I was waiting to hear the commitment to the bipartisan target of minus-five per cent of 2000 levels which was supposedly opposition policy. I was waiting for him to confirm that indeed he agreed with that and wanted to commit himself to that. I did not hear that. Also, I was waiting for the member for Hughes to talk about the coalition's policy of how they are going to drive down carbon emissions and, of course, we did not hear any of that. In fact, what we heard from the member for Hughes was just climate denial and information which does not support the coalition's policy of a minus-five per cent bipartisan target, and which did not actually support any action on climate change. I think he will have to go back to his party room, stand up and really criticise the coalition's policy on climate change because in fact they have a much more expensive one than the government's policy on climate change. But I will get to that.

I am proud that it is this Labor government that is bringing forward a credible plan to tackle climate change; a plan that will ensure that we reduce our carbon emissions, encourage clean energy generation and drive investment in clean energy jobs. And we will do that in the most efficient and cost effective way. Climate change is transforming our world. It threatens our way of life, as well as the prosperity of generations to come. We have known for some time that human activity is affecting our climate and that, as a result, our climate is getting warmer. In fact, globally, 2010 was the warmest year on record, tied with 2005. In Australia, 2001 to 2010 was the warmest decade on record, and each
decade since the 1940s has been warmer than the preceding decade. I have known this for some time because I first learnt about the effects of climate change in my year-10 social studies class. That was over 18 years ago, and the information and the science presented to us showed that climate change was a real risk and that something was happening.

We have now talked about this for years. We have talked about the negative impact it will have on our economy and way of life. For decades we have been discussing how best to reduce our carbon emissions; how best to tackle climate change; how we in Australia can play our part for the next generation. The longer we delay, the more costly and severe the impacts of climate change will become. There have been countless reports and inquiries, with 35 parliamentary inquiries relating to climate change since 1994. The time for discussion is over. It is now time to act.

The bills before the House today represent action—action that is in our nation's best interests; action for today and action for tomorrow. The bills provide for a mechanism that puts a price on carbon, which is the most environmentally and economically effective means of combating our nation's rising carbon emissions. It will mean that 500 of Australia's biggest polluters will pay for every tonne of carbon pollution they emit into our atmosphere. Putting a price on the companies that emit the greatest amount of carbon provides a meaningful incentive for businesses to reduce their pollution by investing in clean energy technologies and improving efficiency.

Unlike the opposition, who magically have started to take a more communist-style command and control from government approach, this side of the House believes that businesses are the right people and will be able to work out what is most cost effective for their companies in reducing their carbon pollution, but we need an incentive, a price point, for them to do so. The legislation before the House provides for a fixed price for three years for every tonne of pollution that the 500 biggest polluters emit. Then from 2015 the scheme will shift to a cap-and-trade mechanism, which will allow for the carbon price to be set by the market. Under the cap-and-trade scheme the government will set an annual cap on the total emissions of carbon pollution and will provide a number of emissions permits equal to that cap. The cost of these permits will then be set by demand or by the market. I know this seems like a foreign concept to those opposite, who have abandoned their market principles and gone for a government intervention approach. I understand the National Party being keen for that; what I do not understand is the Liberal Party being keen for that.

In shaping our policy, the government have been guided not only by the scientists but by the economists. We have been guided by the facts, what is in our nation's best interests and what is right for our future. This is in sharp contrast to the opposition, who have provided hysteria, information known to be inaccurate and political spin, and have delivered an alternative so-called direct action policy that is supported by neither the scientists nor the economists. Indeed, Tony Abbott's plan is so incoherent, expensive and inefficient that it will cost householders on average $1,300 in additional taxes per year. That is a pretty big carbon tax to be imposed by the opposition on householders to subsidise the big polluters. The opposition's policy allows the big polluters to shirk their environmental responsibilities and instead punishes and taxes hardworking Australians to ensure that they bear the brunt and the cost of its policy.
Given the opposition's incoherent and expensive policy, it is no wonder that there has been so much speculation that the Leader of the Opposition, if he were ever to be elected as Prime Minister, would just throw his policy out the window. It is not surprising that, in the contributions we have heard in this House, very few opposition members have mentioned direct action. They have not mentioned their policy. They have not mentioned their commitment to a minus-five per cent target. That is because most of them do not really believe it. But the Leader of the Opposition continues to walk both sides of the fence: at some forums he will announce that he does not see the point of the minus-five per cent target; at others he says he is committed to it and the best way to get there is direct action. The opposition leader cannot walk both sides of the fence on this issue. And instead of just walking both sides of the fence, what we have also seen is him peddling hysteria and mistruths to the Australian people about the government's plan to price carbon.

Let us look at some of these myths. First of all, there is the myth that this carbon price or the pricing of carbon will have a huge cost impact on the Australian people. Let us look at the facts. Firstly, we have made it clear that companies may wish to pass on the cost, and they may indeed pass on the cost, but we expect that cost to be modest. In fact, we expect the cost impact to be a less than one per cent increase in the cost of living. On average, that is a little less than $10 a week. Let us compare this with the average cost of the coalition's policy, which would be $25 a week—a significantly higher number—for Australian families to tackle climate change. Unlike the coalition, we are offering significant assistance for householders to adjust. In fact, our policy provides for nine out of 10 people to receive either tax cuts or increases in their payments. We have ensured in the design of this policy—

Opposition members interjecting—

Ms Rishworth: Twenty-five dollars a week is a big impost for the coalition to be putting on families. It is no wonder that no-one on that side of the House will talk about it. No-one has talked about direct action. Do you have direct action in your speech? No. No-one talks about direct action because everyone knows the truth about it: it costs more, it is inefficient and it will not actually have the outcomes that it says.

We do have assistance, unlike the opposition, who do not have assistance and will lumber the cost on ordinary householders. We are providing assistance for householders. In fact, six million Australian householders will get tax cuts or payment increases that will cover the entire average impact; four million householders will get an extra buffer of assistance that will cover 120 per cent of the average price impact; and over one million householders will not need to lodge a tax return as we will have increased the tax-free threshold. This is significant assistance, which the opposition will tear away and then impose its $25 a week tax on the average household. So, again, the opposition is peddling a myth. On this side of the House there will be modest cost impacts that we have recognised, and that is why we have assistance. On that side of the House the cost for average householders will be more than double that of the government scheme, but with no assistance.

The other myth that is being peddled constantly by the opposition is that no-one else around the world is acting. Well, if no-one else around the world is acting, it is interesting that there is a bipartisan commitment to the minus-five per cent—but, as I said, no-one on that side of the House
seems to be talking about that. The fact is that 89 countries have committed to taking action on climate change. There are 32 countries with an emissions trading scheme, and 10 US states. California, a large economy and the eighth largest in the world, will introduce an emissions trading scheme in 2012. Our top trading partners—China, Japan, the US, Korea and India—have all implemented or are piloting carbon trading or taxation schemes. We know that the EU has had a carbon trading scheme since 2005. New Zealand also has a scheme in place. Even developing countries such as South Africa and Mexico are considering economy-wide emissions targets. So it is a myth the opposition continues to peddle that no-one else around the world is acting. In fact, the evidence is in that there is action on climate change.

Another myth that has been peddled by the Leader of the Opposition is that jobs will be destroyed by the government's policy. This myth has been busted by numerous different economic modelling, including Treasury modelling that shows continued strong jobs growth in this country. New technologies mean new opportunities and new jobs.

Let us be clear: the world is moving forward on this issue. Other countries are investing in clean energy and in innovative industries. This is creating jobs in those countries. If we do not encourage this innovation, we here in Australia will be left behind in the global race for clean-tech jobs. Without change, it will be difficult for our products and services to compete internationally. We are a trading nation and we have continued to benefit from structural economic reforms which have allowed us to look towards the future. I look forward to these new clean-tech industries flourishing in the southern suburbs of Adelaide, in particular at the Mitsubishi site, which is designed to become a clean-tech park supporting investment in jobs for the future. The opposition continues to peddle its myths, but we will be judged on the basis of the strong growth we achieve—strong growth for jobs today and strong growth for jobs in the future.

Australia must use its current strength to ensure that we remain strong in the future. Australia is now in a position to move to a clean energy future. Employment is projected to grow strongly, with 1.6 million jobs to be created by 2020. The carbon price will support $100 billion worth of investment in renewable energy over the next 40 years.

As a Labor government we have always done our best in the past—and will always do our best in the future—to ensure that Australians are fully supported throughout the move to clean energy. The government has said that we want action on climate change and therefore we intend to lead the way. We will do this in the most economically responsible way, the most economically efficient way and the most environmentally efficient and effective way. This is unlike the opposition, who continue to dillydally on both sides of the road—half committed to their policy, half not; half committed to their target, half not; sometimes siding with the climate change deniers and sometimes saying, 'Oh yes, we would like to tackle climate change, just in a different way.' They need to get their policy right. Their current policy is expensive—double, as I said, the impact on households and with no compensation.

I am proud to be part of a government that is not afraid to confront the challenges that face Australia. This government is prepared to protect Australia's environmental and economic future. I certainly hope that the coalition will start listening to sense and do
the same. We know the member for Wentworth, if he gets the chance, will be on our side—he knows that this is the right thing for Australia. He knows that the opposition is just playing games when it comes to climate change. This issue is too important to play games with. This issue is something that we need to tackle for tomorrow, for 10 years, for 20 years, for 30 years, for 100 years. I believe, as the Prime Minister said, that history will judge the votes we have in this House over the next few weeks and I am pleased that this government and I will be on the right side of history. I ask the coalition to think seriously about what side of history they will be on.

(Time expired)

Mr VAN MANEN (Forde) (11:03): I welcome the opportunity to speak on the Clean Energy Bill 2011 and related bills. I agree with the member for Kingston’s closing remark that this issue is too important to ignore. It is too important to ignore because of the fact that this is a cascading, compounding tax which is deliberately designed to affect every component of our daily lives. It will have seriously detrimental effects on ordinary Australians, on Australian business, on the Australian economy and on the future wealth of this nation.

This all-encompassing, all-pervading, giant new tax is based on a fundamental deception, a deception by the Prime Minister as a result of her statement, six days prior to the election, ‘There will be no carbon tax under a government I lead.’ Rubbing further salt into the wounds of this deception is the fact that this deception is in and of itself based on the false premise that corrective taxation delivers some sort of economic or societal nirvana. This is a complete fallacy in that it ignores the vast magnitude of externalities. As it is impossible to determine the range or extent of these externalities, it is impossible to calculate the right level of taxation and consequently the correct level of compensation. Economist Ronald Coase demonstrated that externalities vanish only in a wholly unreal world where people can negotiate and carry out transactions at zero cost. Such a world of zero transaction costs would deliver economic perfection. But the fact of the matter is that neither governments nor markets deliver us into this nirvana. In fact there is a real risk that a carbon tax will not be a revolution but will lead to further exclusion, social inertia and the stripping of assets from those already at the bottom of society.

It is the height of arrogance to believe that we as a society can control global climate via a tax on carbon dioxide emissions to which Australia’s contribution is a mere 1.5 per cent of total global emissions. The government has yet to answer the all-important question: by how much will the carbon tax reduce global temperatures and what changes in the climate will it therefore prevent? This is particularly relevant given that global average temperatures rose to a peak in 1998 then fell slightly and have been reasonably stable since that time—this during a period when CO₂ levels have continued to increase.

This government’s blind submission and appeal to authority, whether it be Tim Flannery, the IPCC or any other authority the government considers convenient for its arguments, is a clear demonstration of the government’s inability to sell its argument, of the moral and ethical vacuousness of its arguments and of its inability to discuss the issues involved. This government just triumphantly announces a decision and expects everyone to fall into lockstep with it. The carbon tax clearly demonstrates that the government is a shallow manipulator of the truth and despite its protests to the contrary it will only succeed in making the poor poorer while benefitting those already with the
wealth and resources to mitigate the effects on their lifestyle and businesses. In addition, the bills make no reference whatsoever to practical, sustainable, long-term measures that will be implemented to deal with on-the-ground environmental issues such as restoring water quality in rivers and waterways and protecting vital areas of biodiversity for future generations. Actually dealing with these issues is a core element of the coalition's direct action plan. I suggest those opposite take some time to read it occasionally. It contains the practical, on-the-ground measures that our communities require to create a sustainable framework for future generations.

There are many reasons why this proposed carbon tax will deliver economic climate change to this nation and create economic drought in many industries, not the least being the manufacturing industry. Firstly, as outlined in research released by the Australian Trade and Industry Alliance, more than 90 per cent of jobs in the manufacturing sector will be exposed to the full effects of the carbon tax. In contrast, only 58 per cent of European manufacturing jobs are exposed to the European carbon pricing scheme. Reports from both Britain and Spain show that, on a net basis, for every one job created two or more jobs in the ordinary economy are lost—and no amount of government compensation can make up for you losing your job. Employers will face higher power costs and higher prices for both raw materials and manufactured inputs under the carbon tax while trying to compete against international rivals who will pay no extra taxes or charges. This is in addition to the government's acknowledgement in its own documentation that at least three million households will be worse off immediately.

A Deloitte Access Economics report commissioned by the Bligh government predicts Queensland's gross state product will be slashed by 2.76 per cent by 2020 and by 4.11 per cent come 2050. Its report also predicts a loss of 21,000 Queensland jobs while separate Queensland Treasury modelling predicts 12,000 jobs will be lost. The Institute of Public Affairs makes the point that unfortunately job increases that the government talks about will be offset by job losses, and net job creation from discriminatory taxes or subsidies is only possible through reduced living standards. A further salient point is that electricity from wind in Australia costs three times as much as electricity generated from coal or gas. It is no wonder electricity prices continue to increase.

Take, for example, a commercial laundry in my electorate who currently employs nearly 200 people. They have estimated an increase in costs of between $150,000 and $200,000 per annum for electricity. These costs will have a direct impact on the profitability of the business, so they may elect to reduce or not replace staff, or they may seek to pass the cost on, which will lead to higher costs to hospitals, restaurants and hotels who utilise their services. This in turn will impact on those businesses and they will have to make decisions on how to manage those increased costs. None of these businesses are trade exposed, so none of them will receive any compensation.

Another example is a local panel beating business, which again will face higher input costs not only for its electricity but also for many of its other costs such as car panels and new machinery. This is in an industry that is already struggling with high costs due to the squeeze put on them by insurance companies. That begs the question: how are the insurance companies going to account for the increased motor vehicle repair costs? In all likelihood, knowing the insurance companies, it will probably lead to higher motor vehicle insurance premiums, further
impacting on family budgets. I ask those opposite whether these potential increased costs are being modelled anywhere into the compensation package.

These are just brief examples that clearly illustrate the sinister, unseen aspects of this cascading and compounding tax. This is why it will impact on every area of business and of life, and its effects will be far greater than allowed for under any compensation package. It is increasingly obvious that this tax is all economic pain for no environmental gain. The government's own figures document the fact that there will be an immediate 10 per cent increase in electricity prices, a nine per cent increase in gas bills and, most outrageously, a $4.3 billion black hole in the budget. Of greatest concern is that we do not know whether these figures are based on a carbon price of $20 per tonne or $23 per tonne, because the government still has not released the modelling. The government has also not detailed what will happen once the carbon tax price goes to $29 per tonne or $131 per tonne, as it is forecast to do in the government's own figures.

Prices for electricity and gas will continue to increase and, based on the figures in the government's own documents, they will increase at a rate far greater than inflation. As gas and electricity prices are part of a suite of goods and services used to calculate the CPI, this will result in a higher CPI figure, which in turn will have the potential to result in higher interest rates—and this at a time when Australians are already struggling with the costs of living and housing affordability is a growing concern for many Australians, not just first home buyers.

This brings me to my overriding concern with the proposed carbon tax, and that is the wanton destruction of the wealth of this nation for future generations. We constantly hear the government talk about the mining boom and the potential for the mining boom to build our accumulated national wealth. This is an important issue, as Australia is presently a net importer of capital to fund our economy and lifestyle, with approximately 50 per cent of private debt and 70 per cent of the government's current $200-plus billion debt funded globally. Yet this proposed carbon tax package is not just deliberately designed to see our emissions increase through to 2020 and by 2050 only decrease by three per cent, it is also deliberately designed to transfer by 2020 up to $3.5 billion per annum of the wealth of our mining boom overseas to pay for carbon credits to offset our increasing emissions. This is made even worse by 2050, when it is estimated that $57 billion per annum of our wealth will be sent offshore to purchase foreign carbon credits. Given the known fraud of $5 billion in a sophisticated market such as Norway, how do we ensure that no fraud occurs and real action is taken overseas in the less developed markets?

There are long-term consequences which are not being discussed, such as what the negative effect will be on the share prices and company growth prospects of Australian companies and what the flow-on cost will be to the retirement savings of Australians through their superannuation funds. What will be the effect on future federal government budgets of increased age pension liabilities due to lower retirement savings of Australians caused by the unknown or unforeseen consequences of the carbon tax? In my opinion these are important unanswered questions that go to the heart of the question about the future prosperity of this great nation.

I would finally like to take issue with some comments made by the member for Robertson in her speech last week and her appeal to the ultimate authority. The member
referred to Genesis chapter 1, verses 28 and 29, and Genesis chapter 2, verse 15. She is correct that they clearly state we are to tend and keep all that we have been given. But the member then attempted to make a link between this admonition and the carbon tax, and this is a very long bow to draw. The verses she refers to in no way give the government a mandate to impose a tax and create massive new bureaucracies; they in fact are an admonition to each of us individually to do our part to better take care of our environment and all that we have been given and ensure that we leave a positive inheritance for future generations.

An economy-wide wealth-destroying carbon tax that will provide no practical on-the-ground environmental outcomes is not the solution. However, the good news for the Australian community is that the coalition, through its direct action strategy, does have a genuine costed alternative that caps the cost and provides a range of practical measures that will actually contribute to enhancing the quality of our environment, thereby creating a sustainable economic and environmental framework to leave a positive inheritance for future generations.

Ms PLIBERSEK (Sydney—Minister for Social Inclusion and Minister for Human Services) (11:17): It is a pleasure to contribute to this debate about the Clean Energy Bill 2011 and related bills. The former Labor Premier of New South Wales Neville Wran told the state Labor conference in 1983 that:

I know it was not everyone who thought it was such a great thing to save the rainforests, but I make this prediction here today: when we are all dead and buried and our children's children are reflecting on what was the best thing the Labor Government in New South Wales did in the 20th century, they will come up with the answer that we saved the rainforests.

Were it not for the efforts of the Wran government those majestic ancient rainforests of the Northern Rivers would not exist today, yet with the passage of time we forget about how controversial that move was. It was opposed by some very powerful interests in industry, the media and the parliament. It was even opposed by some in the Labor Party at the time, including a senior minister in Wran's government, Don Day, whose electorate was one of those affected by the decision. Of course, it was vigorously opposed by the state Liberal and National parties. Thirty years on, very few would argue that the decision to preserve these forests for future generations was not a momentous and unambiguously positive achievement. It was an achievement that took leadership, strength of purpose, character and foresight—qualities that Neville Wran possessed in abundance. I think the same applies in this debate.

Earlier generations of Australians remember Ben Chifley for the first Australian made car, for the Snowy scheme and for his 'light on the hill' vision of equality for Australia's future. My generation remembers Bob Hawke and Paul Keating for modernising our economy, opening our nation to the world and giving all Australians economic security in retirement through the introduction of compulsory superannuation. On the environment, they are remembered for saving the Franklin River and Gordon River wilderness in south-west Tasmania and for winning World Heritage listing for the Daintree Rainforest in Far North Queensland.

When the time comes for future generations to remember the contribution of this Labor government, led by our first female Prime Minister, I think one of the things they will remember is that we took the courageous first steps to control pollution and get serious about tackling the impact of
dangerous climate change on our nation's economic and environmental future. As the Prime Minister said in her contribution to this debate, carbon pricing and climate change policy have been widely debated in Australia for decades, including through no less than 35 parliamentary committee inquiries. In fact, I think Margaret Thatcher first raised this in Britain many years ago. The first review of emissions trading by an Australian government was undertaken by the Howard government in 1999—12 years ago. Indeed the systems that we have for measuring carbon output were agreed under the Howard government. Extensive policy work was undertaken by the former government, which concluded that pricing carbon was the best approach and that using a market based approach was the most likely to work.

Environmental protection at least cost is the aim. Economic and employment growth continues with increasing incomes and new clean energy jobs. This is something that we should all agree on. Professor Ross Garnaut has conducted two major reviews on Australia's best policy options for tackling climate change. The bills we are debating were developed through a multiparty committee process that met for nine months before completing its work in July 2011. It is now time to put these constant reviews and discussions over generations behind us and act. We have the leadership, vision and foresight in this generation to take the significant steps that help to secure our nation's economic and environmental future. It is not an easy debate because reform of this magnitude is never easy, yet the reforms that will be put in place through these bills before the House today are crucial for our nation. Unfortunately, those opposite have said that they will be opposing these bills—not because they have a clear answer, as the member for Forde suggested, about how they might have an alternative approach. The 'subsidies for big polluters' policy of the opposition has no backing from any credible scientific or economic expert in this country. They are opposing these bills because it is the lowest card on the deck, the card that the opposition leader always plays: it is the 'no' card—oppose, oppose, oppose. It is the same approach that the Liberal Party took in the 1980s and 1990s when they opposed the introduction of compulsory superannuation, with the member for Mackellar, who is not in the chamber at the moment, leading the charge telling us that giving working people economic security in their retirement would be the beginning of the end for Australia. It would be the beginning of creeping socialism for Australia. For years the Liberal Party wanted to abolish Medicare—something that John Howard made crystal clear in his Future Directions blueprint in the 1988 pre-election period that said: Australia's health care system is in a shambles. The real villain is Labor's doctrinaire commitment to a universal government health insurance system, Medicare. By discouraging self-provision, by increasing health funding from the taxpayer and removing disincentives to overuse of medical services, Medicare has created a system obsessed with cost at the expense of quality, security and comfort. I would challenge any of those opposite to say now that Medicare was a mistake.

People have popularly quoted John O'Brien, the famous bush poet, saying:

'We'll all be rooned,' said Hanrahan,

'Before the year is out.'

in relation to this debate. I think it is an appropriate description of the level of debate at the moment. It has been said before: 'We'll all be rooned by superannuation; we'll all be rooned by Medicare; we'll all be rooned by the modernisation of the Australian economy and the protections for our environment.'
And yet, in each of these instances the opposition have proven completely wrong. We have in Australia abundant resources—solar, gas, wind and other renewable energy sources. Despite the scaremongering of the Liberal Party we need to remind ourselves and the Australian public that this is not a tax paid by mums and dads; it is not a tax paid by ordinary Australians. This is a tax paid by 500 of our biggest polluters. These bills deliver some assistance to nine out of 10 households across Australia. Yes, the largest supports are targeted to those who need them most—pensioners, low- and moderate-income earners and families doing it tough are particularly looked after. Over four million Australian households will receive assistance that is at least 20 per cent more than their expected average price impact. Remember, the price impact of this will be one-third of the price impact of the GST. So people will notice it one-third as much as they noticed the introduction of the GST. Everyone earning $80,000 a year or less will get a tax cut. For most people it will be at least $300 a year. That means that 500,000 people will no longer have to pay any tax at all and one million people will no longer have to submit a tax return.

In 2009 the Labor government delivered the biggest single increase to the age pension in 100 years. In total, a single age pensioner now receives $148 a fortnight more than they did under the Liberal Party just a few short years ago. We are very proud of that achievement. Yet we now have shadow ministers, people who were ministers in the former Howard government, bleating about their concerns for pensioners. These are people who did not do a single thing, when they had the opportunity to, to increase the age pension or any associated payments. There were then ministers, like the current Leader of the Opposition and the members for Curtin, North Sydney, Menzies and Goldstein, who refused outright to deliver an increase in the age pension in all of those years—12 long years in government. And yet, as well as increasing the rate of the pension, as well as increasing the rate of indexation, we are now proposing, as a government and because of these clean energy bills, to also increase the single rate of the age pension by a further $338 each year for singles and $510 each year for couples combined. That means that on average 1.8 million pensioner households will come out ahead as a result of the clean energy package.

Self-funded retirees who hold a Commonwealth Seniors Health Card will receive automatic assistance before the carbon price starts, through an advance payment of $250 for singles and $190 for each member of a couple, to be paid between May and June 2012. And then, from 20 March 2013, Commonwealth Seniors Health Card holders will be paid their own version of the clean energy supplement. This will be paid on an ongoing quarterly basis at the same time as the seniors supplement. Each year Commonwealth Seniors Health Card holders will receive around $338 for singles and around $255 for each member of a couple in that supplement. That will be the same as the assistance paid to age pensioners.

Labor's package also meets the needs of low- and moderate-income families. Family tax benefit part A will be increased by up to $110 a year per child and families on a single income will also benefit from the single income family supplement—a payment of up to $300 at the end of each year. This supplement will make sure that families on a single income will receive similar assistance to dual income families who may benefit from tax cuts to both incomes. New Start and Youth Allowance recipients will get up to
$218 per year for singles and up to $390 per year for couples combined. What that means for a typical family—say, mum, dad and two kids aged six and nine—is that if one parent is earning $52,500 per year and the other parent is working part time and earning $22,500 a year, the family will get an extra $175 in government payments and a $982 tax cut. So in total that family receives about $1,150 a year extra as a result of these bills—the bills that are before the House now that the opposition will oppose.

That is over $600 over and above—on top of—any average expected price impact on that family. That $600 can sit in the bank and people can call on it if they should need it or families can use that $600 to perhaps upgrade to a newer model refrigerator or to perhaps upgrade to newer heating appliances that are more energy efficient. They can reduce their energy consumption further using the improvements in their tax rate and the payments that they are receiving from the government.

It is important to point out that this is in stark contrast to the subsidy for big polluters policy of those opposite. Not only do those opposite want to take back these tax cuts and not only do they want to take back these increased pensions and increased family payments but also the Leader of the Opposition wants those same families to pay from their pockets through the tax system subsidies to big polluters, with no guarantee that any of those subsidies will lead to better pollution outcomes. Those opposite talk about the bureaucracy that is involved in pricing carbon. What kind of bureaucracy is involved in picking winners when it comes to subsidies for big polluters? Is that just going to happen by committee? Are they going to work it out among themselves, are they? The typical Liberal Party answer to everything: take it out of the pockets of hardworking families and put it into the pockets of big business. The trouble is that the Leader of the Opposition is too gutless to admit that his policy takes $1,300 a year from the pockets of ordinary families and pays it to big polluters.

It would be terrific if just for once the Leader of the Opposition did not put big polluters ahead of families. If he put families first, it would be terrific. It would be terrific if the Leader of the Opposition put the needs of small business and the retirement incomes of ordinary Australians before the needs of the big mining companies. It would be terrific if the Leader of the Opposition put the needs of potential future smokers ahead of the needs of big tobacco. It would be terrific if the Leader of the Opposition thought a little bit about problem gamblers rather than about the gambling industry. But we are not seeing that. What we are seeing is constant opposition.

The Australian public needs to understand that this policy will see continued economic growth and continued jobs growth and environmental outcomes that are the equivalent of taking 45 million cars off the road by 2020 with emissions reductions of at least 159 million tonnes of carbon dioxide in 2020 from where they would have been under a business as usual scenario. I commend the bills to the House.

Mr FLETCHER (Bradfield) (11:32): I am pleased to rise to speak on the Clean Energy Bill 2011 and the enormous package of related bills. These are bills that break a promise to the Australian people by imposing a fixed price tax on carbon starting at $23 per tonne starting from 1 July 2012 and rising at 2.5 per cent per annum in real terms. I want to make three key points in relation to these bills. First, they constitute bad faith and bad process. Second, Australia should not be acting in advance of world agreement and that Labor has committed
Let me turn first to the question of bad faith and bad process. This government has no mandate to bring these bills before the parliament. A change of this magnitude is being imposed without any support having been secured from the Australian people in a general election. That would be troubling enough. But in fact the Prime Minister went to the last election with an explicit commitment that her government would not make this change. We all recall her infamous statement, 'There will be no carbon tax under a government that I lead.' The 2010 election was decided by a very close margin. One might with some confidence have predicted a different result if the Prime Minister had been frank about her government's intention to introduce a carbon tax if elected. Given that this policy was not presented to the people of Australia at the last election, these reforms should not be implemented until a mandate is obtained from the Australian people in either a general election or through a plebiscite.

Labor's position on this issue has moved all over the shop. Who could forget Prime Minister's extraordinary proposal to convene a citizens assembly to consider the pricing of carbon? And who could forget that during the election campaign the Prime Minister spoke of the need to develop 'deep and lasting' community consensus on climate change? Is it really possible that our Prime Minister stated deep and lasting community consensus was a requirement when you see the position that this government is now adopting, seeking to ram through one of the most significant structural changes to Australia's taxation and public policy regime in our history without any community consensus, let alone a deep and lasting one? This is a result of an illegitimate and fragile consensus of a collection of Independents joined with the government.

Let me turn to the second point that I wish to make. Australia should not be acting in the manner in which the Labor government proposes to commit us to act because to do so involves us adopting a very bad bargaining position. The internal logic for the approach that Labor is following makes no sense. Let us start with the proposition that, if it is to be worthwhile, a carbon tax must be about more than just reducing emissions in Australia. The policy objective is a global one: to stabilise and reduce the total worldwide emissions of greenhouse gases. In 2008, around 30,000 million tonnes of carbon dioxide were emitted due to human activity. If the carbon tax achieves its intended result in Australia, it will reduce emissions by 160 million tonnes—a drop in the ocean compared to the global task. Therefore, the only basis on which the carbon tax could make sense is if it were an effective strategy for encouraging global action. Australia is at a bargaining table with nearly 200 other parties and each party faces conflicting incentives. On the one hand, the internal logic of the carbon tax is that each party would benefit from a global reduction in emissions and, consequently, a reduction in the risk of dangerous warming—so runs the internal logic of the policy which is put to us. But, on the other hand, each country faces economic and other costs in acting to reduce emissions at home. Therefore, if a country chooses to incur these costs, it is taking a risk that it might incur them yet secure no benefit because other countries do not keep their side of the deal.

Madam Deputy Speaker Livermore, as you would be aware, this is a well-known type of problem in economics and business strategy and there is a whole body of thinking, game theory, about the right strategies to be used in dealing with these
kinds of problems. The classic problem is called the prisoner's dilemma. What we have in this case with climate change is what theorists would call an n-person multiround prisoner's dilemma. As an individual country considers whether or not to incur the costs of reducing carbon emissions in its own economy, it faces a choice. In the jargon of game theory, it can cooperate—that is to say, it can take action to reduce emissions and incur the costs of doing so; or, again to use the jargon, it can defect—in other words, fail to take such action.

The critical point I want to make is that game theory offers some clear lessons for countries approaching this bargaining table. Firstly, it is both pointless and dangerous to unilaterally choose the option which delivers the outcome which is considered optimal overall. You face a substantial risk that other players will defect, in turn leaving you worse off. I would submit that this is precisely what the Labor Party is doing by seeking to impose a tax in Australia, regardless of what the rest of the world does. Secondly, if you are going to cooperate towards achieving what you determine to be the best overall objective, you need to find a way to strike an enforceable bargain.

A key finding of game theory is that in a multiround game you can use your choices to communicate and enforce such a bargain. The standard advice is to cooperate in the first round and keep cooperating in subsequent rounds if the other player does the same. But, if the other player does not cooperate in a given round, the rational course of action is to respond in the next round by defecting yourself. This logic—the logic of considering carefully how we approach a global bargaining table so as to secure the best outcome, having regard to the individual incentives of the players at the table—is the logic that underlines or is consistent with the approach of the coalition's direct action plan. Under our plan, Australia will take action to reduce carbon emissions at significant economic cost—in fact, $3.2 billion of on-budget expenditure over four years.

Under this plan, we will reduce carbon emissions in 2020 to the same target as Labor has adopted—the five per cent reduction on the year 2000 or approximately 530 million tonnes. As the member for Goldstein has recently pointed out, at that point we can then determine the way forward. He had this to say:

If there is still no global agreement by 2020 Australia will have remained competitive while reducing emissions by five per cent; avoided tens-of-billions-of-tax, yet still be in a good position to assess the way forward from there.

I would argue that our policy can be thought of as pursuing a rational strategy in a multiround game—to cooperate if others cooperate but not to bind ourselves unilaterally to acting unless we can be satisfied that others are also so acting. Some, of course, say we should act regardless of what the rest of the world does, and that essentially is the strategy underpinning the Labor Party's and the Greens' carbon tax. The insights of game theory suggest it is a poor strategy and a naive way to approach the global bargaining table.

Let me turn to my third point. The tax that the House is considering this morning is a badly designed one, even by reference to the principles laid down by the so-called Multi-Party Climate Change Committee. Indeed, it is a bad tax by an even more fundamental criterion—the basic tax policy criterion of certainty. We still do not know which companies are going to pay the tax. Which are the 500 companies that will be legally liable to pay this tax? All we keep hearing is the continued rhetoric of 'the 500 biggest polluters'. On a very basic level, certainty in tax policy is an absolute requirement, and
this government has failed to provide that certainty.

Let me now refer to the 11 principles which supposedly guided the Multi-Party Climate Change Committee, including economic efficiency, budget neutrality, the competitiveness of Australian industries, energy security and investment security. This package fails to achieve many of these principles. Let us consider investment certainty, for example. The caps to apply after 2015 have not been set but will be set in the future not by legislation but by regulation. There is no certainty as to what ultimately will be Australia's emissions reduction target for 2020 if the five per cent level is changed and there is uncertainty about the level of the carbon price once the fixed price phase ends. The level of uncertainty which this in turn creates for business will negatively impact on business decisions and investment and will harm the economy and growth to the detriment of all Australians. We were also told that one of the guiding principles was budget neutrality. That principle is also being violated by the tax which is embodied in the package of legislation the House of Representatives is considering today. The policy scheme will result in a deficit exceeding $3 billion over the forward estimates period. What of the criterion of international competitiveness? On this front there is the critical issue of which sectors qualify as trade exposed. The Minerals Council in its submission made the point that only 60 per cent of Australian firms are classified as trade exposed. Those which are not so classified face very significant adverse consequences for their international competitiveness. We are also told that one of the principles which applied in designing this scheme was energy security. Once again this package manifestly fails to live up to that principle. There is some $5.5 billion in compensation to be paid, but almost all of that will go to private-sector generators in Victoria and South Australia and almost none will go to the publicly owned generators in New South Wales, Queensland and Western Australia. This inconsistency of treatment is unfair to the owners of generators in New South Wales, Queensland and Western Australia and would be unfair to them regardless of their ownership. Because, as it happens, they are government owned, it is also unfair to the taxpayers who are their underlying owners and it is, in turn, unfair to their customers, who are likely to be subject to higher electricity prices.

Let me conclude with a fundamental and overarching criticism of the policy design in this scheme—yet another of the inherent logical inconsistencies in what the House is considering. The underlying theory behind a carbon pricing mechanism, such as the one contained in this package of bills, is to increase the relative price of carbon-intensive goods and services—that is, a carbon tax is meant, as we are told frequently, to unleash the price signal by increasing the price of goods with a high proportion of carbon relative to goods with a lower proportion of carbon. In this context it is very puzzling that the Prime Minister has threatened businesses with fines from the Australian Competition and Consumer Commission should they increase prices in response to higher cost inputs due to the carbon tax and has stated that an increase of more than 0.7 of a per cent would be gouging. This undermines the fundamental objective of the scheme: if the tax is meant to provide a price signal then prices should surely be permitted to increase to at least cover the increase in input costs that the product incurs as a result of the carbon tax.

This is a package of bills that should never have been brought before this parliament. A specific promise that there would be no
carbon tax was given by the current Prime Minister during the 2010 election campaign. That is to say the fixed price component of this scheme would not be introduced. So this is a policy for which there is no mandate. As I have sought to argue this morning, in addition to that fundamental problem there are some very serious internal logical inconsistencies in this scheme.

Mr LAURIE FERGUSON (Werriwa) (11:48): Many other speakers on this side of the House will expose very clearly during this debate the reality that most Australians will be highly compensated for any increase in the cost of living. They will also drive home that, despite the view of the Australian people that in some ways this is a diametrically opposed debate with regard to cost, in reality the Australian people will be charged $1,300 per household under the Liberal alternative, which has the same end point. One would think from the rhetoric of the Leader of the Opposition that somehow they are pledged to do nothing. That is not the truth. They have an alternative which will pay polluters and which will cost the Australian taxpayers, on estimates not from the Labor Party but from the independent Treasury, $1,300 per household. I will not concentrate on that reality.

One of the problems in this debate has been the way in which Australian public opinion has changed. Indisputably, at an earlier point everyone accepted the reality of climate change and the reality of the need for change. In the last parliament the opposition joined with the Greens in blocking Labor's alternative despite the fact that the Liberals were themselves pledged to change. I want to deal with that change in Australian public opinion today. I noticed the contribution of the member for Hughes. I will not deal with a lot of the rhetoric he had, but he essentially argued that we should ignore climate scientists. They are all wrong. He knows more.

He disputes the views of such a reputable group of people as the CSIRO, the Bureau of Meteorology, the Australian Academy of Science and academies around the world. They agree that human activity is almost certainly causing climate change. He has an alternative view. He is allowed to put it. But to say in this parliament that somehow he knows more is extremely doubtful. Ninety-seven per cent of climate scientists—the ones who specialise in studying the atmosphere, including climate change—agree that it is caused by humanity.

He also argued, quite ludicrously, that the world is not heating up. He reckons it is cooling—an interesting point of view. There is some news for this gentleman. In Australia 2001–10 was the warmest decade on record. Each decade since the 1940s has been warmer than the preceding decade. We cannot go on whether there was rain in Kalgoorlie yesterday or whether it is sunny in Darwin today. The fact is that, over a decade across this whole country, that is the pattern. In Australia each decade since the 1940s has been warmer than the last. 2010 is the 34th consecutive year—not a one-off and not an occasional—with global temperatures above the 20th-century average. That says a lot.

The debate here has been framed around giving people equity of time. Even the ABC, the great organisation that is so constantly attacked by the opposition, is unfortunately contributing to part of this problem. There was an interesting article in the last edition of the News and Views of the Friends of the ABC. They look at an analysis: a paper entitled 'The politics of reporting climate change at the Australian Broadcasting Corporation' by academics from the School of Journalism and Australian Studies at
Monash University. They compared the attention the ABC gave to Dr James Hansen, director of NASA's Goddard Institute from Space Studies and a highly regarded climate change scientist promoting government intervention, to that given to Lord Monckton, an infamous celebrity who has even been told by the House of Lords to drop his title. They compared the coverage they got on the ABC. Here are the results of that coverage.

In one-third of Monckton's appearances, he was unchallenged by opposing sources on the ABC—just allowed to waffle on and give his point of view unchallenged.

On the other hand, Hansen never appeared on ABC television. He had only two interviews on Radio National (one on a program that goes to air at 10pm) and three mentions in online coverage. The extent of Hansen's ABC presence was five appearances in total, compared to 47 for Monckton.

That is part of the situation we have here. It is like giving equal time, five years from the end of the Rugby League season, to somebody who is arguing that Parramatta can still win the premiership. That is what is happening in this debate.

I want to deal with some of the so-called experts that are put forward by those that are basically saying there is doubt and debate. The article in Uniken made some interesting points. It looked at Dr Ken Ring, a noted commentator on this matter:

Ring not only denies any human role in climate change but purports to use astrology to predict weather and earthquakes. In former times he was a clown, magician and author of the book Pawmistry: How To Read Your Cat's Paws.

This is a person who is put out there by them to deny climate change. The article also noted that the George C Marshall Institute in the United States, one of the leading peak groups that is opposing the obvious evidence of climate change, has an interesting history.

It previously told us there was no danger in smoking. It also put forward that acid rain was not an issue, that the Antarctic ozone hole did not exist and that the use of the pesticide DDT was no problem for the world. That is the kind of evidence they are trying to produce to say that the rest of the climate scientists in the world are wrong and that they know better.

Quite frankly, many of these so-called expert sources that are brought forward have a record of operating for corporations. They have a financial interest in regard to what they put forward. Talking of that, the article notes one of our Australian experts, Professor Ian Plimer. The article in Uniken made this point:

While scientists have been accused of being on a funding gravy-train, independent journalist Graham Readfearn has also turned the spotlight on Plimer's growing personal wealth—about $920,000 in the in the past two years alone, he asserts—from fees and share sales related to his "role as a director and chairman with several mining companies ..."

This person, again, has a very clear commercial interest in arguing for those companies that are scared about climate action around the world.

If we are talking about the economists, there seems to be a fairly single debate on this as well. I note the article by Michael Dwyer in the Australian Financial Review of 18 July. He reported that, as many of us are also aware, 'a timely survey of its members by the Economic Society of Australia' had been released the previous week. It found that about 79 per cent of about 530 respondents 'agreed or strongly agreed that price-based mechanisms as opposed to direct regulation were the more appropriate way of cutting greenhouse gas'.

In a smaller poll of 140 members, conducted after the release of the government's carbon tax package on July 10, about 60 per cent of
respondents described it as good economic policy.

More than 80 per cent of respondents who expressed a view said they didn't think the Coalition's approach to reducing carbon emissions was a sound economic proposal.

Once again, these are people who have academic credentials. They are not always right, but I think that on balance we would respect their objectivity, their experience, their knowledge and the fact that they are in the public domain and have to defend their position and their credibility in academia.

Recently I asked the Parliamentary Library, which I think even the opposition would agree is an independent source of information for all of us, about the balance of climate debate amongst the experts. The article they sent me, a review of abstracts from all peer-reviewed articles on the subject 'global climate change' published from 1993 to 2003, revealed that not one article claimed that the consensus on man-made global warming was incorrect. The Library said:

Of the 928 papers reviewed, 75 per cent explicitly—
I stress 'explicitly'—
endorsed the consensus position on climate change and 25 per cent took no position ...
Another study surveyed 3146 earth scientists asking them whether they thought human activity was a significant contributing factor in changing mean global temperatures. The table below—
which I will cite—
shows that 97.5 per cent of climatologists that actively publish articles in peer-reviewed journals answered yes.

That is 97.5 per cent of the people who, unlike me, have scientific credentials, have been through years of study in this area and have produced articles that are peer reviewed—in other words, they have been looked at by others before they are published—say that climate change is humanly directed.

Despite the swaying of the Leader of the Opposition—one day it is 'crap'; one day he believes in it; one day he is uncertain; one day he is going to think about it next week—
the truth is that there are significant numbers on the opposite side who, when they get half a chance, are out there denying and undermining that evidence. We have seen again today from the member for Hughes a reprehensible example of that. He is the kind of loose cannon that they have difficulties holding in. He is out there in the public domain saying something very different from what Mr Hunt, the opposition spokesman, is saying on these matters.

I will further quote the CSIRO once again. I personally think they are a reputable body. Their summary of position in regard to this country is:

**Australia will be hotter in coming decades**

Australian average temperatures are projected to rise by 0.6 to 1.5 °C by 2030. If global greenhouse gas emissions continue—at current levels—

warming is projected to be in the range of 2.2 to 5.0 °C by 2070.

They further comment that much of this country will be drier:

In Australia compared to the period 1981-2000, decreases in rainfall are likely in the decades to come in southern areas of Australia during winter

They say in conclusion:

**Climate change is real**

Our observations clearly demonstrate that climate change is real.

Finally, I want to talk about the question of us being alone and leading the world. This is not the truth, and everyone who follows this issue is well aware of it. Eighty-nine nations contributing 80 per cent of pollution are taking action. South Korea has twice our
population, yet its contributions to the international problem of pollution are equal to ours. Our contribution is 1.5 per cent of global pollution. The United Kingdom, with three times our population, contributes 1.7 per cent. These countries will not tolerate giving Australia a blank cheque. They will no longer allow a free ride for this country. Airlines, and Qantas in particular, will face a very real challenge in Europe if this country does not act. It is alleged that China is inactive. The reality is that six provinces and a significant number of cities next year are bringing in similar measures to ours. We have endorsement from the OECD, the Organisation for Economic Cooperation and Development. It has said that Australia must take advantage of its favourable economic position and pursue its carbon reduction policy. It said that the Australian business climate remained positive despite the disasters with mining commodities et cetera.

The authorities must take advantage of the favourable economic situation to pursue long term structural reforms, including those that favour output involving less CO2 emissions. That was from the OECD, a recognised authority on economic policy, a group that is often cited by those opposite in industrial relations. Those oppose come to us with what the OECD says about our productivity, saying we have loosened the labour markets too much or we have given the unions and the workers too many rights. On this issue, the OECD says Australia should act. There has also been a call from among the significant number of superannuation funds of some size in Europe saying that these reforms are the future, that this is where it is going and this is where countries can lead for their own economic future. I quote finally from the British Guardian Weekly of 29 May. It said:

Last year, a record 30.6 gigatonnes of carbon dioxide poured into the atmosphere, mainly from burning fossil fuel—a rise of 1.6Gt on 2009, according to estimates from the IEA regarded as the gold standard for emissions data. Climate change projections such as those we are doing at the moment:

… would mean around a 50% chance of a rise in global average temperature of more than 4C by 2100

… … …

… disaster could yet be averted, if governments heed the warning. "If we have bold, decisive and urgent action, very soon, we still have a chance of succeeding …

… … …

Yet even now politicians in each of the great powers are eyeing up extraordinary and risky ways to extract the world's last remaining reserves of fossil fuels—even from under the melting ice of the Arctic.

As I have said before, Canada and the United States have had very pleasant, very civil relations since the 1812 war. Canada has been very vocal in recent months in its concerns about US exploration and US movement in the Arctic because it is basically disappearing. There will be new passages to Europe. There will be exploration of oil and gas. That is part of the climate change reality. It is happening and it is leading to very poor relations between those past friends. (Time expired)

Mr SIMPKINS (Cowan) (12:03): The great thing about being on this side of the House is that we still have our integrity. As we know, almost everyone in this House at the last election promised that there would be no carbon tax. I can understand there are people on the other side that are pretty glad that the Prime Minister said, with six days to go before the last election, 'There will be no carbon tax under a government I lead.' Clearly, when the polling told her to make that promise she helped some of her colleagues hold their seats. I suggest that the members for Corangamite, Deakin,
Greenway, Robertson, Lindsay, Moreton and Banks, all on a 1.5 per cent majority or less, are all very grateful for the pre-election Labor policy of no carbon tax, yet it appears they now have no problem at all with this carbon tax legislation that they stood against before.

As I said, it does feel pretty good to have a great degree of integrity. I make that claim despite the hero worship effort on the ABC program last night making out the Labor government, the Prime Minister and the highly funded supporters and taxpayer funded proponents of the carbon tax as the persecuted yet heroic figures in this debate. Who said the ABC does not create good fiction? Yet, as is so often the case, the interests and concerns of the people of this nation are neglected in such programs. The people of Australia are treated as stupid when they are not. They are portrayed as easily led when they are critical and savvy about the lines they are being fed by this government. Whether it is in the headlines, programs or alleged balanced critiques, normally we just see support for the government or the Greens and never is a hard question asked of this government.

When we think back to the last parliament, I do not think there was ever an end to the Labor Party claiming a mandate for this or that item of legislation. It was endless. Each one was cited as the No. 1 priority for the Rudd government. In this debate, and also with the government's latest border control failure, the government clearly has no mandate. Now the language changes from a claim for a mandate to instead a lecture in the Prime Minister's usual condescending style about being on the wrong side of history and the national interest.

Putting aside the deception and political opportunism of the Labor Party that no longer knows where it is, where it is going or even where it came from, I wish to speak to these clean energy bills. This legislation is nothing more than a tax designed to generate money and redistribute it. It will not change global temperatures, it will not save the world and it is built on statements and exaggerations devoid of relevant facts. As the federal MP for Cowan, I am very pleased to have two clear thinkers on the subject of anthropogenic global warming as my constituents. I refer to Joanne Nova and David Evans, being two people that have assisted in helping Australians understand the reality of the debate. I thank them for their courageous and constructive contribution to the debate at a time when the Labor government can only call any that question the theory by cheap names. Indeed, we are used to getting nothing but assertions and unproven claims from those that promote the theory of human induced climate change. The Minister for Climate Change and Energy Efficiency keeps telling us that the time for discussion and debate is over and that the time for action is now. I say that the debate is still in progress and subscribers to the human induced climate change theory are in fact rapidly declining in numbers.

Clearly I am not a true believer because I have read into the subject and therefore wish to take this opportunity today to explode some myths around the subject. Is CO₂, carbon dioxide, the great evil and upward forcer of global temperatures that the government assures us that it is? If it were, why is it that CO₂ in the atmosphere increases some 800 years after the rise in temperature? Why is it that CO₂ has continued to rise in the last 10 years but global temperatures have not risen? Furthermore, another important element in the human induced global warming theory is that there must actually be a tell-tale sign 10
kilometres above the tropics. The trouble is that this hot spot does not exist. Weather balloons could not even find such a sign when there was warming between 1979 and 1999. If that hot spot does not exist, then this means that the temperature increases were not caused by greenhouse gases. Some say that the researchers Sherwood and Santer found the hot spot, but this is not true. Santer said he thought it may be hidden, but did not find it. Sherwood said that the thermometer should be ignored in favour of wind gauges.

Leaving aside these critical points, what about the effect of CO\textsubscript{2} on actually increasing temperature? It looks a little scary when you think that the first 20 parts per million of CO\textsubscript{2} causes an increase in temperature of just over 1.5 per cent. That sounds pretty worrying, yet the next 20 parts per million would add less than 0.4 per cent in temperature. What we should concern ourselves with are the sorts of CO\textsubscript{2} levels that we have now, because so often we hear of alarming claims of dangerous climate change linked to 385 parts per million, 295 parts per million or 410 parts per million. We hear of tipping points et cetera. That is one of the classic claims. But what does happen when there are 380 parts per million or 400 parts per million in the atmosphere? The difference is so small that it is in the area of 0.02 per cent increase in temperature change and it is therefore slowing.

Even if this carbon tax achieves a reduction in emissions, which it does not, or a reduction in world CO\textsubscript{2} levels, which it will not, is a $9 billion tax really worth pursuing when it does not do anything for the environment? What makes it even more pointless is the difference in warming caused by CO\textsubscript{2} between 385 parts per million and 395 parts per million is negligible. The reality is that this carbon tax is nothing but a tax. It is not an environmental policy. It has only ever been a means of raising funds so that this government can either hand it out here or, worst of all, send the money offshore. As Tim Flannery, the government's climate change commissioner, who in many ways is the chief engineer aboard the climate change gravy train, says:

If we cut emissions today, global temperatures are not likely to drop for about a thousand years.

That really says it all.

Perhaps not all Australians are fully aware of these matters, but I can assure the government that the families that this Labor government have forsaken are not stupid. The government may try to sell them lines in their taxpayer funded advertising campaigns but they remain smart, because they know what is a tax and they know what a tax does to the cost of living. They know that a tax that keeps going up will ensure their costs of living keep going up as well. They know that this Labor tax represents $9 billion a year in more taxes. They know that in the first year their electricity prices will rise by some 10 per cent and their gas prices will rise by nine per cent, that there will be higher marginal tax rates for low- and middle-income earners and that there will be a $4.3 billion hit on the budget bottom line.

The government wants to make people think that they will not be worse off because they will be compensated for higher costs. The longer this fiasco of a tax goes on the greater the costs will be, particularly when the Labor partners, the Greens, talk about a $40 or even a $100 a tonne price for carbon. Compensation can never keep up, particularly when the productivity and the competitive advantages of this country are being attacked by the same tax. So the people will be more and more negatively impacted by this tax.

What surprises me is that the minority groups in Australia believe that the Australian people can be fooled by
exaggerated claims and crude name-calling such as 'denier' or 'sceptic'. The minority groups I refer to include supporters of the Labor Party, Green party zealots and those whose jobs depend on the theory of anthropogenic global warming, or human induced global warming. It is getting pretty hard to convince an increasingly suspicious population as they see the end to the drought and the lack of extreme weather conditions here and elsewhere around the world. Similarly, the need for productivity- and confidence-destroying taxation is being questioned as the retail, housing and manufacturing sectors in this country are going through intense pain. The retail, housing and manufacturing sectors in China are not going through this pain. With this carbon tax those sectors will not be worried at all.

Since the year 2000 Chinese CO\textsubscript{2} emissions have risen by 171 per cent and will rise by 500 per cent by 2020. Indian emissions will rise by 350 per cent. We know that no other nation is bringing in an economy-wide carbon tax or an emissions-trading scheme. The much lauded European ETS system raises just $500 million per year, compared to the $9 billion that this Labor-Green carbon tax will raise, with certain industries in Europe not even included by being given free emission permits.

We know that this postelection policy leads to the most comprehensive carbon tax in the world, the most damaging economic manoeuvre in the world and the most deceitful political strategy that this country has seen. With this government's plan, emissions will increase from 2012 to 2020 from 578 million tonnes to 620 million tonnes. So much of the carbon tax revenue will just be shipped overseas to carbon credit traders, who are just waiting for their next quick buck. This government just wants to transfer the wealth of this country in the form of $3.5 billion per year. Why would this government just ship the money produced by Australians overseas to highly questionable market schemes that have already been subject to as much as $5 billion in fraudulent transactions?

This government's policy is failure in motion. Worse than that, it is a sell-out of the national interest. This is a supertax, presiding over the destruction of Australian industries and jobs, whilst sending our national wealth overseas and without any climate modification. So far in my speech today I have shown why this should be rejected scientifically and why it should be rejected economically. In the years ahead Australians will want to know why this government sold out our nation and why they worked with vested interests to hurt the national interest.

I have spoken before on the vested interests that work very hard to get this carbon tax through this place and to further the theory of human induced global warming. They are well funded and they are dedicated to the cause, as I suppose you would be if your job depended on only one side of an argument being advanced. The reality is that when the nexus between CO\textsubscript{2} and temperature rises is broken—and that is coming soon—then all those whose research jobs, projects, academic chairs and associated positions depend on that nexus will be in trouble. It is little wonder they are trying so hard to get this legislation through.

I spoke earlier of chief climate commissioner Tim Flannery. He is just one among many now employed—and I use that term loosely—in the climate change industry. There are others who rely on the propagation of climate alarmism for their daily bread. The left-wing lobby group GetUp! and its director, Simon Sheikh, have raised the mindless repetition of buzzwords to an art form. Paul Keating used to say that
the most dangerous place to stand was between a state Premier and a bucket of money. I venture to suggest that these days the most dangerous place to stand is between Simon Sheikh and a television camera.

GetUp! boldly professes to be committed to the pursuit of social justice, a nebulous concept which I have previously discussed at length in this House and which is at its core little more than a pretty name for old-fashioned socialist income redistribution. It is not surprising that the adherents of this doctrine are attracted to the carbon tax like moths to the flame.

GetUp! exhorts its members to 'take action' on climate change. So far as I have been able to ascertain, taking action amounts to little more than signing up to an email list, sending standard template emails to members of parliament and the media and, of course, making weekly donations to keep Mr Sheikh and his spin machine well oiled. The issues are barely touched upon. The facts are not addressed. The impact of this toxic tax on hardworking Australian families is all but ignored. Instead, GetUp! rolls out the likes of 'Carbon Cate Blanchett' to hector those already doing it tough about why they should pay more tax. They are more interested in symbolic gestures than they are in actually dealing with real issues. Small wonder that GetUp! finds a friend in the Gillard Labor government.

I note that last week we received so-called facts sheets from the 'Vested Interest Institute' or, as I should say, the Climate Institute. They are struggling against an increasingly critical Australian population that are no longer backing the cliche causes of global warming. In these facts sheets, they provided us with five so-called facts to oppose a specific myth in each case. I used to think that the Climate Institute was a highly sophisticated organisation, but they have not even understood the concerns of Australians. I really thought that something of the big issues would have been attacked in the pages they sent, but they are in fact just so far off the mark. The trouble with the Climate Institute is that by being on level 15 of 179 Elizabeth Street in Sydney, while they may have a magnificent view of Hyde Park to the east, they have their backs to the rest of Australia. These guys cannot see the realities of the suburbs and country Australia. They need to realise that if Australians have to feel the pain of higher prices, they want to know what change in the temperature will occur.

The Climate Institute do not get that Australians want to know that the competitive position of our industries will not be reduced compared to other countries that we compete with. They fail to address the job losses that face affected industries like manufacturing, aluminium, concrete and others. They even had a so-called fact sheet that suggested something I had never heard of before was a myth, that a pollution price means you do not need other clean energy measures. If the Climate Institute had talked of science, they may have been useful. If they had talked of maintaining the Australian standard of living, they may have been of value. If they had talked about no-one losing their job, then those in vulnerable sectors may have embraced what they said. If they had talked about temperatures coming down whilst Australia maintains its competitive position, then they would have made a reasonable case worthy of some consideration.

The reality is that the Climate Institute is as out of touch with the vast majority of Australians as are the Gillard government and the Greens. Australians are suspicious of taxes. If they are told of a tax they want to know that it will actually do something useful and not hurt them more than others.
The problem for the government and for the myriad of vested interests is that the majority of Australians see a huge tax and no resulting change to world temperatures, but they do see the risks to their jobs and their lifestyles and standards of living. That is why the debate in Australia is being lost by the government. That is why they want to avoid at all cost taking this issue to the people. This tax will be all pain and no environmental gain, and Australians know it.

There is only one side that has a mandate to vote on this matter in this place. We always said that we were against this carbon tax. The government said before the election they were against it. Now they have turned their backs on the Australian people and it will come at their cost. (Time expired)

Mr HAYES (Fowler) (12:18): Since coming to this place in 2005, there have been very few opportunities to speak on climate change that I have not participated in. I have been in those discussions probably because before coming here, in my business dealings I worked very closely with the renewable and sustainable energy sectors. My involvement with these sectors was to assist in overcoming challenges to commercialising their new and innovative technologies, challenges in raising funds for research and development and challenges in demonstrating to the market that cleaner energy technology is commercially viable in a modern Australia.

The one consistent thing I have said in all my contributions associated with the climate change debate in this House and in business is that we do need to have an appropriate price on carbon. Without that we will not have effective change. Without a price on carbon there would be absolutely no incentive to move from a primitive and highly polluting energy source, as well as the cheapest power generation sources in the world—that is, relying on our brown coal stocks. People may not appreciate that, whilst it is all those things, we have 800 years supply of brown coal left. Why would we consider changing to cleaner energy technologies for this country—such as carbon capture and storage, clean coal, greater utilisation of gas fired power and renewable energy sources such as wind, solar and geothermal as well as some of the cutting edge ones being developed in this country such as harnessing wave and tidal power? By the way, Australia is one of the leading researchers in these fields.

Why would we change when we already have the cheapest power in the world? The answer is pretty clear. Devoid of all the politics and the rhetoric, we know we must change our approach to protect the environment for our kids and for future generations. We know it is the right thing to do. As parents, we try to give our kids a better life than we had, a natural inclination of parents—and it flows through a few of us as grandparents. It is in our DNA to protect and assure the future of our offspring. In the same way this government is committed to delivering better environmental outcomes as well as positioning ourselves to take advantage of the emerging and highly competitive international economy.

Leaving politics aside, most people know that we need to engage in an effective methodology to address climate change. Most Australians agree that there is a need to act, not ignore the consensus of scientific opinion when it comes to our environmental future. The overwhelming majority of scientists report that climate change is occurring and that carbon emissions are the principal cause of these changes. The other major scientific consensus is that governments need to act to protect the environment. Simple research shows that as a parliament we have been talking about
climate change since 1988. Since then there have been more than 35 inquiries as to the best way to tackle climate change. More recently we have seen the outcomes of the reviews conducted by Peter Shergold, commissioned by John Howard's government, and the recommendations and report of Professor Ross Garnaut. Despite being commissioned by different parliaments and despite their being of different political persuasions and different governments, the economic position both sides arrived at through those reviews was remarkably similar. The recommendations were remarkably similar—that the most effective, least costly and most efficient method of driving change in this regard is to have an appropriate price on carbon. It is not just members on this side of the House that have subscribed to that view. Indeed, the Leader of the Opposition in his book Battlelines said:

The Howard Government … proposed an emissions trading scheme because this seemed the best way to obtain the highest emission reduction at the lowest cost.

This time last year, Malcolm Turnbull, the member for Wentworth, said:

My views on climate change—the need for a carbon price, the fact that market-based mechanisms are the most efficient ways of cutting emissions—

and, he went on to say—

my views are the same today as they were when I was part of John Howard’s cabinet, and those views were held by the Howard government.

Indeed, last year, the shadow Treasurer, Joe Hockey, told the Sydney Morning Herald:

… inevitably we will have a price on carbon … we will have to …

But, given this debate, as we move to put a price on carbon while those opposite only want to talk about ‘a new tax’—a very simplistic line—let me remind you of what Tony Abbot had to say about carbon pricing in July 2009. His contribution to the debate back then was:

I also think that if you want to put a price on carbon why not just do it with a simple tax …

That was the line of the Leader of the Opposition. You want to talk about hypocrisy? You have it in spades when it comes to the opposition’s approach to dealing with climate change. I think this shows the level of concern of some of those opposite about finding the right thing to do to protect the future of our community. They will, every time, put politics ahead of community.

Dr Jensen: Oh, come on!

Mr HAYES: They know what the right thing to do is; they have expressed that time and again. I know the member for Tangney may take a slightly different view of that, but he will have to admit that these were actual statements made by his current leaders in terms of how they should approach what they say is climate change. They commissioned their own inquiries and they went to the 2007 election with a very similar scheme to that proposed by Labor, one which was fundamentally designed to put a price on carbon. As some type of black joke on the electorate at large and to exploit politics to its full, Abbott now says:

I don't think we can say that the science is settled here.

He says:

… whether carbon dioxide is quite the environmental villain that some people make it out to be is not yet proven.

This is devoid of any real political leadership; this is just rank opportunism.

The bills before us give effect to the emissions target shared by both sides of politics. Yes, it is a bipartisan position that we have a five per cent reduction on the 2000 levels of emission by 2020. I know
from discussions and the street meetings in my electorate with my constituents that most people simply do not believe that the Liberal-National party share the same emissions targets as the government. I suppose the coalition do not want to talk about it all that much. They cannot decide amongst themselves if they believe in climate change; is the balance of opinion now held by the sceptics?

The bills before us today also provide that the charge on carbon emissions be paid by only the biggest polluters. We have defined big-polluting companies as those that emit 25,000 tonnes or more of carbon dioxide each year. In effect, this limits the number of those who will pay the carbon tax to a little over 500 companies. Pricing carbon in this way will act as a price signal, providing an incentive for big polluters to address efficiency and to engage in new methods and technologies to limit or lessen their financial liability. In a competitive industry, simply passing on all the costs does not make good economic sense.

However, I acknowledge that some costs will find their way through the economy and will have an impact on consumers. It is for that reason that these bills also seek to address the financial impacts, particularly on families. In fact, nine out of 10 households will receive financial support to cushion the likely impacts of carbon pricing on the overall economy. Most of the money raised through the carbon tax will be used to cut income tax, increase pensioner payments, assist self-funded retirees and provide higher family payments. It has also given the government an opportunity, once again, to pursue further tax reform by increasing the tax-free threshold, which will now see people earning less than $20,500 per year paying no tax at all.

While these bills establish an initial carbon price of $23 per tonne of carbon emissions, most importantly, they also provide for the development of a cap-and-trade system—an emissions trading system, a system that was actually embraced by both sides of this parliament not all that long ago, one that the opposition even took to the general election in 2007. Yes, these bills will enable that to occur.

As opposed to the notion of 'a simple tax', as once advocated by the Leader of the Opposition, under an emissions trading or cap-and-trade system, we will place a cap on carbon emissions. Despite a growing population in this country, emission levels will therefore remain capped. This, together with the target of a five per cent reduction in emissions from 2000 levels by 2020, means a reduction in the annual amount of carbon dioxide pollution of 160 million tonnes by 2020. I am reliably told that this is equivalent to taking 45 million cars off the road—if we had that many cars.

This shows that it is possible to make very substantial inroads into our pollution levels. That is why those opposite shared that emissions target. Those that designed it took the view that we needed to act to do something about climate change and that we needed to act in a way which would have an actual impact—by sending a price signal—but which would also protect the economy. Over the longer term, these measures are capable of achieving an 80 per cent reduction in emissions from 2000 levels by 2050. These are real and achievable outcomes. These are things to work for. Establishing a price on carbon will provide business with the certainty it needs to set about making structural adjustments for the future. It will also allow business to respond to the development of a clean energy economy.
Devoid of the politics and away from the shock jocks, redneck radio and the climate change deniers—and there might be one or two on the other side; I am sure one of them is about to speak soon—the science is clear. Other than the member for Tangney—he is a good friend, but I think he knows I am somewhat critical of his scientific views on this subject—there is scientific consensus that climate change is real, that it is occurring and that human behaviour has had an impact.

We need to deal with our carbon emissions. The consensus is that the most efficient and effective way to do that is by putting a price on carbon—notwithstanding that back in 2009, as I said, the Leader of the Opposition was of the view that the easiest way to do it was to have a simple one-off tax. Whether they base it on Peter Shergold's review or Professor Ross Garnaut's report, I think most people on both sides of this parliament know what needs to be done. Both sides of parliament know what we need to do to future proof our economy and both sides of parliament should be committed to doing what they have always said they would do. Above all, we need to act and we need to act now. Transition towards a cleaner energy economy is achievable and is the most effective way of protecting our future. I commend these bills to the House.

Dr JENSEN (Tangney) (12:33): I have been dreading this moment since I first became interested in the science of climate change and anthropogenic global warming, and particularly since the Prime Minister misled the Australian people by saying that there would be no carbon tax under the government she led. As the only PhD qualified scientist in this parliament who knows what needs to be done. Both sides of parliament know what we need to do to future proof our economy and both sides of parliament should be committed to doing what they have always said they would do. Above all, we need to act and we need to act now. Transition towards a cleaner energy economy is achievable and is the most effective way of protecting our future. I commend these bills to the House.

Science does not work the way that those opposite believe or would have us believe. It is strange how Al Gore, a failed student in science, is automatically accorded reverential scientific status by those opposite while they castigate the likes of Professors Bob Carter and Ian Plimer, people well qualified to talk about the science. I would happily debate the science with any member opposite but I know they are too gutless to take me on. I will take the likes of Al Gore and Tim Flannery seriously when they live the emissions-austere lifestyles they advocate for everyone else, rather than the emissions-profligate lifestyles they themselves hypocritically live.
Still on the subject of the science, have a look at the data for Darwin. If you look at the raw data from the last 110 years, it shows that temperatures have gone down by 0.7 degrees per century. Funnily enough, after 'homogenisation' by the CSIRO and Bureau of Meteorology, the data magically shows an increase of 1.2 degrees per century. You wonder why I call for a royal commission!

A whole lot of the argument for a carbon tax is premised on models, but models only have any relevance if they have predictive capacity. The reality is that this graph I am holding up shows the prediction of the IPCC's fourth assessment report. All of their ensemble models indicated that there should have been an increase in temperatures this decade. This other graph I am now holding up is the reality according to the Hadley Climate Research Unit, the repository of the IPCC's data. Initially, the so-called 'consensus scientists' rejected the theory that there has been no temperature increase in the last decade. They are now coming to the realisation that they have to deal with it, so we get peer reviewed papers, papers that Al Gore said did not exist, like: 'Reconciling anthropogenic climate change with observed temperature 1998-2008' and 'Trend analysis of satellite global temperature data'. They both accept that there has been no temperature increase this decade. The reconciling paper suggests that maybe it is global dimming that has caused the problem. The problem is they did not do their literature survey. If they had had a look at global aerosol climatology, they would have realised there has been no change to the optical depth in the last 10 years.

Let us look at the models. 'Tracking earth's energy', by Kevin Trenberth—lead author with the IPCC, second, third and fourth assessment reports, and still a current lead author—says that we cannot explain it. I have a chart here from Kevin Trenberth showing a massive deficiency in the global net energy budget. Also by Kevin Trenberth is 'An imperative for climate change planning: tracking earth's global energy'. Another: 'On the observational determination of climate sensitivity and its implications' by pre-eminent scientist, Richard Lindzen, found that the feedbacks have been overstated. The paper on the misdiagnosis of climate feedbacks and variations found a large discrepancy between observed and stimulated precipitation. I have numerous papers here that I will seek to table.

On ocean temperature, the projections were all for increased ocean temperatures. Since the launch of the Argo network, what do we have? 'Tracing the upper ocean's missing heat' acknowledges there has been no increase but in fact a decrease in ocean temperature since 2003—they cannot explain it. The 'Importance of the deep ocean for estimating decadal changes' accepts there has been a reduction in the globe's ocean temperatures. 'On the decadal rates of sea level change during the 20th century', by Holgate, found no acceleration of sea levels. Similarly, the paper on the dynamic response of reef islands showed that many of the islands in the Pacific have actually been increasing in area. 'Sea-level acceleration based on US tide gauges and extensions of previous global-gauge analyses' shows there has been no acceleration—in fact, a deceleration in sea-level rise. The conclusion from the paper 'Is there evidence yet of acceleration in mean sea level rise around mainland Australia?' is that, no, there has not been acceleration.

What we see is that the peer reviewed science is not anywhere near as solid as those opposite suggest. If the science is settled, ask the scientists if they believe we should stop funding the IPCC and anthropogenic global warming science. Let us investigate some of the science and
assume that the IPCC models are correct. Even if we reach the five per cent reduction—and government figures show an increase from 580 million tonnes to 620 million tonnes by 2020, an increase not a decrease—then global average temperatures will only be a few thousandths of a degree cooler than business as usual. If we reach 50 per cent less CO$_2$ emissions than today in 2050 and hold that to 2100, the reduction in global average temperatures will be less than one-hundredth of a degree. No wonder the government is trying to spin this policy as a clean energy bill, as it patently does nothing to address the so-called anthropogenic global warming problem. I thought that was the point of the pain associated with this tax—so a whole lot of pain for essentially no temperature reduction.

The reality is that bankers and the like are rubbing their hands in glee at the prospects of the billions, at least, to be made in trading a commodity with no intrinsic value. Even with this tax, most Australians will maintain their current fossil fuel consumption and, more crucially, Labor's tax will have no effect on the big polluters overseas. It should go without saying that any solutions Australia considers for global warming must have real, measurable impacts on reducing global temperatures. But it seems this point has been lost in the rhetoric and catchcry.

We must ask the fundamental questions: will the carbon tax fulfill its purpose and energise other nations to join us and cool the globe? If not, why are we barrelling ahead? At this time of global economic uncertainty, governments and public policymakers around the world are focused on saving old jobs and creating new jobs. Why then is the government introducing job-killing legislation? The government's own modelling acknowledges that this scheme is not of itself enough to reach the 2020 targets. To make up the shortfall, Australian taxpayers will be spending an estimated $3.5 billion a year by 2020 to buy foreign carbon credits. By 2050, funding going overseas for foreign carbon credits is expected to rise to $57 billion per year—the government's own figures.

Why are we paying any money overseas for carbon credits? Even if you accept 'the science', there are numerous other ways to tackle the issue, including putting money into research and development—the cheap end of the innovation pipeline. Funding for advanced energy R&D will lead to a more energy efficient future by making low-emission technologies more accessible. If we can get sustainable energy to be cheaper than fossil fuels then an economic imperative will drive industry and big business. Copenhagen showed us we cannot get a global approach to climate change at this time. The big polluters of the world—China, India and the US—just are not interested. The Australian government are being completely disingenuous, saying that only 500 or so companies will pay—but then again they have a complete lack of economic understanding; after all, they believe that they can tax the mining industry into greater prosperity and that instituting a carbon tax will drive green jobs. Ask Spain and California how successful that has been. If there are these wonderful opportunities waiting out there, the reality is that industry would be doing it with alacrity.

Further, in order to change behaviour, you need alternatives to go to. In the case of electricity, apart from nuclear we have nowhere to go. We are already paying massive costs associated with a small penetration from renewables. Germany, touted by the government in terms of solar power, led the world in putting up solar panels—€47 billion in subsidies. Using IPCC models, the legacy of that bill will mean a seven-hour delay in global climate
change by 2100. Regarding wind power, Denmark led the world in embracing wind power, yet their wind industry is almost completely dependent on taxpayer subsidies and the Danes pay the highest electricity prices in the world.

When Cyclone Yasi hit Queensland, we desperately needed power due to some of those Queensland power stations shutting down. Wind in South Australia provided two megawatts out of an installed capacity of 400—some success.

In terms of transportation there are similarly no alternatives to fossil fuels at present. Indeed the government's scheme has a negative impact as it makes public transport less competitive than private vehicles. Trying to force carbon cuts instead of investing first in research puts the cart ahead of the horse.

Then there is the whole issue of carbon leakage—that is, cement and aluminium industries going overseas, killing our industries, but still emitting carbon dioxide.

The PM backstabbed former Prime Minister Rudd. Now she plans to backstab the Australian people, not only with legislation she promised the Australian people she would not introduce but also by adding landmines to that legislation—with clauses such as carbon credits being personal property—to make the carbon tax harder to rescind. The Russians used scorched earth against Napoleon and against the Germans respectively when they invaded. This Prime Minister plans to use scorched earth as well, not against an invading enemy, but against the very people she purports to represent. There should always be a get-out-of-jail clause in legislation. I ask those opposite this: if the scientific view were to change to one of unanimity that we were not causing a problem on the day after this bill becomes law, what would you think of those mines placed in the legislation then? We do not have cars because we taxed flatulence from horses.

The fact is there are things in the environment we all want—clean air, clean water, good food and reducing birth rates. Look at the countries in the world with the cleanest air, cleanest water, lowest birth rates and best food. They share affluence. Why are we attempting to make ourselves and the world less affluent?

We are promised most Australians will be compensated for the impost of the carbon tax. Calculating the impact of the carbon tax is hard enough, but what happens when it becomes an ETS? You will have an extremely volatile price. The government is betting it will be around $30 a tonne but you can trade it down to $15 a tonne. What happens if it comes in at $15 and you are compensating at $30? Hello, taxpayer, we need some more money please for that compensation. Alternatively, if you compensate for $15 and it comes in at $30 or $45, the compensation will be totally inadequate. More taxes will be needed to cover the shortfalls.

The whole point of this carbon tax is to change behaviour to reduce emissions, which means there must be pain if we are to move from an efficient industry to one that is less efficient. The simple fact is that the Gillard government is being deliberately disingenuous on this issue as they know full well that they will never be able to compensate the people adequately or economically when it becomes an ETS. In the national interest it is time to move past the politics of fear, such as, 'You need to be heavily taxed or the Great Barrier Reef or Kakadu gets it!' In conclusion, for all these and multiple other reasons, the Gillard government should not pass this legislation without the consent of Australians. Madam
Deputy Speaker Burke, I seek leave to table these peer reviewed science reports.

Leave not granted.

Ms GRIERSON (Newcastle) (12:48):
Today I rise to speak in support of our proactive plan to take action to reduce the harmful effects of climate change. I rise to speak in support of putting a price on carbon pollution. I rise to speak in support of the Clean Energy Bill 2011 and the related package of bills, which will provide the foundation of a clean energy future in this country.

Although I always welcome the opportunity to speak to issues of environmental sustainability and the future of our nation, as I said in February last year when I spoke on the Carbon Pollution Reduction Scheme legislation, this is not a debate that can go on forever. There is no longer a genuine debate in the community as to whether we trust the science of climate change. They have already made their decision. There is only a debate in the caucus of the Liberal and National parties as to whether man-made climate change is occurring. I think it is time the opposition caught up with reality.

I just heard the member for Tangney passionately espouse peer reviewed science that questions whether climate change is real or due to any human activity. I would say to him: yes, that may be so, but it is well and truly in the minority. I would like to draw to the attention of everyone to a website called skepticalscience.com. It is put up by an Australian scientist, John Cook, who I know has been nominated for a Eureka Award. At his own expense and with the assistance of his wife, he puts up all the arguments from sceptics, which at times seem quite rational. I can understand why sometimes people put forward alternative views. He also puts up the scientific answers and the peer reviewed data it rests on. I do recommend everyone look at skepticalscience.com and I put on the record my praise and appreciation for Australian scientist John Cook.

As the most recent report from the Climate Commission noted:
This is the critical decade. Decisions we make from now to 2020 will determine the severity of climate change our children and grandchildren experience.

Our nation is the world's 15th largest total emitter and has the highest per capita emissions in the world. The time for action on climate change is now and it is up to us in this place to make tough decisions in the long-term interests of our nation. The choice that we will make when we come to vote on this legislation is a choice between the past and the future, between doubt and belief, between action and inaction. We on this side of the House will not stand impotent in response to these challenges. As a government, we have a responsibility to the Australian people to take action. To do any less would be to abrogate the public contract that we have entered into with the people of Australia to promote their welfare and the welfare and success of our environment as well.

To my colleagues in this parliament and to the men and women of the branches of the Australian Labor Party, I say that these are tough reforms. Due to the misinformation campaign coming from those members opposite, the task of explaining these reforms has been made even tougher and more difficult. It is for that reason that we will work to ensure that our voice is more concise, more truthful and better heard than the voice of our opponents. Reform is never easy, but we cannot afford to walk lamely along the path to reform, heckled by the slogans of fear and disbelief. If we were to halt now, after we have already waited so long, we would be condemning Australia and
Our children to an uncertain and polluted future. This package of 18 bills implements the government's commitment to creating a clean energy future. This is a chance for Australia: we can create a clean energy future. This is a chance for the international community of nations: together we can create a clean energy future. This is a chance for Australia: we can create a clean energy future.

Through these bills we are acting on climate change and we are doing it in a distinctly Labor way. It is only a Labor government—not a Liberal government or a Greens government—that would get the balance right. It is a federal Labor government that will price carbon in a way that will protect jobs and make the big polluters, not Australian taxpayers, pay for that pollution. It is a federal Labor government that will sustain industry, particularly trade exposed industries, and provide certainty for business while mandating change. It is a federal Labor government that will invest in the future energy needs of Australia by incentivising renewable energy developments, thereby investing in a cleaner environment as well. That is the Labor way; it is the way that I believe in.

We will never turn our backs on the industries in Newcastle and the Hunter. We will never turn our backs and walk away from the metalworkers, the miners or the manufacturers. A jobs and competitiveness program will support jobs in high-polluting but trade exposed industries, through the allocation of free carbon permits—or almost free carbon permits. Supplemented by a Clean Technology Investment Program, investments in research and development and the Food and Foundries Investment Program, this reform package will clean up our economy while supporting workers.

On Thursday we heard the member for Paterson and the member for Canning ask who is standing up for the Hunter and speculate about what workers in my electorate think of pricing carbon. What I can tell the member for Paterson is that the Australian Labor Party are standing up for the Hunter. What I can tell the member for Paterson is that support for renewable energy and the continued development of non-renewable energy sources are not mutually exclusive. What I can tell the member for Canning is that members on this side of the House consult with our electorates and, in particular, we talk to workers and they know that we will always endeavour to keep people in jobs because we recognise, always, the dignity of work. Although the concern of the member for Canning for the jobs of workers is respectable, I fear that he has been misled by his own party room. What they may not have told him is that the Alcoa aluminium smelter at Tomago, which he mentioned, will be shielded from 94.5 per cent of the carbon price. Construction consultancy Davis Langdon has said that the impact on the cost of aluminium will be negligible, rising by only 0.16 per cent. I have met with Tomago Aluminium and we have had frank discussions. They are fine with the way things are and the way things are in this legislation. They are of course concerned about the long-term prospects, and as long as they require shielding there will be up to 50 per cent shielding—if the rest of the world has not changed. So they understand that, they make me understand that, and we understand that we need to work together.

We recently heard the member for Paterson predict that 31,000 jobs would be lost in New South Wales by 2030. What he did not tell the House was that the same report found that employment in New South Wales will continue to grow under a carbon
price. What he tried to hide from the people of New South Wales was that modelling by the federal Treasury shows that around 400,000 extra jobs will be created in New South Wales by 2020 under a carbon price. According to the Climate Institute:

All credible studies show strong employment growth under a pollution price and in the transition to a low carbon economy. It’s estimated we’ll see an additional 1.6 million jobs between now and 2020 whilst cutting pollution by at least 159 million tonnes.

That is a win-win. They continue:

Even the coal industry is expected to see between 10,000 and 16,000 new mining jobs above 2008 levels.

Unfortunately, the clamouring of the conservative nay-sayers in the opposition is little different to the clamouring of the merchants of London and the landed gentry of Great Britain of old who argued against the abolition of the slave trade more than 200 years ago. At the time, commerce in slavery represented a quarter of Britain’s gross domestic product and opponents of abolition threatened that it would bring financial ruin to the country and fatally wound the economy. But they were wrong; Britain’s economy did not decline but accelerated while civil liberties and freedoms meant a new age of recognition and respect. Conservatives then, just as now, were on the wrong side of history.

I believe that Australians are too honest and too civilised to wear such a fear campaign. And we on this side of the House know that when the carbon price takes effect from the start of the 2012 financial year and the sky does not fall, the Leader of the Opposition and his colleagues on a Tea Party bender will no longer be able to disseminate untruths and misrepresentations that fly in the face of fact. The Australian people will see that the Leader of the Opposition’s plan is no plan at all. Under his plan, every Australian taxpayer would pay an extra $1,300 each year; Australians would be subsidising industry’s pollution. Under our plan, in contrast, around 500 of the biggest polluters—not Australian taxpayers—will pay for each tonne of pollution they produce.

'Give me the job or I’ll trash the joint!' That is how former Prime Minister Paul Keating described the approach of the Leader of the Opposition. Keating, as always, had the Leader of the Opposition’s measure. The Leader of the Opposition will not only trash the joint but also trash the economy, trash the environment and trash the nation—all for political expediency.

Since my election in 2001, I have seen my electorate welcome and subsequently embrace change as, together, we have worked to build a clean energy agenda for the city of Newcastle. It is an agenda that has seen more than $300 million invested in a clean energy future in my electorate, including $20 million for the Clean Technology Innovation Centre, $30 million for the Newcastle Institute for Energy and Resources, $150 million for the Australian Solar Institute and $100 million for the Smart Grid, Smart City project based in Newcastle. These investments came under a federal Labor government and through strong leadership in my electorate with myself and stakeholders. For 11 years prior to that, the Howard government was missing in action on climate change, missing in action on renewable energy and missing in action on clean energy—just as the member for Paterson was missing in action when we began developing a clean energy future for the Hunter to position Newcastle as a hub for clean energy.

On his website, the member for Paterson says that he ran for parliament because he wanted to create a better future for his children and all children. If that is truly the
case, he should cross the floor and vote with the government on this legislation. If he wants to create a better future for all children, he should work with the government to create a clean energy future, and he should work with the people of his electorate to build on the clean energy future that we have been developing for the Hunter.

This clean energy reform package will incentivise further investment in clean energy technologies and infrastructure by increasing the viability of renewable technologies for consumers—the commercialisation opportunities we really need. The price signal that is there will make it more attractive for investment in new cleaner technologies. According to Treasury modelling, the implementation of a carbon price will see over 40 per cent of Australia's electricity coming from renewable sources by 2050. These reforms will help build the clean energy future our children and our grandchildren need. I note that in the community—and the opposition certainly gives a lot of support to this idea—there is concern about the impact of increased energy prices on people. But I note that the ABS household spending survey that was released a week or so ago showed that in Australia we spend on average as much on alcohol as we do on energy. We should think about things before we go out promoting the idea that things are costing people much too much; we should look at some of the facts.

But we have seen that it is not only the conservative opposition that have obstructed the path of change. Members of the Greens party in the Senate were unwilling to pass the Carbon Pollution Reduction Scheme legislation in 2009 and 2010. It demonstrated that their party was also one grounded in political opportunism rather than a commitment to acting on climate change. They demonstrated that they are not a party committed to the protection of workers in the steel industry, the manufacturing industry or the coal industry. It is we who will be making sure of that protection.

However, I welcome the constructive approach that has been adopted by all members on the Multi-Party Climate Change Committee. I would like to acknowledge the conscientiousness and dedication of the Prime Minister; the Minister for Climate Change and Energy Efficiency, Greg Combet; members of the Greens Party; and the member for Lyne and the member for New England. I thank them for their wonderful work.

All major economies are acting on climate change, limiting pollution and unlocking clean energy technologies. Emissions trading schemes now exist in more than 30 European countries and in New Zealand. Carbon pricing systems exist in Canada, China, Denmark, Finland, the Netherlands, Norway, India, Japan, Sweden and the United Kingdom. And China has the intention of having an emissions trading scheme by 2015. Like dominoes, every nation is gradually introducing measures to cap pollution and transition to a low carbon economy.

Writing yesterday in the Australian, Adair Turner, the chairman of the United Kingdom Committee on Climate Change, wrote: 'In Britain there is a general appreciation that a low carbon economy can be a prosperous one, and that the costs of global inaction on climate change would be great.' As the Climate Institute have said: 'There is absolutely no risk of Australia moving ahead of the rest of the world; the far greater risk is that Australia gets left behind.' When we look at the wonders of our natural environment, under threat from rising sea temperatures and weather fluctuations, the imperative to act is clear. As the coral of the
Great Barrier Reef bleaches at an increasing rate, the importance of this reform package for the future prosperity of our nation and the ongoing sustainability and biodiversity of our natural environment cannot be muddied with the slogans of fear and hate of those opposite. My colleagues and I know that we must build a better future for our children and our grandchildren. All our words, all our policies and all our actions are directed to this end.

We also know that we have to build a strong economy. We have that and it came about through reform and change. That is why I ask this question of the men and women of my electorate: will you allow inaction on climate change? Of the men and women of my home state of New South Wales, I ask this question: will you entrust the future of our nation to those who had 11 years in government in which to take action on climate change, and yet did nothing? Can Australia afford another three years like the last term of the Howard government? No. I ask all Australians this question: will you accept the misinformation campaign of those opposite or will you work with my colleagues and I in the national interest and putting your own interests first, you should avail yourselves of the offer by the member for Tangney for a debate on the actual science.

I rise to give the House the perspective from my electorate of Herbert on the Clean Energy Bill 2011 and related bills. I do so in the knowledge that the majority of residents in my electorate believe that action must be taken to clean up our part of the world and that we must act to support renewable energy. I have spoken to researchers from James Cook University and the Australian Institute of Marine Science and they have made it clear to me that we must act. But this tax does not act in attacking pollution. It does not act on sustainable energy. It does not act in union with the world. It acts alone as a cascading and compounding tax, with the end user—those people who can least afford it—paying for it.

This government tells us that the tax will be levied on the big polluters. These big companies will be faced with a choice. Do they take the pain, causing lower share prices and inflicting internal pressures on themselves, or do they pass it on? Look at Qantas. They were one of the first to come out of the blocks to support putting a price on carbon and to support the government's carbon tax. They did this after also ensuring that it was not levied on international travel, as that would have impacted on their competitiveness. And, quick as a flash, they announced that they would pass on the domestic cost of the carbon tax straight onto the punter.
Turning to Townsville, I would like to discuss this from the perspective of mining and resources using two examples. First, there is the Xstrata copper refinery. Xstrata has announced that the Townsville refinery will close and it has stated categorically that this is not directly related to the carbon tax. And I take them at their word. The fact remains that the ore will still be mined and converted to concentrate. It will not be refined in Townsville, and those 170 people who were employed to do that will find themselves out of a job. That concentrate will instead be shipped offshore to be refined. The big question is: what will the net result be for world pollution? No-one will tell me the answer to that question, least of all the climate change minister.

Xstrata says that it is moving because the cost of production is less overseas. It would not be too much of a stretch, then, to assume that Australia’s rigid environmental regulations may not be enforced overseas, thus creating a climate in which over 300 direct and indirect jobs in Townsville have been lost for a worse net result for worldwide pollution. We are still a quarry; we just do not value add any more in this industry. My city and region are not happy with this. Second, I put to the House the example of Queensland Nickel—the company saved from closure by Townsville’s community of refiners and Clive Palmer. It was estimated that had Clive Palmer not stepped in, the closure of this company would have had a devastating $4.5 billion negative impact on our local economy. Queensland Nickel employs 900 people directly, and it is estimated that another 1,200 owe their living to this enterprise. No-one at Queensland Nickel will tell you that it is not energy intensive; it certainly is. But here is the most perfect example of why this tax is bad. Queensland Nickel is a 100 per cent import and export business. The ore is sourced and bought on the international market from Noumea and New Caledonia and shipped to Townsville, where it is refined and then sold 100 per cent on that international market. It is price sensitive and so an equitable tax is extremely important.

Queensland Nickel’s method of refining is termed a Caron. It is a roasting method and it involves energy. There are two other countries with which it competes in this market and which use this process. They are Brazil and Cuba. Queensland Nickel has improved its environmental performance steadily over the years. They now produce a large portion of their own electricity. To further reduce the energy required, they sun dry the ore to facilitate a quicker, cleaner process. The plants in Brazil and Cuba are, from what I am told, environmental disasters. I have not been there. They say that you can see them on the satellite photos, and they are disasters. The guys at Queensland Nickel will tell you that you can walk across the smoke in Brazil and no-one fishes near the Cuba facility. I can tell you, Madam Deputy Speaker, that people still fish in Cleveland Bay and they still live around the plant. It is estimated that Queensland Nickel will at the start be up for $32 million with this carbon tax.

My problem with this tax is not that it affects profitability when the price for nickel is high. When the price is over $15 per pound, they can probably afford it. It is when the price drops and Queensland Nickel is still up for $32 million that I have a real problem, and so does Townsville. When the price drops, the forward estimates are below $8.50 per pound and there is a strong dollar, maintenance and jobs will have to be shed. It is that simple. The ore will still be mined. The ore will still be purchased on the international market.
If Queensland Nickel is out of the game, the ore will still be processed in Cuba and Brazil, with the result that world pollution will skyrocket for no reason other than this government wants to look its grandchildren in the eye. I want to look them in the eye as well, but I want them to have jobs. This tax does not reward good business. It does not reward world’s best practice. It does not support industry. It does not support refining, and it does not support Townsville.

I want to talk about small business. I come from a family which worked hard in a corner store. Small businesses all over the country are the same no matter what the business. Long hours, living frugally and doing everything for the business are the orders of the day. Running a corner store means that you always have to be open, so your electricity costs are high. Corner stores are full of refrigeration, and they run on electricity. The deli fridge, the meat slicer, the scales, the cash register all run on electricity, and electricity is planned to get dearer and dearer and dearer.

A small business of any kind must look at its costs, set its margins to meet those costs and then make something on top of that. With the ever-increasing competition from large corporate organisations, the last thing a small business needs is taxes which will not help anyone achieve anything. Be that small business a corner store or an engineering firm, the challenges before them today are great. Be it big multinational or national competitors or Chinese steel manufacturers, the challenges are the same. To add to these challenges an unwieldy and overly complicated tax which will require a huge number of public servants to administer its operation beggars belief. Every small business operator will be sitting there filling out forms, completing the returns and complying with legislation. They will be doing that for absolutely no money. They will be working in their business and not on their business. They will see the waste which has made this government the most profligate in history as another example of them having to bear the load for a bunch of others tucked safely in their beds. This government does not want to see small business thrive, otherwise it would not introduce this tax.

I want to tell you about my wife’s family. They are cane farmers in the Burdekin. They work hard. They are trying to deal with the strength of the dollar but they are also heavy users of electricity, diesel and fertilisers. All three are exposed to the carbon tax. All three impact on my wife’s family being part of a country which makes and grows stuff. My wife’s family do not want anything they do not deserve, but this is not giving them a fair go. How do we go to them and ask them to cop it in the neck again with the strong dollar and then load them up with a tax that other sugar-producing nations are simply not paying. Even our charities and organisations will not escape this tax—take North Queensland Community Transport. They supply cheap transport to people in the community who do not have options. They provide buses and wheelchair lifts. These are driven by diesel. Do you as a government simply say to them who survive on the very least that they will have to go without, again?

This brings me to direct action. The basic philosophy of it is what speaks to me. We do things. We are a country of innovators and inventors. We take the best the rest of the world has to offer and we adapt it to our ways. We produce tangible, positive, effective measures which improve the way we live. Australia is already in the middle of the pack when it comes to action on climate change. That gets glossed over by this government too much. We are by and large acting on climate change. Look at the cars we drive. Look at the influence our car
manufacturers are having on the way we drive. We are certainly doing a damn sight better on this environment caper than when I started work in 1978. In those days, solvents, acids and oils were all just poured down the drain and into the stormwater. It does not happen anymore, and most of that has been driven by the community. Business and industry are not without blame here, but we have cleaned up our act. We are one of the best countries in the world when it comes to acting on climate change. But we can always do more, and that is what direct action is all about.

Let us look at the algae project at James Cook University in Townsville. The algae attacks and collects carbon dioxide and converts it into a food source and biodiesel. It can be designed to attack any pollutant and remove it from the air. Above all, it is not genetically modified in any way. By using this science, we could build a coal-fired power station, integrate this algae project into its design and get a coal fired baseload power station with zero emissions. Sure, there are costs involved here, but everyone can see that those costs produce tangible, visible and positive outcomes. This government should be backing this project and pushing it as far as it can to ensure that Australia is leading the world in this science. We can clean up our patch and not spend a cent overseas. To spend $3.5 billion of our taxpayer money to buy credits overseas for those people burning our coal is just ridiculous as far as my city is concerned. We can clean up our patch and we can look after ourselves.

There is simply not enough time to discuss the legislation before us in one speech. I object to not being able to examine in detail this tax's effects on the timber industry, the steel industry and all the value-adding industries. I object to not being given enough time to explain Townsville's perspective when it comes to the additional cost to health care, child care, road works, public transport and the cement and building industries. Just about all our food comes in on trucks which are diesel powered and travel on roads. Everything I have just mentioned will cost more under this tax.

For the life of me I cannot understand why we are going down this path. The people to whom I speak in Townsville do not understand why the government is doing this when the Prime Minister and everyone on that side of the House stated clearly before the election that there would be no carbon tax under the government she led or of which they were a part. The people of Townsville do not believe it when the government says that the average cost to a person will be about 20c a week. I do not believe that there is a single person in the country who would believe that.

At that end of the day, this is a bad tax. It tries to be too clever by half and it is so convoluted by design that it cannot possibly work. There are those in my community who do not believe that there is a need to do anything at all, but they are in the minority. However, the vast—and I do mean vast—majority of people feel that, if this tax comes in, they will be losing something in our city and our country. We object to that and we will not be supporting these bills.

In closing, the member for Newcastle said 'the Labor way'. When I was a kid the Labor way was the man standing out the front and talking to people. He fronted up to people. He had a trade background, he worked hard and he was part of it. When I was a young man the Labor way was to lead the way. It was to say things before an election, stand up there and have a go—articulate a position and carry it through. Take the great debates that came from 1983 and the moments of true pride that Labor must have had. Look at
what has happened now. There must be people on that side of the House who sit there and shake their heads, wondering what happened that this government can say one thing before an election—everyone who got elected over there said the same thing. Now they are saying the time has come to act and yet they are not prepared to go to the very people they purport to represent and put their names to a ballot paper on this issue. I think you should all hang your heads in shame.

Mr WINDSOR (New England) (13:17): Before getting into the bulk of my address I would like to address a few of the comments that the member for Herbert made. I think it demonstrates quite clearly the lack of knowledge of what is in some of these bills. The member for Herbert spoke about the price of fuel going up. If there is any mention of passenger vehicles or long-distance road transport vehicles in those bills—

Mr Ewen Jones interjecting—

Mr WINDSOR: No, listen. I listened to you.

The DEPUTY SPEAKER (Ms AE Burke): The member for Herbert was heard in silence.

Mr WINDSOR: If there is any mention of passenger vehicles or long-distance road transport vehicles—the types of vehicles you talked about when you said, ‘You’re going to strangle Townsville’—in those bills, I will not vote for them. A challenge to you: look in the bills, read what is there and stop spreading this fear that fuel is going to increase dramatically because of these clean energy legislative arrangements.

The other thing that I would like to comment on is that he talked about the mining boom. I think we are all well aware of the impact that the mining boom is having. He also talked about the high dollar. The two things are related. They are having an impact on our community. I would hope that, when we get to debate the contribution in a two-speed economy that the mining industry in boom times may well be able to make towards those others who are struggling, he would have a more constructive view.

What if the climate scientists are right? I am not a climate scientist. I was not very good at science at school and am too old to learn. But what if they are right? What if we avoid the precautionary principle—the warnings that are out there at the moment? What if we do nothing and they are right? It would be okay for the people of Townsville, I guess. It would be okay for me. It would be okay for a lot of us in this room. We will get by. But what about future generations? What about intergenerational equity? What if they are right and there is a tipping point in the oceans, if they are right in terms of quite dramatic events, if they are right about a drying of the Australian continent, if they are right about what could happen in Bangladesh and suddenly millions of people are trying to find somewhere else to live? What if they are right? Given the short-term nature of this debate, we will be all right, but future generations of our people may well have to face very severe consequences in respect of what we do not do. Obviously Australia is not going to create all the changes that revolutionise the world on this issue. We all know that. But we do have to play our role. We are contributors on a per capita basis. We are quite high contributors. I think it is time that we show a little bit of leadership on this.

What if the climate scientists are wrong? The majority of advice and information suggests they are not, but what if they are? What have we done? Nothing that is irreversible, unlike the other consequence. We have probably cleaned up our backyard; made it a bit tidier for people to live; addressed some of the more challenging
scientific issues in renewable energy etcetera; and presided over an advancement in wind, water, geothermal, biomass, biofuel and a whole range of renewable energy resource sciences that may well come out of the next 10 years and may well even come out of these bills. I will talk about the funding packages that are actually in the bills. So I am pleased to be part of this debate. I sit on a committee that has just chaired a review of the Murray-Darling Basin. One of the issues that kept coming back to those who served on that committee was some of the decisions that were made in the past, whether in terms of salinity, the Lower Lakes or just the integrity of the river systems themselves. They were political decisions that were all made in the short term for the short-term advantage, and all the similar words would have been spoken.

My vote could be absolutely crucial to this particular issue, and I do not want to be placed in a situation where people look back in 100 years and say: 'These people were warned about this. Why didn't they do something? Oh, it was just short-term politics of the day, and in a sense she has. I am sure that in some ways she would rather have gone to an emissions trading scheme as quickly as possible than go through this convoluted fixed-price arrangement for three years that the Greens and others have pressured upon her. I think a year, as in the Howard arrangement, would have been sufficient. Even out to two years as in the Turnbull-Macfarlane arrangement with Senator Wong would have been preferable to a three-year arrangement. But, nonetheless, at the end of this it is an emissions trading scheme. It is internationally linked, because the whole objective of the market mechanism is to try to achieve carbon abatement and greenhouse gas emission abatement at the lowest possible price.

The hypocrisy of this debate has been about this issue: which is the cheapest way of getting to five per cent of 1990 levels by 2020—the direct action or a market mechanism that puts a price on emissions government, you'd better have a serious look at this issue,' and then history as we know it took place: the tax morphed into a piece of legislation that eventually became the emissions trading scheme in a few years time.'

As I said, I am pleased to be part of that process. I was part of the Multi-Party Climate Change Committee. I think it worked very hard. It has been pilloried from outside because of the short-term, knuckle-dragging nature of this particular parliament on some of these longer term issues, but, irrespective of whether I am elected next time or not, it is something that I will remember: being part of a group of people that actually wanted to make a difference, not for themselves and not in the short term but in the longer term.

The Prime Minister has been blamed for changing her mind. That is the cheap politics, and in a sense she has. I am sure that in some ways she would rather have gone to an emissions trading scheme as quickly as possible than go through this convoluted fixed-price arrangement for three years that the Greens and others have pressured upon her. I think that a year, as in the Howard arrangement, would have been sufficient. Even out to two years as in the Turnbull-Macfarlane arrangement with Senator Wong would have been preferable to a three-year arrangement. But, nonetheless, at the end of this it is an emissions trading scheme. It is internationally linked, because the whole objective of the market mechanism is to try to achieve carbon abatement and greenhouse gas emission abatement at the lowest possible price.

The hypocrisy of this debate has been about this issue: which is the cheapest way of getting to five per cent of 1990 levels by 2020—the direct action or a market mechanism that puts a price on emissions
and lets the market determine the outcome? Quite obviously, any economist worth his salt has identified that a market mechanism, normally the preferred option of the Liberal-National Party—not necessarily the preferred option of the Labor Party—is the cheapest way of achieving that outcome.

Within my electorate there are people who do not agree with my stance on this particular issue. I just say to those people that I went to the election on this issue. They elected me at the last election on this issue. I introduced a bill in 2008 called the Climate Protection Bill, and my opponents at the last election kept saying: 'This man believes in climate change. He's introduced a bill. It's talking about a market mechanism. It could be either some sort of tax or an emissions trading scheme. He's talking about the precautionary principle and the "what ifs" in a bill introduced before the election.' So for anybody, either within or without the electorate, to say that I have suddenly had some change of mind since the minority government has been formed is quite incorrect. No-one in this place, probably, has spoken more often than me about renewable energy, biofuels, biomass, agriculture and soil carbon.

There are mechanisms in the legislative arrangements—the bills. If there were a simplistic way of identifying soil carbon as the solution to this problem, I would be the first to be on the bandwagon. I have been dealing with some of the conservation and tillage practices since 1977. I probably have the piece of land that has gone the longest of any in Australia being continually cropped but never actually cultivated. There is a build-up in soil carbon there, but it is not of the magnitude that we require to be a major player in this particular issue.

There are opportunities in this bill. There is a revenue stream. Part of that revenue will go into clean energy—$10 billion, an enormous impetus in terms of renewable energy, research and development grants and assistance. There are a whole range of things—real opportunities. And where are those opportunities going to reside? Most of them will be in regional Australia. We are seeing them in Moree, Chinchilla and other parts of Australia at the moment. Algae to fuel, algae to diesel and those sorts of things could be funded out of here in terms of the research, getting the costs down—biomass to biofuels and those sorts of research that are going on internationally. I was recently in Scotland, where they are working on the cell structure of the barley and wheat straw to weaken the lignin in the cell structure so that it can be digested by the enzymes et cetera to achieve a fuel outcome in a shorter period of time and hence rearrange the economics of that particular process. That is where this $10 billion will be used: to assist the transformation to a cleaner energy economy. The big opportunities for longevity and sustainability are in regional Australia. I do not shy away from supporting the general thrust of this reform and I was pleased to be part of it. The other revenue stream will be to what I loosely call the landscape sector, the Carbon Farming Initiative. There is a whole range of biodiversity issues in these bills, one of which is a 15 per cent rebate to encourage people both in the cropping sector and in the grazing sector to change their farming practices to more sustainable, less soil-disturbing practices such as conservation tillage, no till—there is a whole range of descriptions. Those practices are quite possibly the greatest adaptation to climate change we have seen in the last 20 years in agriculture. A lot of people are not doing them. The rebate arrangement that is built into these bills is to encourage those people to get the correct equipment, to encourage them to go somewhere. If the climate
scientists happen to be wrong, those people will increase their productivity anyway because they will be better able to deal with climate variability in their cropping and pasture practices.

I am more than happy to be a part of the committee that is looking at this legislation. I think it is a disgrace that the coalition is not looking at the fine detail of these bills. It is just saying, 'No, no, no, we do not want to know what is in the bills; we do not want to modify them.' I am getting a lot of constituents both in the business community and in the farm sector wanting to get to the detail of the bills to remove some of the uncertainties that are there, whether that be about some of the landfill and local government issues, the off-road use of the fuel rebate in local government, the food processing sector or the Western Australian electricity industry. There is a number of issues in these bills. I am going to take the committee seriously. If there are things that do need to be modified in the structure of the bills, let us look seriously at them.

I congratulate the Minister for Climate Change and Energy Efficiency, Mr Combet, for the work he has put into this legislation. It has been an enormous task. Any minority government that embarks on reform of this nature needs to be congratulated because it is not about today, it is not about the players that are here now, whether it is a Gillard or an Abbott in the main job; it is about the long-term survival of those who have not even been born yet—something that I regard as very important and critical. I think we should ignore some of this short-term negativity that is out there and start to address some of the longer-term issues that will have impacts long after we are gone.

TIME EXPIRED

Mrs GASH (Gilmore) (13:33): The member for New England spoke about his knowledge of these clean energy bills and having inside information. Bully for you, Member for New England. We in the coalition cannot even get information on the 400 to 500 biggest polluters. But then you support the government and I do not.

Mr Windsor interjecting—

Mrs GASH: I listened to you in silence.

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! The honourable member for New England would know that he ought not to interject, as he is in the process of leaving the chamber.

Mrs GASH: Just over a couple of months ago I received a letter from a young trainee farmhand who works on a dairy farm in Milton. He has been thinking long and hard about how a carbon tax is going to impact on his life and, frankly, he is worried. The thing that struck me was that he was only 16 years old and was actually moved to put pen to paper and to write to his local member. This is what he wrote:

Dear Joanna Gash,

Hi. I am John, a 16 year old boy. I am writing to you as I have a traineeship on a dairy farm at Milton and think that the carbon tax will not be fair on farming with all the prices that will be going up. We have also been hit with the milk price also.

We work very hard. It is a 7 day week, 365 days a year and out in all weather. But we love our jobs and would like to keep it. But if there is no help for what farmers that are left we could all be out of work and that would be hard as I have just started my life in the work force and want to keep my job as a dairy worker.

Thank you.

Young John is not an isolated case. The only difference is that he is just one young person who has expressed openly to me what many of his peers are thinking. The government has been relentlessly repeating the mantra that this tax is necessary, that this tax will
help the global environment and that this tax reflects what other countries are doing. The tax is being introduced without bothering to ask the Australian people what they think and despite the fact that it is they who will be paying for it.

This tax is being introduced by a Prime Minister who was selected by stealth, a Prime Minister who is a prisoner to Greens Senator Bob Brown, who everyone can see is calling the shots. He has been made Prime Minister by proxy. Labor's carbon tax has been crafted against the fabricated and imaginary international environment that exists only in the minds of the Greens and Prime Minister Gillard. It is a tax that is enthusiastically supported by the two so-called Independents, who will ultimately have to account to their constituency.

These bills are full of holes. The modelling is incomplete and much of the detail necessary to make an informed opinion is either nonexistent or deliberately withheld from the public. It relies on grand statements not backed up by facts or evidence. The alleged facts that have been presented so far have been widely challenged and are dubious at best. Modelling is based on an unrealistic $20 per tonne when it should be $23 per tonne, according to the government's own advice. The promised green jobs are spoken about only in the vaguest of terms without any specifics being offered whatsoever—no descriptions, no quantities, not even when they will start appearing or in what form. Still this government will not release, as I said earlier, the names of the 400 to 500 companies that will be paying.

This government's record of big-ticket projects is abysmal, so it is little wonder that Australians are suspicious of what this government is saying. They are not stupid and they understand the ramifications of this tax to them and their families. Let me ask the question: are we following the lead of other countries, as the government is trying to tell us? The report of the Productivity Commission provides some clues and reported:

... no country currently imposes an economy-wide tax on greenhouse gas emissions or has in place an economy-wide ETS.

The commission only looked at eight other countries and, importantly, did not examine major competitor countries such as Indonesia, Russia, Brazil, Colombia, South Africa, Qatar, United Arab Emirates and Canada. Wayne Swan must explain why he failed to have the commission examine these countries. The fact that our major export competitors do not have a carbon price means that not only will a carbon tax in Australia send Australian jobs offshore but these jobs will still continue pumping out carbon dioxide, albeit from another country. Nothing will be achieved other than jeopardising our economy for nothing more than a gesture.

The report also demonstrates that Australia is not behind other countries in terms of taking action on climate change. The report finds our current abatement efforts are on par with those of the United States and China, yet we want to reward these countries by giving them our manufacturing jobs and penalising our people by increasing our production costs. Other countries are showing that you do not need a carbon tax to take action on climate change, as we in the coalition have said and proved with our policy on direct action.

Treasurer Wayne Swan made the ridiculous claim that Australia was simultaneously in the middle of the pack and in danger of being left behind. Wayne Swan's claims that Australia will be left behind by other countries in the future is wrong because Japan announced in
December 2010 an indefinite postponement of its consideration of a cap-and-trade system. The United States has stepped back indefinitely from a cap-and-trade system and President Obama will look to other policies. The United States has reiterated that it would remain outside the Kyoto protocol. Canada dropped any plans for a cap-and-trade system under the minority Harper government and the Conservatives won a majority in the recent election pledging not to introduce a cap-and-trade system. South Korea has delayed carbon trading until 2015, after industry rejected an offer of 90 per cent free permits until an opportune time. Russia, Japan and Canada informed the G8 in May that they would not join a second round of carbon cuts under the Kyoto protocol at the United Nations talks this year.

The Productivity Commission report confirms that any carbon tax or ETS will be passed through to consumers. Since 2007, across Australia electricity prices have increased by an average of 51 per cent; gas prices have increased by an average of 30 per cent; water and sewerage rates have increased by an average of 46 per cent; health costs—hospital, dental and pharmaceuticals—have increased by an average of 20 per cent; education costs—school fees et cetera—have increased by an average of 24 per cent; and rent has increased by 20 per cent. All of that is before the $9 billion a year new carbon tax, which will mean a 10 per cent hike in electricity bills in the first year alone, a nine per cent hike in gas bills in the first year alone, higher marginal tax rates for low- and middle-income earners and a $4.3 billion hit on the budget bottom line. This tax has been set deliberately at an artificially low price to start and will continue to rise and add to the cost of living in the years ahead.

The government's own modelling shows that emissions will increase from 578 million tonnes in 2012 to 621 million tonnes in 2020 despite the carbon tax. In 2020, $3.5 billion of carbon tax revenue will be spent buying 100 million tonnes of carbon credits from overseas. That will grow to 400 million tonnes by 2050, at a cost of $57 billion. By the government's own reckoning this will lower our gross national income per person by something like $5,000 by 2050.

According to the International Energy Agency in 2008, China's output was estimated to make up almost one-quarter of the world's output of carbon dioxide. The United States was not far behind, at just a little over 18 per cent. Those countries sit at first and second place of the world's emitters. Australia sits at 16th place, with 1.6 per cent. China's economy is predicted to grow to $123 trillion by 2040 in today's terms. This is equivalent to three times the economic output of what the whole world produced just in the year 2000. China's emissions are forecast to rise by 500 per cent by 2020. With growth like that how realistic is it to expect that global carbon emissions are going to be reduced? How can we here in Australia make any difference on our own? That is just fantasy.

If Australia immediately ceased to exist, all the carbon dioxide we are putting out now will be replaced by China's present output in the space of less than three months. Carbon dioxide emissions will not diminish at all, but will continue to grow, along with the world's population. This government is hell-bent on making Australian products more expensive and less competitive in the international marketplace, yet will sell materials that will enrich and enlarge our major competitors.

We have every right to be sceptical, if not cautious, over a tax built on deception. Will this carbon tax introduced in Australia alone deliver appreciable change to the global
environment? The answer is an emphatic no. Even on the government side there is considerable scepticism. The former climate change minister and current Minister for Finance and Deregulation, Senator Penny Wong, says a carbon tax is a bad idea. She said at a press conference on 3 November 2009:

I have been very upfront about why I think a carbon tax isn’t the most sensible thing for Australia.

Professor Tim Flannery, the government's own expert on climate change, admits that Australia's efforts are so token as to be inconsequential. He said on MTR radio in Melbourne on 25 March this year:

If we cut emissions today, global temperatures are not likely to drop for about a thousand years.

If the world as a whole cut all emissions tomorrow the average temperature of the planet is not going to drop for several hundred years, perhaps as much as a thousand years because the system is overburdened with CO2 that has to be absorbed and that only happens slowly.

Why then is this government hell-bent on imposing a heavy, permanent burden on the Australian people when, practically speaking, nothing will be achieved?

Labor has promised to compensate polluting industries that are vital to our economy. Instead of the dirty 1,000, that number has been whittled down to less than 400. By definition that could include an organisation like the Shoalhaven City Council in my electorate, which has not been able to cut costs—predicted to be at least $1 million a year—owing to the council's methane recovery plants at their waste sites. Carbon tax costs imposed on the council would be passed onto ratepayers because the council will not be compensated. 'We will return all the money raised to people through the tax mechanism,' said Simon Crean in the Australian on 10 March 2011. But then the government changed its mind. Prime Minister Gillard announced in April 2011 that about only 50 per cent of carbon tax revenue will be going to families as compensation for cost-of-living hikes. Yet at a press conference on 13 April the Prime Minister said:

... millions of Australians will be better off receiving more in assistance than what will be required by them to deal with any price impacts. By providing more offsets than the price requires, isn't the Prime Minister actually going to encourage consumption?

This has all the hallmarks of a GFC bailout mark 2, when $900 cheques were being thrown around like confetti. This was a policy overreaction that took us from a $22 billion surplus in 2007 to what is today a gross debt of over $197 billion and rising. My concern is that this tax may well make many of our manufactured and export goods less competitive and therefore expose industry to the temptation to move their operations offshore. The natural consequence would be a loss of further jobs. Yet the Prime Minister herself said that direct action is the way to go to keep jobs in Australia, not a tax.

The constituents of Gilmore want jobs. They do not want to see their jobs going overseas. What is the point of compensation if you do not have a job? What is the point of the Prime Minister proudly proclaiming that a basket of groceries will only cost 80c more when you do not even have a job? The rest of the world has overwhelmingly rejected the Australian model of a deep, punitive carbon tax. The coalition has shown that there are other ways of achieving similar outcomes. Why will the government not listen?

Gilmore is made up of two distinct regions. In the north we have Shellharbour, a part of the Illawarra which has grown on the back of heavy manufacturing. The
steelworks and the coal mines are dominant industries. Many thousands of smaller businesses support that core activity. They are energy hungry because that is a consequence of the activity that brings wealth to our region. Those industries still sustain the Illawarra through the jobs they have created directly and indirectly—shops, service industries, public servants and so on.

It is a huge and complex social and economic network, but this government wants to turn off the tap. Just a few short weeks ago, BlueScope Steel announced 800 jobs were to go. This was bought about predominately by tough competition from overseas. This is just going to add more costs to the product. How is making a local product more expensive going to help Illawarra's industry base? Recently Regional Development Australia announced all their projects and not one project was for the Illawarra. Yet June quarter unemployment figures revealed the central Shoalhaven's unemployment rate was 10 per cent, almost double the national average. In some areas, youth unemployment was as high as 35 per cent. In the Shellharbour LGA, the rate was 7.4 per cent. Both were up on the previous year.

I simply cannot see where these thousands of promised, mythical 'green jobs' will be. The Prime Minister keeps talking about them, but cannot or will not provide any detail whatsoever as to when or where they will be created. What is needed in Gilmore is not just compensation for the impact of the carbon cost. We need substantial initiatives to meet the challenge of a changing economic and cultural landscape. What we need is for the Australian people to have a vote on this issue. I call on the Prime Minister to call a very early election.

The DEPUTY SPEAKER (Hon. Peter Slipper): Before calling the next speaker, I remind all members of the provisions of standing order 64 which provide that no member shall be referred to by his or her name.

Mr ALEXANDER (Bennelong) (13:48): When great governments issue great policies, sometimes mere mortals like us ponder what could possibly have been their inspiration for such vision. My contention in speaking on the Clean Energy Bill 2011 and concurrent legislation is that the Gillard government have drawn their inspiration from one of our great nation's traditions, the Melbourne Cup. This is a fantastic time of year as Australians from across the continent look forward to the familiar sights and sounds of the Spring Racing Carnival leading to the special feeling of anticipation for our race that stops the nation. On 1 November, we will celebrate 150 years since the first race in what has become such an iconic international event.

It began with the best thoroughbreds that Australia could produce, and the legendary Archer winning the first two cups. By 1930, the truest Australian superstar—of course, born in New Zealand—became our great champion, the legendary Phar Lap. Our great race now attracts the greatest thoroughbreds from across the globe with trainers from the Middle East to Ireland to the United States pursuing the ultimate prize. Despite the growth of the race the same general principle still applies that saw its pinnacle at the height of Phar Lap's powers. Competing 35 times in his short life, Phar Lap won an extraordinary 32 races and twice ran second. The only race in which Phar Lap did not place was when he came a very ordinary eighth in the Melbourne Cup of 1931, during the depths of the Great Depression. Our champion had won all 14 races he had competed in that year, providing such great inspiration and hope for the millions of Australians who
were doing it tough during those dark economic times.

Due to this great success racing officials decided to weigh down this great stallion with a massive 68 kilograms as he attempted to become the first back-to-back champion since Archer. To put this in perspective, Phar Lap's weight of 68 kilograms was an incredible 24.5 kilograms more than the weight carried by White Nose, the horse that won the race that year. This was simply too much of a burden for our nation's greatest champion. Now, 80 years later, our nation has another great champion, a resource that powers our economy to greatness, that carries the weight of the Australian dream and that provides riches for all. This great champion is not a foal, it is our economy's heart and soul—yes, it is coal. It is our country's greatest natural resource, the rock that drives our economy away from the threats of global depression and that gives us such a magnificent competitive advantage on the world's racetracks.

It is time for inspiration and vision on how best to use this champion resource for the benefit of all. Instead this government is choosing to handicap our nation's great champion to add such a weight through this tax that this industry will be reduced to the very ordinary. Just as Phar Lap's next step was to move overseas to compete, many of our industries will be forced to relocate to another country where they can avoid this tax, this handicap, that eliminates their competitiveness. We have already seen a late scratching in the most mighty of thoroughbreds, BlueScope Steel. She was a fiery competitor that had previously run with steely determination, but now she runs no more and those blue-collar punters who had ridden her wave of success are now left beaten, hoping there is enough coal revenue to fund their dole. The average Aussie punter is forever getting smashed by this government, straining under so many policy failures sired by that disappointing grey from Griffith and damed by the Welsh warmblood of Lalar. This government loves a punt themselves, not on the pokies but on pink batts, school halls, the NBN and an overseas flutter on Malaysia—but not the certainty of Nauru. They like an outsider, all paid for by debt that has spiralled to well over $200 billion. Having learned from their past mistakes, it appears they now punt to lose. Lack of honesty has been a great failing of this government, and that failing has never been greater than in this representation of these so-called clean energy bills. Originally the greatest moral challenge of our time, the policy is then dropped and, subsequently, our Prime Minister looks us in the eye and promises us:

There will be no carbon tax under the government I lead.

But now we have new leadership through a marriage to the Greens—and Bob's your uncle. However, upon investigation, this is not about saving the planet. Under the disguise of an environmental policy, this is tax reform that will stop the nation. The truest words spoken in this room highlight the Prime Minister's real objective, when our leader said of her:

… the Prime Minister has never seen a tax she didn’t like and never had a tax she wouldn’t hike. This is her Christmas, and it comes every day—a new tax that is so far reaching that it sits on top of every other tax unimpeded and that takes from big businesses, businesses of national importance that create massive amounts of foreign income, and every single one of us in virtually everything we do—taxed. She is a new kind of Robin Hood: she takes from the rich and she takes from the poor! Yes, this tax will get the better of our Phar Lap and all those who punt on her—the tax that never sleeps, that never rests, the tax that can make this Phar Lap of a country,
stripped of its ability to run like no other, reduced to the very ordinary. Let us in this place advocate to seek a global solution to this global problem of global warming. Let us not inflict domestic pain for no global gain.

The Prime Minister assumes the role of leading our nation with an oath to well and truly serve the Commonwealth of Australia, her land and her people. Yet this decision to tax our champion, to burden our Phar Lap, for no environmental gain is a crime against our economy and does not 'well and truly serve' our nation. Australia's best interests will be served by developing ways to maintain our champion's ability to run within the new race rules, not by taxing it out of the competition. With a focus on clean coal technology, on emission capture, on sequestration and on carbon farming, we can maintain our current competitive advantage and keep banking our winnings whilst also meeting our environmental targets. This investment in research and development, this embrace of innovation, is what will be in our nation's best interests. This government so lacks credibility that, when they finally get a good runner, they embark on this folly—a tax policy hastily put together without consultation and with little consideration of the consequences. After feeling the heat of community outrage over the imminent surge in power bill prices, they pull out the candies. Because of a claim there will be no injury, they are determined to pay excessive amounts of compensation. The compensation is calculated on some complicated matrix of grocery costs and power bills, but this tax will pervade every single element of our lives.

A local example in my electorate of Bennelong is the balance-sheet impact on the City of Ryde, the main local council in the region, and the flow-on effect to mums and dads in our community. The City of Ryde paid a total of $2.96 million in electricity charges across its entire organisation in the 2009-10 financial year, $1.89 million of which was for street lighting, which generates 39 per cent of the council's greenhouse gas emissions. I am going to take a big leap and presume that my local council is not going to stop lighting up the streets as a result of this carbon tax. I know that Ryde council is a member of the Street Lighting Improvement Program, which is managed by the Southern Sydney Regional Organisation of Councils. This program implements measures to reduce greenhouse gas emissions by introducing energy-efficient lighting technologies. However, to quote Sam Cappelli, environment manager for the City of Ryde, 'Transition has been slow, and the increased provision of street lighting infrastructure, coupled with popular community expectation of increased night-time light levels, is presenting financial, social and environmental constraints for the City of Ryde and its community.' So a carbon tax is applied to council's highest expense, meaning that increased revenues will have to be found from somewhere to pay for it.

Local government does not receive compensation. Their highest source of income is from rates, which are locked in for the next four years under an agreement with the state government. The second highest source of revenue is from community tenants, primarily those using sport and recreational facilities. These tenants—the football and cricket clubs that local mums and dads take their kids to on weekends—will inevitably face a sharp increase in their costs, leading to major pass-through costs to those same mums and dads just for giving their kids some time to enjoy the Australian rite of organised sport at the local park or pool.
In essence, this policy dictates that we tax the cheap and dirty stuff and that the revenues raised subsidise the much higher cost of the expensive and clean stuff, and pay compensation for these higher charges that are passed on to the consumer. The logic is that this legislation will motivate less use of the cheap and dirty stuff, leading to greater demand for the clean stuff that is several times more expensive to produce. Let us just pretend for a moment—a wild, speculative, insane moment—that this government is actually successful in this policy. Let us pretend that, as a result, there is 50 per cent less demand for cheap and dirty stuff, meaning that 50 per cent less tax revenue will be raised. As a result, there is significantly higher demand for more income to offset the increased use of the much more expensive clean stuff and, therefore, the need for exponentially more compensation. But where does this money come from?

To offset reduced global coal burning we would need the much more expensive renewable energy so that the costs went up proportionally. The less coal we burn, the less tax we raise and the less money we have to spend. The more renewables we use, the higher the costs and the more compensation needed. It would appear that the government has not contemplated any level of success in this purported environmental policy.

Debate interrupted.

**QUESTIONS WITHOUT NOTICE**

**Asylum Seekers**

**Mr ABBOTT** (Warringah—Leader of the Opposition) (14:00): My question is to the Prime Minister. I remind the Prime Minister that Nauru, a country that has signed the UN convention on refugees, is ready, willing and able to reopen the Australian built offshore processing centre from today. Why won't the Prime Minister swallow her pride, pick up the phone to the President of Nauru and restart offshore processing right now?

**Ms GILLARD** (Lalor—Prime Minister) (14:01): There is a very clear reason for that: the government has been advised that it will not work and that it will cost $1 billion, and I am not intending to waste $1 billion of taxpayers' money on an outcome that we have been advised will not work. The Leader of the Opposition takes constant reckless attitudes to taxpayers' money. That is how he has got himself into a $70 billion black hole. Presumably, he now wants to make that a $71 billion black hole. But, as the Leader of the Opposition knows because we have made the relevant briefings available to him, we have the clearest possible advice from the same experts who advised the Howard government that Nauru will not work and that it is an incredibly costly solution costing up to $1 billion.

The Leader of the Opposition has come in today with this fig leaf because he knows that the Australian people can see that, when he was challenged yesterday to rise above the politics of the moment and deal with an issue in the national interest, he was apparently unable to deal with a question in the national interest. Given a choice yesterday between the nation's interest—that is, working to ensure that our nation can process asylum seekers offshore—or taking his narrow political interest, he chose his narrow political interest over the national interest. I think Australians are looking at this parliament and at the Leader of the Opposition, and Australians want to see us work together to ensure that there can be offshore processing and work together beyond politics-as-usual to resolve this issue and put it behind us. The Leader of the Opposition in turning his back is not turning his back on me; he is turning his back on the nation's interest. He ought not to do that. He
should reconsider the reckless path he set himself on yesterday.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:03): Mr Speaker, I ask a supplementary question. How can the Prime Minister say that Nauru will not work when it did? How can she say that Malaysia will work when it has not?

Ms GILLARD (Lalor—Prime Minister) (14:03): The Leader of the Opposition comes into this place day after day and the one constant thing is that he denies that facts are facts. He asked for a briefing from the government's advisers—the same people who advised the Howard government—and, when he received that briefing, he was told by those advisers that in their professional and considered opinion Nauru will not work. That is because people smugglers, having seen the example of Nauru once—and, of course, when it was first instituted it had shock value, and many people believed that people who went to Nauru did not have the chance of coming to Australia or going to a place like New Zealand—know for certain that the way in which Nauru worked was that people were processed there and resettled here and in New Zealand. Consequently, they are able to say to the people on whom they try to prey, 'If you are processed in Nauru, you will eventually get to Australia.' That is the message that has been sent up the people-smuggling pipeline.

Opposition members interjecting—

Ms GILLARD: The former minister for immigration is now yelling that somehow that is all our fault. But the truth is that that is the outcome of Nauru, and people smugglers now know it. The professional advisers to government have said to the Leader of the Opposition that they do not believe that Nauru will work and that it will be incredibly expensive—it will cost up to $1 billion. In contrast, those same expert advisers who advise us and who advised the Howard government have said to us and to the Leader of the Opposition that they believe that the Malaysia arrangement has the strongest deterrence message associated with it—that is, it has the best chance of being the policy that will work.

Why would the Leader of the Opposition, if he were motivated by the national interest, deny this government and this parliament the ability to put in place legislation which will enable the nation to put into place the policy that we have been advised has the best chance of working? In all of this, the government has never sought for itself greater freedom of action than the Howard government had when it was in office—a time during which the Leader of the Opposition never concerned himself about questions like the refugee convention. He never thought about it once when the Howard government was putting people on Nauru.

So let us be really clear about what is going on here. The national interest requires us to work together to amend the legislation. It requires us to have legislation which will enable us to put in place the policy which we have been advised will be the most effective. There is only one reason that the Leader of the Opposition did not agree to that yesterday, and that is he is terrified that the Malaysia arrangement will work. What he wants to see for this country is more boats because he believes that will serve his political interest. I say again: the Leader of the Opposition is not turning his back on me; he is turning his back on Australia's interest and he should reconsider this reckless, negative position.

Asylum Seekers

Mrs D'ATH (Petrie) (14:07): My question is to the Prime Minister. How will the government continue to ensure the
Ms GILLARD (Lalor—Prime Minister) (14:08): I thank the member for Petrie for her question. It invites me to talk about the government's policies for offshore processing. It also invites me to talk about the process the government has been involved in, particularly since the High Court case was announced. Since the High Court case was announced, the government has worked to bring legislation to this parliament which would enable executive government to make decisions about offshore processing—that is, to bring legislation to this parliament that would give this government and future governments the same freedom of action the Howard government had when it determined that it would have asylum seekers transferred to PNG and Nauru—one of those countries being a refugee signatory country and one of those countries not being a refugee signatory country.

In the process since, we have sought to keep the opposition advised and informed. First there was a question of what the High Court case meant. So the government obtained the opinion of the Solicitor-General on the High Court case—in fact, two separate opinions: its meaning in general and its meaning in relation to unaccompanied minors—and released them publicly. At that time, the Leader of the Opposition was saying, 'If the government have legal advice, let them release it,' and we did. Then, of course, the Leader of the Opposition was saying that he was trying to work with me at that point:

I am trying to give her—

the Prime Minister—

the chance to give this country a border protection policy. The ball is in her court, I hope she'll return it.

Then I wrote offering a briefing and the Leader of the Opposition wrote back saying he would like to have that briefing, and it was made available for him in Brisbane at his request.

Mr Pyne: Mr Speaker, I rise on a point of order. I fail to understand how the Prime Minister can directly, relevantly answer a question on the government's policy on offshore processing when there is not a government policy on offshore processing.

The SPEAKER: Order! That is not a point of order; that is a debating point and the member for Sturt is warned. The only permissible point of order concerns whether the Prime Minister is being directly relevant to the question, and she is being directly relevant. The member for Sturt is warned.

Ms GILLARD: Then, having facilitated that briefing, the Leader of the Opposition sought a briefing on the legislation, so we made that available at his request in Melbourne on Friday evening. Then he demanded publicly a meeting between him and me to discuss this question, and we facilitated that request and had the meeting yesterday. Then, out of that meeting, the Leader of the Opposition said he would consider the new amendments the government had put to him, new amendments which were worked through because he, amongst others, had expressed concerns about the question of protections. At every stage the government has sought to work with the opposition and to give the opposition its ability to work in the national interest. At every stage we have sought to put the politics to one side and to work with the opposition on restoring to executive government the powers it needs for offshore processing.
We have responded to every utterance of the Leader of the Opposition. A policy briefing—he wanted it; it was given. A legal briefing—he wanted it; it was given. A meeting with me—he wanted it; it was given. Amendments to the legislation on better protections—we worked on those amendments and those amendments were made.

In response to all of that and in complete denial of the national interest, the Leader of the Opposition went out yesterday and announced that he was on a strategy to end offshore processing in this country. He made that announcement publicly with no advice to me, no coming back to the government and no genuine intention to ever work in the national interest. All of this conduct by the Leader of the Opposition is because he has judged his political interest in front of the national interest. He is terrified that the Malaysia arrangement will work and that is not in his political interest. He wants to see more boats.

Asylum Seekers

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:13): My question is to the Prime Minister. How many asylum seekers have been processed outside Australia by this government since the government closed the Howard government's Nauru processing centre and abolished the Pacific solution?

Ms GILLARD (Lalor—Prime Minister) (14:13): The Deputy Leader of the Opposition knows the answer to that question. Perhaps she might want to supply the answer to the question: how many asylum seekers will not be processed offshore because of the reckless negativity of this opposition? You are right: on the strategy you are wrong. The opposition stands for zero when it comes to offshore—

Ms Julie Bishop: Mr Speaker, I rise on a point of order.

The SPEAKER: The Prime Minister has concluded.

Opposition members interjecting—

The SPEAKER: Order! The member for Cook is warned. The Deputy Leader of the Opposition is warned.

Mr Hawke interjecting—

The SPEAKER: The member for Mitchell will leave the chamber for one hour under standing order 94(a).

The member for Mitchell then left the chamber—

Asylum Seekers

Mr LAURIE FERGUSON (Werriwa) (14:14): My question is directed to the Minister for Immigration and Citizenship. Will the minister update the House on the government's response to the recent High Court decision on offshore processing? Why is the principle of non-refoulement an important part of border protection policy?

Mr Hockey interjecting—

The SPEAKER: The member for North Sydney is warned!

Mr Abbott interjecting—

The SPEAKER: The Leader of the Opposition! The Minister for Immigration and Citizenship was asked a question. He has approached the dispatch box to respond. He now has the call and he will be heard in silence.

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (14:14): Thank you very much, Mr Speaker. I thank the member for Werriwa for his question. The government's response to the High Court decision is to legislate to give the government of the day the ability to act in the national interest. This week the parliament had an opportunity, an
opportunity to work together in the national interest—

Mr Simpkins interjecting—

The SPEAKER: The member for Cowan is now warned!

Mr BOWEN: an opportunity to send the clearest possible message to people smugglers that, although the two sides of the House may have their differences, although we may disagree about methods and about tactics, we agree that people smugglers should not be able to run the migration program into Australia. It was an opportunity to send the message that we would act as one in the national interest and an opportunity to send the message that we would act to provide a disincentive for people making the dangerous boat journey to come to Australia. But instead what we see is more politics as usual from the Leader of the Opposition.

The government believes that the Malaysia arrangement is in the national interest, because all our advice tells us that it would be the most effective deterrent to making the dangerous boat journey—and that advice has been provided to the opposition. If the opposition wilfully ignore this advice, the Australian people are entitled to conclude that the opposition have done so simply because they are afraid it will work. They are afraid it will work—and they will stop at nothing in their own political interest. They are afraid it would not be in their political interest for this to happen.

I am asked about the importance of non-refoulement in the border protection policy. It is a very important and fundamental tenet of the refugee convention. That is why we have painstakingly negotiated non-refoulement clauses into the Malaysia agreement. It is important that any arrangements entered into by Australia reflect that importance. That is one of the reasons this government has rejected the policy of turning back boats on the high seas. There are some in this House who say it is okay to send boats to Indonesia with no protections negotiated but it is not okay to send planes to Malaysia with protections negotiated. That is another reason the Australian people are entitled to conclude that what we are seeing from this Leader of the Opposition is cheap opportunism and hypocrisy, because his opportunism and hypocrisy speak for themselves. The cheap and feeble excuse from the opposition for this inconsistency—

Mr Laming interjecting—

The SPEAKER: The member for Bowman is warned!

Mr BOWEN: is: 'Oh, it's a different section of the act which governs turning back the boats.' And they are right—nobody has suggested it is the same section of the act—but it would be open for the Leader of the Opposition to walk into the House today and move an amendment to that section of the act to say: 'If you turn back a boat, you could only point it towards a refugee convention signatory country.' It would be open to the member for Warringah to do that today. Are we going to see that, Tony? Are you going to move that amendment today or will we see more cheap hypocrisy from you?

The SPEAKER: Order! The minister will refer his remarks through the chair and will refer to members by their titles.

Mr BOWEN: Will we see more cheap hypocrisy from the Leader of the Opposition? Let the honourable Leader of the Opposition stand at the dispatch box with his hand on his heart and say that he stayed awake at night worrying about the people we sent to Nauru, because they were not going to a refugee convention signatory country. Let him stand at the dispatch box and argue that it is okay to send people to Zimbabwe, the Republic of Congo and Iran, as the
member for Cook would like to do, because they are refugee convention signatory countries. We all know the Leader of the Opposition is a weathervane, but the weathervane always points to his own political interest and not the national interest.

Asylum Seekers

Mr IRONS (Swan) (14:18): My question is to the Prime Minister. I refer to the statement by former Western Australia Labor Premier Geoff Gallop last Friday:

I'd be talking to the Liberals about getting Nauru to work. I think that's the only sustainable position.

If Dr Gallop and members of the Labor caucus admit that the best option to restart offshore processing immediately is Nauru, why does the Prime Minister refuse to accept her own colleagues' advice?

Ms GILLARD (Lalor—Prime Minister) (14:19): Thank you very much. The answer to the member's question is: I have been advised, and I am relying on that advice, that Nauru will not work and will cost a billion dollars. The people who live in the member's electorate may want to pay more tax to fund a failed solution that the Leader of the Opposition has been directly advised will not work. The member might want to go to families in his community and say, 'Do you mind paying a billion dollars more tax to fund a processing centre on Nauru that he has been told will not work?' You may want to do that, but can I suggest to you that the better course would be to go to the Leader of the Opposition and say, 'There are national interest questions here. There is something beyond politics that matters here. The Australian community is looking to this place and saying, "Find common ground; sort it out; move on; get this issue resolved for the nation."' The Australian people are looking at this place and saying they do not, in this important area, want to see politics as usual, which is why we have been driven by the national interest every step of the way.

We have facilitated the Leader of the Opposition and his team getting full access to information when they sought it—full access to a briefing from departmental officials and full access to a briefing from legal experts and representatives like the Solicitor-General. The Leader of the Opposition may not be being frank with the members of his backbench about what happened in those briefings, but the Leader of the Opposition was told that the Malaysia arrangement has the best deterrent value, that that is the best policy option available now, that that is the policy option that should be pursued, and that the appropriate thing is to amend the legislation to enable this government—indeed any executive government—to put in place the policies that it believes in. The Leader of the Opposition probably has not told you about that paragraph of the Solicitor-General's advice which talks about his doubts and the need to legislate for Nauru. This furphy being used by the opposition today that Nauru could be reopened tomorrow stands in the face of the Solicitor-General's advice, stands in the face of the legal advice the government has, stands in the face of the practicalities of opening a centre in Nauru, stands in the face of the costs and stands in the face of the expert advice that it will not work. I reiterate that I do not ask members opposite to endorse the Malaysia arrangement.

Opposition members interjecting—

The SPEAKER: Order! Some members should be reminded of their status.

Ms GILLARD: What we have always asked of members opposite is that they get up in the morning and spend five minutes thinking about the national interest, that they suspend for just five minutes their constant
obsession with their own political interest. We ask that in those five minutes they ask themselves, 'Is it appropriate for executive government to have the powers that it needs, the same powers that the Howard government used, to have people processed offshore—yes or no?' The answer to that question is yes, and that means the member who has asked the question, and all of the members who sit alongside him, should come into this House and defy the recklessness and political opportunism of the Leader of the Opposition and vote for the government's amendments. Every vote will be recorded by every member.

Asylum Seekers

Mr BANDT (Melbourne) (14:23): My question is to the Prime Minister. In the decade after the Vietnam War, Australia took in around 90,000 Vietnamese refugees and their families, many of them boat people. We did not tow them back out to sea and we did not send them to other countries. We took them in here and it was a resounding success. Prime Minister, if the government and the opposition do not reach agreement, will plan B be a policy of processing refugee claims onshore?

Ms GILLARD (Lalor—Prime Minister) (14:23): I thank the member for Melbourne for his question. In terms of the history of some of these big waves—and he refers to some of the big waves that have involved refugees and asylum seekers from Vietnam—successive Australian governments have had to deal with these questions. There was a big wave in 1976 and there was a second big wave in 1989 that involved mainly Cambodian, Vietnamese and Chinese nationals. Since 1990 we have seen refugees and asylum seekers on the move around the world and in our region from the Middle East, and since 2008 we have mainly seen people from the Middle East and South-East Asia.

The member has specifically asked me about the question of Vietnamese asylum seekers. Overwhelmingly, they were brought to Australia from offshore under the Comprehensive Plan of Action. That is, it was a regional solution that our region worked on to create a circumstance where people would be able to have their claims processed offshore from Australia but developed nations, including Australia, would step forward and take a fair share of the caseload of those refugees. We have done so, and many of us would represent electorates in this place that are home to either refugees from those original waves or their sons and daughters, and they have made a remarkable contribution to this country. We get the opportunity on various days of celebration for the Vietnamese community to make that point directly to them and their community leaders.

I believe this causes us to consider that the appropriate way of dealing with refugee and asylum seeker questions is to work in the region, and that is what this government has done—we have worked in the region. We went to Bali when the countries of our region came together and we negotiated a new regional framework. That was very important. That new regional framework spoke of transfer agreements, and under the auspices of that new regional framework we have negotiated the arrangement with Malaysia which we have the clearest possible advice has the maximum deterrence effect.

I understand the member who asked me the question is of a different view on a number of these issues. That is, of course, his right in this place of democracy where people will come and put different views. But I believe every member of this
parliament, including the member who asked me the question, needs to consider the national interest as the government presents amendments to this parliament to enable this government to process asylum seekers offshore and to transfer asylum seekers offshore. That obligation is on all of us. It is certainly on the Leader of the Opposition, which is why when he turned his back on the national interest yesterday he was doing the wrong thing by the people of Australia. He ought to reconsider the nation's interest.

**Employment**

**Dr LEIGH** (Fraser) (14:27): My question is to the Treasurer. Will the Treasurer outline the importance of supporting the economy and jobs in order to provide high living standards for all Australians?

**Mr SWAN** (Lilley—Deputy Prime Minister and Treasurer) (14:27): I thank the member for Fraser for his very important question, because jobs have been the No. 1 priority of this government from day one. That is why we moved so swiftly at the end of 2008 and in early 2009 to support jobs and to support small business. Because of our swift action we saved the jobs of hundreds of thousands of Australian workers. That is something that everybody on this side of the House is very proud of. We also made sure that we kept the doors open to tens of thousands of small businesses during that critical time. What that has meant for our country is an unemployment rate of 5.3 per cent, nearly half that being experienced in the United States and right across Europe. What it has also meant is that we have created in this country three-quarters of a million jobs in the past four years. Compare that to the fact that something like 30 million jobs have been lost elsewhere in the global economy.

*Mr Billson interjecting—*

**The SPEAKER:** The member for Dunkley will go to the parallel universe he has been talking about all day if he does not sit there quietly. The Treasurer has the call and will be heard in silence.

**Mr SWAN:** Through our actions we kept tens of thousands of people in work and we kept tens of thousands of small businesses operating. What that meant was that people went home with the security and the knowledge that when they finished work they would have job security into the future. Nothing is more important to the peace of mind of all Australians than the knowledge that they have a job and job security. What all these actions meant was that this country, almost alone among developed economies, did not experience a recession. That is a great benefit now as we set about maximising all of the opportunities which will flow from the Asian century. That is why we do understand the importance of investing in skills and education. Our $3 billion skills and training package was at the core of the budget. It is why we understand that we need to invest in infrastructure, particularly the NBN. It is why we understand the need to give a tax cut to small business, particularly those not in the fast lane of the mining boom. The $6,500 instant asset write-off is very important to the cash flow for small business and to supporting employment in that sector.

We on this side of the House believe in investing in people and in building them up, making sure they have a job and a degree of job security, and making sure they have fair pay and working conditions. But, as we saw at the Press Club today, we know what those opposite think. They want to rip away wages and working conditions from Australians. We on this side of the House believe in supporting jobs. Those on that side of the House voted against the critical stimulus packages in this House, particularly in 2009.
Mr Pyne: Mr Speaker, I rise on a point of order. Clearly, the point of order is that the Treasurer is not entitled to have one of these rants against the opposition since your ruling Wednesday a week ago.

The SPEAKER: No. I simply say to the Manager of Opposition Business that given I have defended the right of people to make points of order I will not allow them to be debated. He was warned for that earlier in the day. He is debating the point of order by describing a contribution in the way that he did. I think he has had sufficient warning. Firstly, I will give a ruling to his point of order because it can only be on direct relevance. But then I will have to deal with him, given that I gave him a warning.

The Treasurer knows that I do not wish to see the responses being overly a form of debate. Incidental mention of other things, I am happy with. I was happy with the first instance but, if he returns to it, I have a degree of unhappiness. He will respond in a directly relevant manner to the question. The member for Sturt will leave the chamber for one hour under standing order 94(a).

Mr Abbott: Mr Speaker, I rise on a point of order. If I may respectfully suggest, the point of order that the member for Sturt raised may have been raised in a way that could have been done better but it was a valid point of order, as you yourself have conceded. I think that under all the circumstances it would help if the member for Sturt were allowed to remain in the House.

Mr Abbott: Mr Speaker, I rise on a point of order. If I may respectfully suggest, the point of order that the member for Sturt raised may have been raised in a way that could have been done better but it was a valid point of order, as you yourself have conceded. I think that under all the circumstances it would help if the member for Sturt were allowed to remain in the House.

Mr Abbott: Mr Speaker, can I respectfully suggest that the member for Sturt has well and truly been admonished. He knows he went too far.

The SPEAKER: I stand by my initial invitation for the member for Sturt to leave the chamber for one hour under standing order 94(a).

The member for Sturt then left the chamber—

Mr SWAN: I was making the point that our recession-busting stimulus meant that Australia did not experience the capital destruction or the skill destruction that has been so damaging to so many other developed economies around the world. Opposition to that stimulus has got to be one of the most wrongheaded and incorrect economic responses that has ever been seen in this country. There was opposition to this stimulus. It was wrong, and it was the wrong economic call at the time.

But because this side of the House got that call right we are in the position to experience and to maximise the opportunities that will flow from growth in our region. The rock upon which we build this policy is, of course, strict fiscal policy. That is why we need a parliamentary budget office—so that people right around the country can examine the costings of various political parties in our House. That is why we are so strongly supportive of the Parliamentary Budget Office. But those opposite oppose it, because they are not serious or competent in economic policy.
Asylum Seekers

Mr RUDDOCK (Berowra) (14:35): My question is to the Prime Minister. I refer the Prime Minister to the opinion of senior counsel and former Solicitor-General, David Bennett QC, that the coalition's approach to offshore processing:

… provides more protection for asylum seekers than the two Government versions and it is less likely to be the subject of complex judicial proceedings.

Given that the coalition's approach would allow offshore processing to restart immediately, will she now adopt the coalition's amendment or does she disagree with David Bennett's advice?

Mr Melham: You didn't do too well in 2001.

The SPEAKER: Order! The member for Banks is warned. The member for Banks joins the six other people who are warned, and he knows—and I hope the other six know—that it is a precursor for a potential naming, which would really blot his copybook.

Ms GILLARD (Lalor—Prime Minister) (14:37): In answer to the member's question, given the member has served as a minister for immigration in an earlier government, he would be well aware that government turns to the Solicitor-General for legal advice. We have received legal advice, we have released it publicly, and the opposition has been briefed on it. I could take the member to many parts of the legal advice but perhaps it will suffice to take him to paragraph 3, where the Solicitor-General—and the Solicitor-General has been working with other legal advisers so obviously it is the considered opinion—says:

Our short advice is as follows. In the light of—and then he refers to the High Court case—Plaintiff M70 we do not have reasonable confidence on the material with which we have been briefed that the power conferred by s 198A could currently be exercised to take asylum seekers from Australia to either Nauru or to PNG for determination of their refugee status.

They are the words of the Solicitor-General.

Mr Morrison: Mr Speaker, I rise on a point of order on relevance. The question from the member for Berowra dealt with advice that was provided on the government's amendments tabled on Monday. She is reading from advice from the Solicitor-General on previous amendments.

Government members interjecting—

The SPEAKER: Order! The member for Cook will resume his seat. The Prime Minister is responding to the question and, as I have said before, I am not in the business of marking people's homework. To my mind, she is being directly relevant to the question.

Mr Robb interjecting—

The SPEAKER: Order, the member for Goldstein!

Ms GILLARD: The member asked me a question which included a form of words about why we don't immediately start processing in Nauru. That was the question I was asked. So I am directing the member's attention and the House's attention to the advice of the Solicitor-General. When I said at the start of this answer that the member who asked me the question, having served as a government member—

Mr Christensen interjecting—

The SPEAKER: Order! The member for Dawson is warned.

Ms GILLARD: knows that government relies on the advice of the Solicitor-General, he nodded. That would have been his experience as a minister. It is our experience and my experience as Prime Minister, and the advice of the Solicitor-General is as I have outlined it.
That is before we get very complex set of questions involving unaccompanied minors. The minister, having served as a minister for immigration, is well aware of the very complex set of legal and policy questions involving unaccompanied minors, and the High Court has had something to say about the law involving unaccompanied minors as well. And so, relying on the Solicitor-General's advice, the factual circumstance that the government finds itself in, and that all members of this parliament find themselves in, is that the legal advice available to us is that one could not commence processing offshore without incurring legal risk. The Solicitor-General has particularly pointed to legal risks also involving complex questions around unaccompanied minors. That is the legal issue.

The government is seeking to resolve that legal issue in the national interest so this government and future governments have the kind of power in relation to offshore processing that the member had at his disposal when he was minister for immigration when he did have asylum seekers processed in a non-refugee convention country. I say to the member who has asked the question that maybe he might want to consider and advise his counterparts in the opposition how inappropriate it is for them to try to manoeuvre this parliament into the end of offshore processing by basing their argument on the refugee convention when in government their actions were not associated with refugee convention countries. There is a word for that, and it is called hypocrisy.

**Clean Energy Future Plan**

Mr **CHEESEMAN** (Corangamite) (14:41): My question is to the Minister for Climate Change and Energy Efficiency. What are the economic benefits of the government's plan for a clean energy future? Why is it important that certainty is provided to all Australians to ensure that these economic benefits are realised?

Mr **COMBET** (Charlton—Minister for Climate Change and Energy Efficiency) (14:41): I thank the member for Corangamite. The government's Clean Energy Future legislation which is before the House will deliver very significant benefits for our economy, including increased investment and jobs growth under a carbon price. Treasury modelling predicts that the carbon price will drive around $100 billion of investment in renewable energy over the period to 2050—$100 billion worth of investment in the renewable energy sector over the period to 2050. That will transform our energy sector and create a very considerable number of jobs, and those jobs will not only be in new industries but will also support jobs in traditional industries, where we will have growth in areas such as construction, electrical services and metal manufacturing. Put simply, the Clean Energy Future plan is good for economic growth in this country, good for productivity, good for investment and good for jobs. It is critical therefore that this parliament passes the legislation and provides certainty to businesses so that they can get on with the job of making the investments that are necessary in clean energy in particular.

It is clear from reports that are contained in the *Financial Review* today that the uncertainty being generated by the rancour that is coming from the other side of this parliament by its opposition to the clean energy legislation, is directly hurting the economy and directly impacting upon the costs of investments. Tony Stocken of BP Solar had this to say in the *Fin. Review* today:

Stable policy and certainty is crucial to all long-term infrastructure investments.
Nick Sankey from the Commonwealth Bank makes clear that there is a risk premium in fact being applied to investments in renewable energy due to the uncertainty that is being caused by those opposite. He had this to say:

There's very much a higher premium now before legislation has been passed. But then once legislation goes through, I think in most people's minds that premium will reduce. That means the legislation needs to go through.

Professor Paul Simshauser had this to say:

Project financing in Australia has become a bit more problematic. We're a bit of an anomaly globally. The only thing we could put it down to was we were having one of the most ferocious debates in the world on a price of carbon.

That issue has also been reinforced in the reports by Martijn Wilder of Baker and McKenzie, who said, 'Until the opposition makes it clear what its actual policy is, there will be uncertainty.' And it goes on and on.

That rank political opportunism from the Leader of the Opposition on this important economic policy and environmental reform is costing this country investment, it is costing investors in the price of the finance that they are raising and it is costing us jobs.

The Leader of the Opposition talks the economy down, undermines consumer sentiment, creates uncertainty for investment, terrifies pensioners—

**The Speaker**: Order! The minister will not debate the question.

**Mr Combet**: with claims of ridiculous cost increases and then says he is going to take away their—

*Opposition members interjecting—*

**The Speaker**: Order! The minister will resume his seat.

**Fair Work Australia**

**Ms Julie Bishop** (Curtin—Deputy Leader of the Opposition) (14:45): My question is to the Prime Minister. I refer the Prime Minister to recent comments by Kathy Jackson, National Secretary of the Health Services Union, a union regulated by this government under the Fair Work Act, warning of a purported cover-up of the misuse of union members' funds by a corrupt cabal of union officials. How is the government ensuring, through Fair Work Australia, that this cannot happen and that this cover-up will be exposed?

**Ms Gillard** (Lalor—Prime Minister) (14:46): I thank the Deputy Leader of the Opposition for her question, confirming as it does that the opposition could not sustain their argument for their refugee and asylum seeker policy for half of question time.

**The Speaker**: Order! The Prime Minister will return to the question.

**Ms Gillard**: Of course, they cannot sustain it because it is founded on hypocrisy about the refugee convention and founded on the hypocrisy about assurances, so that has fallen away.

**The Speaker**: Order! The Prime Minister will return to the question.

**Ms Gillard**: In answer to the deputy leader's question about Fair Work Australia, the deputy leader should look at the Fair Work Act. What she will see there is that Fair Work Australia is properly set up as an independent body. It regulates itself. It does not act at prime ministerial direction on these questions. That would be quite wrong.

**Employment**

**Mr Perrett** (Moreton) (14:47): My question is to the Minister for—

*Mr Robb interjecting—*

**The Speaker**: The member for Goldstein is warned! The member for Moreton has the call.

*Honourable members interjecting—*
The SPEAKER: Order! The House will come to order, both on my left and my right. The member for Moreton has the call. He is deserving of being heard in silence.

Ms Gillard interjecting—

Ms Julie Bishop: Mr Speaker, I rise on a point of order. The Prime Minister made a very unparliamentary remark and I would ask that she withdraw.

The SPEAKER: Order! The Deputy Leader of the Opposition will resume her seat. On this occasion I did hear the remark. Whilst the remark was not helpful, it seemed to be thrown into the ether and not in any direction.

Mr PERRETT: My question is to the Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts.

Honourable members interjecting—

The SPEAKER: When I was invited to deal straight away with the member for Banks I reminded the House that there were some seven others who have now been warned. I would remind especially those people that they should not chance their arm, because a warning is a precursor for a naming. I have not checked around the chamber for the number yet but I take the risk.

Mr PERRETT: It is a long title, so I will need to go back to the start. My question is to the Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts, representing the Minister for Tertiary Education, Skills, Jobs and Workplace Relations. How is the government working to maximise jobs for Australians while ensuring decent wages and conditions, and what would be the impact of taking away decent workplace protections and standards?

Mr CREAN (Hotham—Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts) (14:50): Along with the member for Moreton, I joined the Labor Party because we believe in job creation and the Labor government, when it comes to office, delivers on that promise—and no more so than the government that has been in since 2007.

The truth is that the record to date on job creation is remarkable—750,000 jobs have been created in the four years that we have been in office. Not only is that a record in terms of job creation over that period of time; it has also been done against the background of a participation rate higher than anything achieved by the Howard government in its 12 years.

This job creation, along with the fact that we are the only developed economy in the world to have avoided the global recession, makes the Australian economy the envy of the rest of the world. We have been looking at unemployment rates with fours in front of them while the rest of the world is contemplating figures at least double and sometimes quadruple that.

I am also asked what the prospects are for the continuation of these programs. The prospects are even more remarkable because, as has been indicated by the Treasurer and the Minister for Climate Change and Energy Efficiency, Treasury has estimated that in the next nine years 1.6 million more jobs can be created. That is the 750,000 that we have already created, which is the highest on record, being doubled twice over in the next nine years. But only if the policies that we are pursuing are implemented.

We recognise that this is an economy in transition. That has been recognised and that is what the budget that the Treasurer brought down underpins. But we also recognise the
patchwork nature of the economy and the need to engage the regions as well as the need to invest in the drivers of economic growth. Those drivers of economic growth, first and foremost, are what we are doing on the skills and training front—an agenda driven by the Prime Minister when she was minister for education and training. That was an investment that has seen the biggest ever expenditure in our schools, universities and TAFE colleges and an agenda committed to lifting the participation rates at secondary schools, in diplomas and in tertiary education. That is an agenda that has already been delivered upon, because we have lifted the retention rates in all of those spheres. Why is this important?

Opposition members interjecting—

Mr CREAN: It is said that this doesn't lead to jobs. If you do not lift skills and productivity I do not know where the jobs are coming from, brother. I am telling you this: so far as the education and skills agenda is concerned, KPMG has estimated that what we are undertaking in the skills agenda will, over the period from now until 2024, add an additional 4.1 per cent to our gross domestic product. That is an additional $100 billion per year to the economy, and you ask, 'Where are the jobs in that?' What do you think people do when they have that sort of investment except employ people? But it is not only in terms of that; it is because of infrastructure as well as the fact that we are cutting company tax.

What are the risks to this? That is all being done because we are committed to dignity and prosperity. This will be stripped away with the return to Work Choices. Listen to Peter Reith at the Press Club. There he was, the former minister, advocating the return to a failed policy. Say no to that but yes to our policy. (Time expired)

Carbon Pricing

Mr TRUSS (Wide Bay—Leader of The Nationals) (14:54): My question is to the Prime Minister. I refer the Prime Minister to her Chifley Research Centre speech on Friday, in which she said she wanted to provide 'a richer experience for members of the Labor Party, including by giving them more opportunities to have a say and a direct vote on important decisions'. Why isn't the Prime Minister giving the Australian people the same opportunity to have a say and a direct vote on the carbon tax by putting the government's legislation before the people at an election?

Ms GILLARD (Lalor—Prime Minister) (14:55): I see that the embarrassment about the refugee and asylum position of the opposition continues. They have given up defending it because it is indefensible and in breach of the national interest.

In relation to the question from the Leader of the National Party—who is now trying desperately to cover up that the opposition is in a position that trashes the national interest and knows it cannot defend it—what I say is this: we in this parliament are dealing with the clean energy legislation. We are debating it; we will be voting on it. And when we vote on it we will be voting on whether or not members of parliament want a clean energy future. I believe climate change is real. I know that, from time to time, the Leader of the Opposition denies that, in the way that he denies other demonstrable facts.

I believe that climate change is real. I have accepted the advice of the economists that the cheapest way of us cutting carbon pollution is to put a price on carbon. I know the Leader of the Opposition denies that fact, too, and wants to slug families $1,300 a year to pay for his plan, which will fail.

There is a theme here: high price leading to failure—that is the Leader of the
Opposition's approach. In this parliament we will act because it is in our national interest to act soon. There is a bipartisan target of cutting carbon pollution by five per cent by 2020. It is therefore in the nation's interest to start moving towards that target as soon as possible and in the cheapest possible way. So we will put a price on carbon through the legislation before this parliament. We will create a clean energy future with all the jobs and investment that will come with it. We will give people tax cuts and increases in family payments—

Mr Abbott: Mr Speaker, I rise on a point of order. This is all very well, but under direct relevance, the Prime Minister should answer the question: why not have an election? Just have an election.

The SPEAKER: Order! The Prime Minister has the call and she is responding to the question.

Ms GILLARD: In response to the question, I was saying to the member who asked it—the Leader of the National Party—we will provide tax cuts, family payment increases and pension increases. I can well understand that the opposition is now desperately worried that it will go to the next election saying to pensioners that the opposition will take money out of their hands, saying to taxpayers that they will take money out of their hands, and saying to families with kids that they will take money out of their hands.

Mrs Andrews: This is not relevant.

Ms GILLARD: I can understand why the Leader of the Opposition is concerned about that but there is a theme here. Acting in the national interest on the issues of seizing a clean energy future and border security, and acting in the national interest to amend the Migration Act: there is never a day that the Leader of the Opposition walks into this parliament worrying about the national interest. He proved that yesterday.

The SPEAKER: I simply say to those who perhaps feel aggrieved because they are denied an additional point of order and so they interject—they interject only on me, because they are going on about whether it was relevant or not—that it passed my mind to rule the question out of order for its preamble.

Education

Mr LYONS (Bass) (14:59): My question is to the Minister for School Education, Early Childhood and Youth. Will the minister inform the House of the importance of supporting jobs by giving Australians the education and training that they need? What would the impact be on jobs of not investing in skills for Australians?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (14:59): I thank the member for Bass for that question. This government understands that a serious commitment to equipping young Australians with a job for the future means starting early and acting comprehensively across early childhood and school education, across vocational training and higher education. As a song from the seventies, I think, said: 'If you're going to do it, do it right,' and on this side of the House we are doing it right. For the first time we have a federal government—

Honourable members interjecting—

The SPEAKER: Order! As I have said before when members on both sides are encouraged at moments like this. The minister is sticking to his day job.

Mr GARRETT: Mr Speaker, I am happy to stick to my day job but my opposition number keeps on getting chucked out and is not even here for the question.
The SPEAKER: Order! The minister will not see that as an invitation to digress.

Mr GARRETT: For the first time a federal government is investing in early childhood education, some $17 billion over the next four years, including nearly $1 billion over five years to the states and territories to make sure that we have universal access for early learning for all Australian children in the year prior to school. The government is investing big time in teachers: $550 million in the Teacher Quality National Partnership. This means that teachers get the professional development they need to be the best teacher they can be for all Australian children and there is the first ever set of national teachers standards. That is why we are investing in literacy and numeracy. These are the building blocks of education. This is what gets you on the road to a good job.

We are investing $540 million dollars under the Literacy and Numeracy National Partnership, supporting over 400,000 students including, I am pleased to see, some 28,000 Indigenous students right around Australia. Of course, we are giving Australian students access to a world-class curriculum no matter where they live. We are investing over $100 million in the development of this national curriculum and over $2.4 billion in the Digital Education Revolution. We are providing access to a computer for every student in years 9 to 12, something that has never been done before. It is a program that the opposition leader promised to cut. He wanted to take about $600 million out of it. Over there they want kids to learn with chalk; we want to give them the computers to compete and learn in the modern world. We are also investing in Trades Training Centres so that kids get on the vocational pathway early. We have awarded more than $1 billion for 288 projects benefiting over 900 schools.

I am asked about the impacts of not investing in the skills of Australians. The fact is that the opposition wanted to cut over $1.1 billion from the Trades Training Centres in Schools Program. That would have meant that over one million students around Australia, who could get on that vocational pathway, would not have had the opportunity, so the hairdressers, the chefs, the carpenters, the electricians and the brickies would have been denied that opportunity. We also understand the importance of extending that into investing in skills. Again there are record levels of investment in skills: $10.9 billion in the last three years in investment compared with some $6.8 million from those opposite.

Finally, there is the importance of investing in higher education. There is the virtuous circle that goes from early, preschool education right through to university. An additional 100,000 Australian students are attending university this year. We invest in jobs in education because we know that it will make a difference to the prospects of future Australians. All we get from Mr Abbott is no, no to skills, no to supporting teachers and no to training. About the only thing he can say yes to is a recognition that there is one thing that he is actually in favour of—of course it is Work Choices. We will get on with supporting the future of Australia.

Carbon Pricing

Mr BROADBENT (McMillan) (15:04): My question is to the Prime Minister. I refer the Prime Minister to the final report of Deloitte Access Economics that shows that her carbon tax will make Victorian households $1,050 a year worse off, cost 35,000 jobs and hit the state budget bottom line by $660 million by 2015. At a time when Australian households are feeling the real cost-of-living pressure, why is the Prime Minister...
Minister determined to make a bad situation worse by hitting Australians with another new tax?

Ms GILLARD (Lalor—Prime Minister) (15:05): I thank the member for his question. I am not surprised that it is not on asylum seeker policy. I am asked about Victorian government modelling. In relation to that modelling I can say this to the parliament: there are a significant number of problems with that modelling exercise from the Victorian government. The estimates of the economic impacts are right out of the ballpark, at least four times higher than other modelling shows. When you have a look at why that would be, there are a number of very compelling and easy to analyse reasons.

Firstly, the modelling includes an inaccurate representation of the government’s $9.2 billion Jobs and Competitiveness Program, not modelled in its full extent. For example, it ignores assistance for industries like paper products manufacturing and chemicals manufacturing, which are important in Victoria. I certainly know that; my home is in Altona. So, these things have not been taken into account. The modelling assumes much higher emissions growth than other modelling does, increasing the emissions reductions needed to hit our targets by almost 30 per cent. So it is not in accord with other modelling because it overestimates the emissions growth.

Then, of course, the modelling, which was done by Deloitte, includes results at the regional level which are too unreliable for organisations like the Commonwealth Treasury to use. The modelling also is flawed in that it attributes nearly all future electricity price increases to the carbon price, which clearly and directly overstates the impact of the carbon price. So that is another flaw in the modelling. Can I say to the member who asked the question, it has got one thing right, though, and I would direct the member's attention to this: the modelling discusses the need for linking to other credible international schemes, says that in our national interest and will ensure our emissions reduction targets are achieved at the lowest cost. That is right. That is absolutely right. It is part of the government's policies and plans and it is being ignored by the opposition, which is what inflates the cost of their policy to $1,300 per family.

So generally to the member I would say: this modelling is flawed. We have released modelling from Treasury, we have released the figures which show the impact of the clean energy future, and coming from Victoria what I can certainly say to the member is: Victoria has many opportunities here because of the forefront technology of many Victorian manufacturers; many opportunities because of the investments in Victoria in the clean energy future and in the research and information technology bits of that clean energy future. What we will see with a price on carbon is jobs in Victoria growing. I know the member is concerned about that, I am concerned about that, and that is what will happen.

Mature Age Workers

Ms VAMVAKINOU (Calwell) (15:08): My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. Will the minister update the House on the government's support for older Australians who want to stay in the workforce? Minister, what would be the impact of not providing this support?

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (15:06): I thank the member for Calwell very much for her question. She understands, as everyone on this side of the House understands, that after
a lifetime of work older Australians look to the government to make sure that they can get security in their retirement. The government has already delivered historic reforms to the pension. I am very pleased to be able to say to everybody in the chamber today that from today Australian pensioners will be receiving the latest increase to their pensions as a result of our reforms. It is also the case, of course, that we are making sure that the value of people's pensions is protected into the future by the reforms that we have made to indexation. That, too, is reflected in the increases that are flowing to pensioners from today.

The other area that the Assistant Treasurer is responsible for that is very important to older Australians is, of course, the increases and improvements to superannuation that this government intends to make. We believe in superannuation on this side of the parliament, unlike those opposite.

We also know that it is increasingly the case that older Australians do want to do some work, sometimes some part-time work, in their retirement. Sometimes it is because they want to pass on their experience; sometimes it is to add a little bit of cash to their pension; sometimes it is just to keep in touch with the workplace. That, of course, is why this government has introduced a new seniors work bonus that is very positive for older Australians and particularly for those pensioners who want to do some part-time work. What eligible pensioners who are doing some part-time work will now be able to do is keep an extra $250 a fortnight without it being assessed as income under the pension income test. This is a very positive change for pensioners that this side of the parliament has put forward and made sure is there for our pensioners.

We have also made sure that this new seniors work bonus is there to accumulate up to $6,500 over a year so that if pensioners want to do a block of work, say, at the end of the year—it might be marking exams, it might be being a Santa—that they can do that without it affecting their pension. These are all changes that this government has introduced to make sure that pensioners are better off.

In addition, in this year's budget, we also made some changes for mature age workers. There is increased training available for mature age workers.

Opposition members interjecting—

Ms MACKLIN: Obviously people over there do not care at all about those unemployed mature age workers who do want a chance to get work. We know that those opposite do not care about mature age workers. We also know that all this Leader of the Opposition can ever do is say no. All he can ever do is say no. We care about the national interest; he only cares about his own interest.

Clean Energy Future Legislation

Mr FRYDENBERG (Kooyong) (15:12): My question is to the Prime Minister. I refer the Prime Minister to the situation of my constituent, Gabrielle Whiting, who as a single, self-funded retiree under the age of 65 earning $35,000 a year has been told by the government's clean energy hotline that she will not be entitled to any compensation under the carbon tax. In fact, according to the government's own household assistance estimator, Ms Whiting will be $251 a year worse off. Prime Minister, why are you determined to introduce a new tax that will add to the cost-of-living pressures faced by hundreds of thousands of self-funded retirees who responsibly planned for a modest retirement?

Ms GILLARD (Lalor—Prime Minister) (15:06): To the member's question, there are arrangements for self-funded retirees in the
package. It does depend on people's individual circumstances—of course it does—but for anybody to gain the impression from his question that somehow if you are a self-funded retiree there is no assistance available is not right. In fact, some self-funded retirees will see the increase in the pension that full pensioners will receive; they will also experience a tax cut on income earned.

Mr Frydenberg: Mr Speaker, I rise on a point of order on relevance. I specifically asked about a single self-funded retiree under the age of 65 earning $35,000 a year.

Ms GILLARD: Before the point of order, what I was about to say to the member for Kooyong is that I have outlined the general circumstances for self-funded retirees. For an individual, I would obviously have to get a lot of detail about their personal circumstances and financial affairs. I do not believe it is appropriate to do that in the parliament in this manner, but if the member wants to bring those circumstances to me then we will be happy to get him a very direct answer for his constituent.

Health Workforce

Mr ZAPPIA (Makin) (15:15): My question is to the Minister for Mental Health and Ageing representing the Minister for Health and Ageing. Minister, how is the government supporting jobs in health and what progress has been made in developing and strengthening the health workforce.

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (15:15): I thank the member for Makin for his question. There are two unique characteristics about Australia's health workforce. First, it is growing and it will continue to grow for decades to come. Today, for example, the aged-care workforce numbers about 300,000 and this will grow to fully 900,000 over the next four decades, accounting then for one in 20 workers. The second point is that government in this area has a particular responsibility to ensure that that increase in demand is matched by an adequate supply. No government has ever recognised that responsibility like this government. This year alone we will spend more $1 billion on health workforce measures, compared, for example, to just $142 million in 2006-07.

When we came to government we were confronted with very significant workforce shortages in health and some of those shortages were the result of truly bizarre thinking. We inherited a cap on the number of GPs trained each year at 600, a cap in place for the entirety of the Leader of the Opposition's time as Minister for Health and Ageing. Apparently, it was thought by some that constraining the number of Australian trained GPs would limit demand on Medicare, that Australians would be good enough not to get sick so much. Unsurprisingly, this particular approach to the laws of supply and demand in health did not work. Instead, communities across the country ran into doctor shortages and began to rely heavily on GPs brought in from overseas. This government smashed that cap. Under this government, the number of GPs trained increases every year and will reach 1,200 by 2014, delivering 5½ thousand more Australian trained GPs than would have been delivered under the old system.

On coming to government, we confronted a nursing shortage; so we acted. This year, 42,000 nurses are in training, a 21 per cent increase on 2007. The extra graduate numbers have allowed Australia's hospitals system to employ 2,000 more nurses in the past year alone. On coming to government, we confronted a shortage of specialists; so we acted. In 2007, there were just 51 training
places for new specialists across the whole of Australia. This year there are 518, a tenfold increase, including 96 in psychiatry alone.

On coming to government, we confronted a broad shortage of health workers in rural and regional Australia; so again we acted. We directed 50 per cent of the additional GP training places and similar numbers of the specialist training places to rural and regional Australia. We overhauled the old incentives program that was based on population data from 18 years ago. Under our new program, 500 communities are eligible for incentives, providing incentive payments to 2,400 additional doctors and registrars for the first time. In its first year, doctor numbers have increased by 4.4 per cent in rural and regional Australia and by almost nine per cent in our most remote communities.

When I talk to people in the health and the aged-care sectors about meeting current and future demand for a quality workforce I can be clear what they do not do: they do not pull out the latest back-to-the-future speech by Peter Reith and argue the case for—you guessed it—Work Choices. They talk instead—

Honourable members interjecting—

Mr Robb: Mr Speaker, on a point of order: the Manager of Opposition Business was thrown out of this House about five questions ago for introducing debate into a point of order. Every minister since that question has introduced a serious amount of debate, and I ask you to rule this minister out of order.

The SPEAKER: The member for Goldstein will resume his seat. The only standing order under which somebody can raise a problem with a response is direct relevance. I have indicated that I wish to see a minimisation of debate to the extent that incidental remarks are made—and I mean small ‘i’ incidental. The minister has been very careful, except on one occasion early on, and I ask him to continue to be careful if he wishes to take his 26 remaining seconds; otherwise, I will sit him down.

Mr BUTLER: They instead talk to us about proper workforce planning, they talk to us about modern training, they talk to us about scopes of practice and they talk to us about competitive wages and working conditions for health workers. They know that that is what this government is focused on.

Carbon Pricing

Mr HARTSUYKER (Cowper) (15:21): My question is to the Prime Minister. I refer the Prime Minister to Express Coach Builders, a bus-building business in my electorate that retrenched 25 skilled workers last week due to high taxes, rising costs and intense international competition. When will the Prime Minister start to listen to people like general manager Paul Hoffman when he says: ‘When the carbon tax is introduced there will be yet another layer of added cost to us as an Australian manufacturer, yet our overseas opposition can produce a vehicle in their country, ship it to Australia carbon tax free. This is a joke’?

Ms GILLARD (Lalor—Prime Minister) (15:22): I thank the member for his question. In part of the question he does raise a very serious issue. I understand that there are many manufacturing businesses in our nation today that are bearing the burden of a high Australian dollar. Indeed, so focused am I on that question that this morning I attended a manufacturing roundtable to talk about the pressures on manufacturing that are coming from the economic circumstances that we are in now, as we are in days of economic transformation. We know that in our economy that has a tremendous upside, which is the incredible growth we are seeing
in the resources sector, with all of the opportunities that come with that—for jobs, for inward investment—this is a remarkable age for us in resources.

But one of the consequences of that is that the Australian dollar is high, and it is predicted to remain high for a very long period of time. So the bus builder that the member is referring to in his electorate is someone who is bearing the pressure of that high Australian dollar. This is what we refer to in my parlance as the 'patchwork economy', and every step of the way we want to be engaged with manufacturing to make sure that it has a strong future. That is why we have done things like skills reform. That is what the minerals resource rent tax is all about.

Mr Hartsuyker: Mr Speaker, I rise on a point of order: relevance. The very important question is about a carbon tax impacting on the cost of this business—

The SPEAKER: The member for Cowper will resume his seat. As the Prime Minister indicated, she was directly responding to aspects of the question. She understands the requirement to be directly relevant to the question.

Ms GILLARD: I was asked a question about redundancies today, in a manufacturing business where the person in the business discussed, among other factors, the high Australian dollar, so I am directly responding to the part of the question that raises that issue. What I am saying is that this is an issue for the business that the member raises. It is an issue for Australian manufacturing. Every step of the way we have been strongly engaged with Australian manufacturing. The minerals resource rent tax is about taking more tax from the strongest section of the economy, giving a tax cut to other businesses. The NBN has the ability to drive productivity in our manufacturing sector. We are working with supplier advocates so manufacturing can get its fair share of the growth from the resources boom by supplying the things that mining companies want. We are working through Australian industry participation plans. We have dealt with new arrangements in relation to antidumping. So every step of the way we have been strongly engaged with Australian manufacturing and we will continue to stay strongly engaged with Australian manufacturing. We want to make a difference. We want to be a country that continues to make things. We want to be a country that continues to manufacture things like buses.

The member also raised with me the impact from putting a price on carbon. What the member may not be aware of is that we have specifically allocated literally over $1 billion to work with our manufacturing sector to support them in competitiveness, and we will be supporting them in competitiveness because we want to see a strong manufacturing sector and we want to see the jobs that come with manufacturing for the future.

What I will not tolerate and what we will not do on this side of the House is things like the half a billion dollar cutback to assistance for the automotive industry—that is part of the opposition's plans—we will not do that, because we are very determined to support Australian manufacturing and the jobs of the workers within it.

Indigenous Health

Mr NEUMANN (Blair) (15:26): My question is the Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health. Would the minister update the House on what the government's significant health investments have delivered for Indigenous Australians?
Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (15:26): I thank the member for Blair for his question and for his interest in this very important subject. You will know, Mr Speaker, that we have an objective of halving the life expectancy gap between Aboriginal people and the rest of Australians within a decade and also halving the gap in mortality rates for Aboriginal and Torres Strait Islander children under the age of five, which we are on target to do.

In the most recent budget we announced expenditures of $1.2 billion dedicated to Aboriginal and Torres Strait Islander health, which is an 87 per cent increase over what the expenditure was when we came to government in 2007. An important component of what we are doing here is addressing chronic disease in the Aboriginal and Torres Strait Islander community. Two-thirds of the gap in health outcomes can be attributed to preventable chronic diseases such as tobacco smoking. We have delivered real benefits in addressing these issues through a chronic disease package of $805.5 million, which is part of a $1.6 billion COAG package to deal with the broader questions of Aboriginal and Torres Strait Islander health. As part of the $805.5 million that we are expending, $100 million is aimed at tobacco.

I make this very important point: tobacco consumption is causing a great deal of misery amongst Aboriginal and Torres Strait Islander people. Twenty per cent of all deaths in Aboriginal and Torres Strait Islander communities can be attributed to tobacco consumption—12 per cent of the burden of disease. It is very important that we address these issues. So, as part of what we are doing in this chronic disease package, we are investing in the Aboriginal and Torres Strait Islander health workforce. It is a very important thing to do. We believe that if we want to improve health outcomes in Aboriginal and Torres Strait Islander communities, not only do we have to make the money available but also we have to increase participation rates of Aboriginal and Torres Strait Islander people in addressing their own health needs. To that end, we are employing: 107 Aboriginal and Torres Strait Islander outreach workers, 51 chronic disease project officers, 17 practice managers, 11 health professionals, 31 regional tobacco action coordinators and action workers, 30 healthy lifestyle workers and 15 care coordinators. It might surprise you to know that we have had some criticism for this expenditure. Unfortunately, on 11 August, the shadow Treasurer, when referring to Aboriginal anti-smoking programs, said of this $100 million expenditure that it was 'an outrageous waste of money'. Then he said, 'The government is more interested in employing bureaucrats than it is in getting value for taxpayers' money.' That was responded to by an Aboriginal lifestyle worker—a person employed to do this job for us—Ian Lacey, a former Brisbane Broncos star. He said on ABC PM:

We're actually out on the ground, we're doing programs, we're doing community sports days, community days, all about our people living healthier lifestyles and living longer. I'd love—Joe Hockey—to come up here … I think he'd change his words pretty quick.

I conclude by saying that we are dedicated to improving health outcomes for Aboriginal and Torres Strait Islander people in this country. We have a plan for jobs in the Aboriginal and Torres Strait Islander community, unlike the opposition. All they have is Work Choices.
**DOCUMENTS**

**Presentation**

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:31):

Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings, and I move:

That the House take note of the following document:


Debate adjourned.

**MATTERS OF PUBLIC IMPORTANCE**

The SPEAKER (15:31): I have received letters from the honourable Leader of the Opposition and the honourable member for Kennedy proposing that definite matters of public importance be submitted to the House for discussion. As required by standing order 46, I have selected the matter which in my opinion is the most urgent and important—namely, the matter proposed by the Leader of the Opposition—namely:

The loss of confidence in Australia's border protection system.

I call upon those members who approve of the proposed discussion to rise in their places.

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

Mr ABBOTT (Warringah—Leader of the Opposition) (15:32): We saw from the Prime Minister in the parliament earlier today anger, frustration, vituperation and thwarted pride. I respectfully suggest to the Prime Minister that she should be directing her frustration towards her own failures and those of her government, not towards an opposition which has a proven record of success on border protection in this country.

This government closed down offshore processing in February 2008 and have not been able to restart offshore processing for the best part of 15 months. Now they say that the real enemies of offshore processing are the people who invented offshore processing and who have been in favour of it all along. The Prime Minister should not project her faults and her failings onto others. It is a serious psychological weakness in this Prime Minister.

Let the House take note of the facts. They are that the coalition under the leadership of the former Prime Minister, Mr Howard, found a border protection problem and created a solution to it. It was not easy—it took time and very unpopular decision-making—but we found a problem and we created a solution. This government, on the other hand, found a solution and created a problem. The current problem is all this government's own work. Let the record show that the problem we now have on our borders is all due to the fact that this government gave the people smugglers a business model. They did not have a business model for the best part of eight years, but this government gave it back to them. By doing so, this government caused the problem that this country now faces.

This coalition have been totally and absolutely consistent for a decade. There is a solution to the problem of border protection and the problem of people smugglers, and it involves three essential ingredients: offshore processing at Nauru; temporary protection visas; and keeping the option of turning boats around where that can safely be done. That solution, which the former government put in place, worked. From 2002 to 2007 there were fewer than three boats a year. Since that solution was unravelled by the
current government there have been almost two boats a week.

The Prime Minister says that she has expert advice that the Malaysian people-swap is the only option that will work. But there have been 1,000 boat arrivals since it was announced and 400 illegal arrivals by boat since it was signed that say she is wrong. In contrast, the lack of arrivals under the coalition's policy show that the coalition is right.

We have seen a desperate and floundering government who are too proud and too stubborn to admit that the coalition has it right; they are too proud and too stubborn to admit that John Howard had it right. Ever since the beginning of 2009, the government have been desperately floundering around for some kind of policy of their own. Last year they brought in the processing freeze on people from certain countries. That was rightly described by my colleague the shadow minister as 'the most discriminatory immigration policy since White Australia'. Then they brought in the so-called East Timor solution, which they had not even discussed with the East Timor government. Then they announced the Manus solution, which they had not discussed with the right people in the PNG government. Finally, back in May we had the Malaysian people swap.

The government could have had offshore processing at any time in the last 12 or 15 months. They could have had it whenever they wanted. All they needed to do was to pick up the phone to the President of Nauru and it did not happen because of the pride and the stubbornness of this Prime Minister and the pride and the stubbornness of a government which did not have the magnanimity to leave well enough alone. That is the truth.

Let us go through the Prime Minister's own inconsistencies on this whole question of border protection. On every single element of policy, whether it be turning boats around, temporary protection visas or offshore processing, this is a Prime Minister who has had every position and no position. In 2002 she said it was right to turn boats around. Then in 2010 she said it was disgraceful to turn boats around. Now she says it is all right to turn boats around as long as it is a virtual turnaround through Malaysia. Back in 2002 she said that temporary protection visas were a good thing. Now she says that temporary protection visas are an almost diabolical thing. The Prime Minister said repeatedly that offshore processing, the Pacific solution, was 'costly, unsustainable and wrong in principle'. Now she had not only done a 180-degree turn but she is also accusing the people who have a patent on offshore processing—the inventors of offshore processing—of somehow being against something that we have always been for and have always been prepared to facilitate.

Then, of course, we have the Prime Minister's attitude towards countries that have or have not signed the United Nations refugee convention. Oh, yes, this is what is gnawing at the consciences of members opposite. This is what is eating at what is left of the consciences of members opposite. The Prime Minister said, 'I would rule out any countries that are not signatories to the UN convention'—a commitment now as notorious as her commitment that there will be no carbon tax under a government she leads, and just as much betrayed.

Let us not just focus on the Prime Minister. I remind the Minister for Immigration and Citizenship, who is at the table, what he said not very long ago at all—hardly a year ago:

Now, from our point of view, we've said … that the regional processing centre would need to be,
for the sake of decency, at a country which is a signatory to the Refugee Convention.

This is a very important statement. I want to repeat this.

**An opposition member:** He should resign!

**Mr ABBOTT:** I can understand why he wants to resign. Let me repeat his statement: … from our point of view, we’ve said … that the regional processing centre would need to be, for the sake of decency, at a country which is a signatory to the Refugee Convention.

No wonder this is a government which is dying of shame. No wonder members opposite, left-wing members of the caucus, left question time today rather than listen to the stuff they were getting from the Prime Minister. I say to the minister at the table: how do you justify now doing that which you said, for the sake of decency, you would not do?

**Mr Bowen:** It's a furphy!

**Mr ABBOTT:** We have the minister at the table trying to throw this back at us. I know the minister at the table, when he is in trouble, lifts the volume. When he is in trouble he lifts the velocity so you can hardly hear in the torrent of words that this minister gives us, but I would respectfully, politely, genuinely ask the minister: how does he justify what he is doing with what he has always said in the past? You owe it to this parliament; you owe it to the Australian people to give us an answer.

The coalition has been entirely consistent for the last 10 years—absolutely and entirely consistent at every point over the last decade. We have supported Nauru, temporary protection visas and turning boats around where it can safely be done. The only position that this Prime Minister has not had is the one that works—and she has had a few. This is a Prime Minister who stands for everything because she believes in absolutely nothing at all, and that is what we have seen repeatedly from this government on this particular issue.

Lest there be any doubt, let it be clear in this chamber that late last Friday in Melbourne my senior colleagues and I were given the government’s preferred legislative arrangements. Those legislative arrangements completely stripped out the human rights protections that the Howard government had deliberately and self-consciously built into the Migration Act where offshore processing was concerned. That is what they did. This minister, who once said that as a matter of decency there had to be protections, had completely stripped them out of the legislative amendments that they gave to us on Friday. That was not offshore processing; it was offshore dumping. My colleagues and I were very honest with those officials. We said that our reaction to what the government proposed was that it was a serious detraction from human rights. That is what we said.

When I went to see the Prime Minister on Monday, I said, 'We will give your bill a second reading but we will move amendments to it because we believe that, as it stands, it betrays the human rights standards which a decent country like Australia should always observe and which the coalition has always believed in.' Then, what did the Prime Minister do? She said, 'Oh, the policy that I put to you on Friday has not even survived the weekend; we now have a new policy. The new policy writes back in those standards but does not make them compulsory.' These are the Clayton's obligations—the obligations you have when you do not have any obligations.

Then we went to probably the best lawyer in this country on these issues—former Solicitor-General David Bennett QC. We did not reject the government's proposals out of
We went to David Bennett QC and we got his opinion. His opinion is that the government's proposals, both of them, continue legal risk but strip out protections. By contrast, our proposal, as far as is humanly possible in this uncertain world, restores certainty and restores the ability of the executive government to make these decisions but does so in a way which is entirely consistent with human rights protections. What this government has done is pay lip-service to human rights protections without guaranteeing them. That is the disgrace of this government. That is why they had such a fractious caucus meeting today. That is why this government is now so totally ashamed of itself—because it has betrayed every principle that it has ever claimed to believe in.

We have a report today—the Left of the party quoting one of the Left's caucus spokesmen:

The Left of the Party does not believe we should go back to Howard-era politics.

Well, they have done something which is far worse. The Howard government would never have done what they are now attempting to do. This is a Prime Minister who now expects the opposition to rescue her from the disastrous position that she has put the government in because of her own failures of principle. I say: if she cannot get a majority in the parliament, she has options available to her. A government which has lost control of our borders does not deserve to stay in office. (Time expired)

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (15:47): There is something ironic about the Leader of the Opposition proposing a matter of public importance on border protection the day after he decided it was more important to care about what he assesses is in the best political interest of the Liberal and National parties, ahead of what is the best policy to stop people making the dangerous boat journey to Australia, the best policy to get a proper regional framework and the best policy to see more people resettled in Australia.

The Australian people expect our political parties to have robust debates. They expect a full contest of ideas. They expect the Australian political parties to be very forthright in putting forward views and having different views. That is how the Australian political system has always worked. But they also expect that, where political parties agree on objectives and principles, they put aside partisan difference and work together in the national interest. It is in the national interest that we do not have people risking their lives to get to Australia by boat. It is in the national interest that we never again have to go through what we have been through as a nation. It is in the national interest that we have offshore processing as part of a properly developed regional framework. Sometimes it is hard to bridge the partisan divide; sometimes the gulf is just too big; sometimes the differences are just too fundamental—and that is appropriate, but this should not be one of those times.

From the beginning, the government tried to make it easy for the opposition. From the beginning, the government tried to give the opposition a pathway. We made it clear that we would not ask the Liberal Party to support the Malaysian agreement, that we would not ask the Liberal Party to endorse it and that we would not hold them accountable for results—that we would be held accountable for the results. All we put to the Liberal Party was that the government of the day, whether it be a Labor government or a coalition government, should have the opportunity to implement its policies, and the
Leader of the Opposition agreed. He went out and said, 'I think the government of the day should have the right to implement its policies, and I would work with the government to achieve it.' I am not sure what happened after that, but what happened was a very significant change.

We tried to make it easy for the opposition. We said that clearly, in our view, it was important to change the law to enable the Malaysia arrangement and enable offshore processing in Papua New Guinea and enable it in Nauru, despite us feeling that it would not be an appropriate policy, but we recognise that if the Liberal and National parties were ever elected as the government of this nation they should have the right to implement that policy and they should be clear in the law.

Mr Briggs interjecting—

Mr BOWEN: They say that they will, but what they do not recognise is the legal consensus that shows that the legislation should be changed to enable it to happen.

Mr Briggs interjecting—

The SPEAKER: The honourable member for Mayo will now remain silent.

Mr BOWEN: It is appropriate we go through the reasons for the opposition's approach. They say that processing should now only occur in countries that are signatories to the refugee convention. That is the opposition's position. They say that that has been a consistent position for 10 years. The Leader of the Opposition said, 'Our position has been consistent for 10 years.' Nauru wasn't a refugee convention signatory when they sent people to Nauru, but last year the Leader of the Opposition said:

Look, this business of requiring that they sign the Convention is simply a furphy—

The shadow minister has made similar statements—that it was not necessary for offshore processing to occur in signatory countries. It is very eloquent from the Leader of the Opposition when he says:

Look, this business of requiring that they sign the Convention is simply a furphy—

because it is a furphy. It is completely inconsistent, not just with previous positions.

Yes, the government has considered the position and in recent times has said, 'We should work in a regional framework with countries that are not signatories to the refugee convention and work with them to improve protection outcomes.' Yes, we have developed that position. Yes, governments and political parties do change policy. I do not necessarily hold the Leader of the Opposition to his position where he says it is a furphy. I respect that political parties are entitled to develop their thinking. But what they are not entitled to do is hold a completely inconsistent position at the same time. We all know the opposition's policy is to turn boats around on the high seas and point them in the direction of Indonesia. Guess what? I thought I might have missed something but I checked again today and Indonesia is not a signatory to the refugee convention. It is one thing to change position—all political parties do that from time to time—and it is another thing to have two completely inconsistent positions at the same time.

I saw the member for Flinders announcing on Insiders on Sunday that the Liberal Party was going to negotiate with Indonesia and that it would build in protections. Good luck with that one! I wonder how that is going to go. I do not know if it is going to negotiate that Indonesia sign the refugee convention—even better luck with that one. Apparently, it is not appropriate to send a plane to Malaysia when you have negotiated protections and when you have commitments from the Malaysian government not to refoule people,
when you have commitments from the Malaysian government to allow access to education and health and when you have commitments from the Malaysian government to allow work rights. It is not okay to send a plane to Malaysia, but it is okay to send a boat to Indonesia with no protections negotiated whatsoever. But the member for Flinders is on the job, and he is going to negotiate these protections, apparently.

The Leader of the Opposition has the hide to call the Malaysian arrangement 'offshore dumping'. It is offshore dumping to send people on a boat to Indonesia, drop them off at the jetty and say, 'There you go.' That is offshore dumping, and that underlines the hypocrisy of the opposition.

Mr Briggs: You are yelling again! You are yelling!

The DEPUTY SPEAKER (Hon. Peter Slipper): The member for Mayo will restrain himself.

Mr BOWEN: As I said in question time, if the opposition has really had a change of heart here—as I say, I accept and understand that political parties are entitled to change their point of view—it could move an amendment to the relevant 'turn back the boat' section of the Migration Act to say, 'You can only turn back the boats if they are going to end up in a signatory country.'

Mr Laming: Where are your Greens buddies?

The DEPUTY SPEAKER: The member for Bowman will remain silent.

Mr BOWEN: That would be open to the Leader of the Opposition. I wonder if he is going to do that.

Mr Laming: Where are your Greens?

The DEPUTY SPEAKER: The member for Bowman will remain silent.

Mr BOWEN: Because of this hypocrisy, the Australian people are entitled to reach a conclusion that something else is going on here.

Mr Danby interjecting—

The DEPUTY SPEAKER: The member for Melbourne Ports will restrain himself.

Mr Laming interjecting—

Mr BOWEN: Something else is going on here, Mr Deputy Speaker.

The DEPUTY SPEAKER: Order! The minister will resume his seat. The honourable member for Bowman will remove himself from the chamber pursuant to standing order 94(a). He will recall that he has already been warned.

The member for Bowman then left the chamber.

Mr BOWEN: Australian people are entitled to conclude that there is something else going on here, because it does not make sense that the opposition has two positions at the same time that are completely contradictory. So when the Australian people look at this and say, 'What else is going on here?' I think they are entitled to conclude that the opposition has decided the risk of Malaysia working is just too great.

Mr Briggs: Where is everyone? Why can't you get everyone in here?

The DEPUTY SPEAKER: I warn the honourable member for Mayo.

Mr BOWEN: The risk of the Malaysia arrangement actually providing a disincentive for people to get on boats to come to Australia is just too great. They cannot have that, because it would destroy their business model of cheap slogans.

Mr Briggs: One, two, three—

The DEPUTY SPEAKER: Order! The honourable member for Mayo will remove
himself from the chamber pursuant to standing order 94(a).

The member for Mayo then left the chamber.

Mr BOWEN: The opposition says that the Malaysian arrangement has not worked because people arrived after it was announced. It says, 'Oh look, almost 1,000 people have arrived after it was announced, and Nauru worked.' I make this point to the opposition: the Malaysian arrangement has not even been implemented. It has had an effect—the number of people arriving in Australia has fallen as people looked at the Malaysian arrangement—but if the opposition is going to judge because almost a thousand people have arrived then let us look at how many people arrived after Nauru was announced. In the same time period since the announcement of the Malaysia arrangement, 1,998 arrived. So if you are going to apply the test you apply it consistently. Let the member for Cook explain how Malaysia does not work because 974 people arrived but Nauru was a great success because 1,998 people arrived in the same period.

The opposition says: 'The Malaysia arrangement is too expensive. We couldn't possibly approve that because it costs almost $300 million over four years.' Most of that is the cost of resettlement of people in Australia. Then we have this furphy from the opposition that Nauru is somehow going to happen for free. No charge! I'll throw in a set of steak knives! The Nauru detention centre is not going to cost the Australian people anything! It is not in their costings. It was not in their costings before the election and it is not in their costings now. It is a $71 billion black hole because Nauru will cost $1 billion over four years just in operational costs. That does not include capital costs—I am not going to allocate those because it would be hard to assess. The opposition says the centre is ready to go, despite the fact that it has not been used in a long time and is now a school. It says it is all ready to go and wouldn't cost a cent. I do not think that is quite right, but even if we just use operational costs it is $1 billion a year.

The opposition then says: 'This deal with Malaysia has got a use-by date—it's only got 800 people. I wonder what you are going to do when you run out of the 800 spots.' My question to the opposition is this: what are you going to do when you run out of your 1,500 spots at the Nauru detention centre? You have the advice that this is not an effective deterrent.

Mr Champion interjecting—

The DEPUTY SPEAKER: The honourable member for Wakefield will cease interjecting from outside his seat; otherwise, he will be outside the chamber.

Mr BOWEN: The opposition knows that this is not an effective deterrent. The opposition has been told by the experts that it does not work.

Mr Keenan interjecting—

The DEPUTY SPEAKER: The member for Stirling will now remain silent for the rest of this contribution.

Mr BOWEN: What we know is that the detention centre at Nauru will fill up just as it did last time, and the opposition has not indicated what it will do afterwards. To be consistent, if it requires the government to say what it is going to do after the 800 spots are filled then the opposition should explain what it is going to do. It should also explain what arrangements it has in place for the resettlement of people from Nauru. What discussions would the member for Cook have if he were minister for immigration? What countries would he negotiate with? Maybe he could send the member for Flinders, who is going to go and negotiate
for Indonesia to sign the refugee convention. Maybe he could do a deal with them at the same time for some resettlement. Otherwise anybody who is regarded as a refugee on Nauru will be resettled into Australia. Why wouldn't they? Other countries around the world are going to say: 'That is not actually our problem. That would be your issue, because they came to Australia and you transferred them to Nauru.' What we negotiated with Malaysia was a very different set of circumstances, where people would be transferred to Malaysia.

Clearly, what we have here is an opposition who are so concerned that this might work that they are prepared to do anything to stop it. They are prepared to sit with the Greens in the upper house, in the coalition of convenience, to stop this arrangement proceeding. They have been prepared to send the member for Cook on a little holiday up to Malaysia with his little home video camera to try to criticise the Malaysian government; to stand outside detention centres and say, 'This is where they are going to come,' and to send home a little home video. That is wrong. Nobody sent to Malaysia under this arrangement will be sent to a detention centre.

The opposition are prepared to go out and criticise the Malaysian government, up hill and down dale, for their record on how they treat asylum seekers—and, in doing this, they were prepared to damage the relationship with Malaysia in a most irresponsible way. Thankfully, people here in Australia and in Malaysia see this for what it is. They see it for the cheap opportunism that this opposition have become known for.

If the opposition are really so concerned that the Malaysian arrangement would not work, if they really think it is not going to provide a disincentive and if they really think it would be the failure that they say it would be then, just from a political point of view, why would they not let us do it? Why would they not say, 'The government are on their own. We will let them do what they want, but if it does not work we will hold them to account'? If they really think it will not work, that would be the political calculation that they would make.

But, no; the member for Cook understands this policy area—I grant him that. He has looked at the situation, heard the advice from the experts and he has said, 'Mr Abbott, I think this might actually work. I think we have a bit of a problem here because the government's policy might actually work. We better stop this policy working because we know that when Nauru was operational that the majority of people arrived in Australia, so that won't work.' When they had TPVs over 90 per cent of those were granted permanent residency, so that is hardly going to work. And now we have the 'turn back the boats' policy. Apart from the evidence that we know of—that people will sink and sabotage their boats so that they have a rescue at sea situation and must then be transferred to Australia—they will not be able in any consistent way to transfer people to Indonesia because they will not be able to provide the guarantees that they have said are so important.

The Leader of the Opposition says that we are too soft on asylum seekers and then that we are too hard. He says he supports offshore processing and then he walks away from it and he sits with the Greens and votes against it. He claims the patent and then claims to kill it. At first he says that the ALP are too compassionate and then he says that we are not compassionate enough. The Leader of the Opposition wants to stop the Malaysian arrangement for one reason, and one reason alone: because he is terrified it will work. He is terrified that his cheap and opportunistic strategy will come to an end,
and he knows how bad that would be for him. He is prepared to let the national interest slide so that he can keep his cheap slogans going. *(Time expired)*

**Mr MORRISON** (Cook) (16:02): I thank the minister for his continued interest in my various statements. He retains a very active interest, and I thank him for that. In 2008 the Rudd-Gillard government, against advice, abolished offshore processing and the Howard government's Pacific solution. Since then not one illegal arrival has been processed offshore in a third country by this government. You cannot continue offshore processing if you actually have not ever started it, which is where this government finds itself today.

Since they abolished the Howard government's Pacific solution more than 12,000 people have arrived illegally on 241 boats. For all of this time the Rudd-Gillard government demonised and chastised the coalition for its concerns over the government's border protection failures as every boat arrived. At one point Labor members even called us racists for having these concerns. That is how desperate they were, and that is how demonising they were in chastising the opposition for having concerns about the border protection failures on their watch.

When the Rudd-Gillard government abolished the Howard government's border protection policies they put the people smugglers back in business. That was the result of their policy initiative. And yet today they parade around this place, claiming to be champions of the national interest on border protection—a government that created the problem, denied its existence then and then repeatedly failed to address the problem in any successful manner. How many boats did it actually take—how many boats actually arrived—before this government worked out that they had a problem? Was it 50? Was it 100? Was it 150? Was it 200? You could even argue: was it 241? This is a government that have had a history of failed policy, as every single one of those 241 boats arrived on this government's watch.

This is a government that bungled the *Oceanic Viking* crisis. This is a government that introduced their failed and discriminatory asylum freeze. This is a government that gave us the embarrassment of the failed East Timor plan. And this is the government that gave us the already failed Malaysia solution, which has already rejected by both houses of this parliament and by the highest court in this land—already overwhelmed by the people smugglers, with 1,000 people having already turned up since it was announced and more than 400, half the quota, since it was signed.

This policy for Malaysia is fatally flawed in design and also fails the test of providing meaningful and practical protections. The five-for-one deal that the minister boasts of highlights just how desperate this government was and just how much the Malaysian government saw this minister coming. The deal has a use-by date of just 800 transferees, and this government cannot answer the question: what happens at 801? The answer is nothing; it goes back to the same arrangement there was before. They had no answer then; they have no answer now. What happens when the exceptions that the government will invariably have to make to their policy of not sending every single person who arrives illegally by boat to Malaysia are sold as the rule by people smugglers throughout the region? What happens then? There is no answer. This is a desperate and ill-considered arrangement and it is already a proven policy failure.

It is not the opposition's job to give an incompetent and divided government a blank
cheque for more failed policy. The minister opposite just previously asked why we would not vote for a policy we believe is a failure. Those opposite might be very experienced and practised in voting for policy failures—they do it all the time in this place—but the opposition does not believe that it needs to join that arrangement. The opposition does not vote for bad policy. We vote against bad policy and that is what the government can expect of this opposition. When they get a good policy we might support it, but I am not holding my breath.

Our policy, as our leader outlined earlier, has three core elements to stop the boats. The coalition has held a consistent policy on border protection for a decade and it seeks to stop the boats and preserve the integrity of our refugee and humanitarian program by ensuring, as our former Prime Minister once said, 'We decide who comes to our country and the circumstances in which they come.' There are three elements. Firstly, turning boats back is a straightforward and uncompromising deterrent where the circumstances permit. This is not offshore processing; it is preventing entry to Australia. Secondly, there is offshore processing in a third country—namely, Nauru—subject to the clear protections we have always stood by. Thirdly, there are temporary protection visas for illegal arrivals who are found to be genuine refugees, but it denies them access to the family reunion program.

The coalition's border protection policy has always been tough, always been uncompromising, always been consistent and, most importantly, it has always been effective, and it remains so. Ours has never been a bleeding-hearts policy, but a practical and measured policy subject to reasonable safeguards with a clear objective in mind: to stop the boats and to restore integrity to our refugee and humanitarian program.

Labor's position, though, has been one of constant flip-flops and constant hypocrisy. Over the past 10 years, as the Leader of the Opposition says, they have supported and opposed turning boats back, they have supported and opposed offshore processing and they have supported and opposed temporary protection visas. The minister for immigration, previously at the table, famously said back in August 2006:

We say that asylum seekers should be treated the same regardless of how they land. We say that they should be dealt with fairly, swiftly and on Australian soil.

That is what the minister who was previously at the table said; that is not what his policy is now offering. The government's proposed changes to the Migration Act fail to provide the protections previously provided under the coalition's legislation and fails to properly quarantine ministerial discretion from being open to judicial interpretation. The parliament should not be giving an incompetent government a blank cheque for more failed policy. The coalition has proposed considered and practical amendments to strengthen the Migration Act with respect to offshore processing while ensuring that objective, reasonable and assessable protections are in place. The minister and the Prime Minister should get a little less cranky and a little more constructive in dealing with the bill that they seek to bring into this House.

The former Solicitor-General, David Bennett AC QC, has provided written advice on the two sets of amendments provided by the government to the coalition and looked at our alternative. His opinion is that the coalition's plan provides more protection for asylum seekers than the two government versions and is less likely to be the subject of complex judicial proceedings. That is the advice of the former Solicitor-General.
Our proposal would allow for illegal arrivals to be sent offshore for processing to one of 148 countries which are signatories to the United Nations convention or protocol—including Nauru, which becomes a signatory on 26 September. The coalition's amendment would enable this government to implement their policy to reopen the processing centre on Manus Island. Their choice to reject our amendments would be to vote against their own policy of reopening a processing centre on Manus Island. If Julia Gillard wants to stop the boats she should support the coalition's proposed amendments that provide her government and all future governments with clear discretionary and unchallenged powers subject to reasonable, universally accepted and objective safeguards.

The Prime Minister and this government have no authority, credibility or mandate to storm into this place and make demands on this parliament. The government's majority, upon which they relied to form government in this House, has deserted them over their handling of border protection in this country. They clearly do not have the requisite support to carry their own legislation. The coalition has offered them support subject to only one condition that would bind them and every other government that follows. The minister's angry rejection of the coalition's amendments during his panicked raid yesterday afternoon is not what is needed to resolve this situation.

In government, we will re-establish offshore processing at Nauru regardless of what happens here in the meantime. But what is clear is that this is a government that does not have the resolve or the consistency of policy to address this issue. They have been found wanting on this issue for three years. The Australian people know it and the people smugglers know it, and that is why we need the election option. (Time expired)
amendment that seeks to introduce a requirement that offshore processing only occur in a country that is a signatory to the UN refugee convention. That is a new and high bar that has been introduced, and I make the point that had that requirement been in place back when the Pacific solution was first introduced then we, the Australian people and the Australian government, would not have had the capacity to send anyone to Nauru back in 2001, because Nauru was not a signatory to the UN refugee convention.

In fact, whilst it has taken steps in recent times, as recently as earlier this year Nauru still had not signed the convention. Indeed, when the opposition went to the last election, committed to using Nauru as the venue for offshore processing, Nauru was not at that time a signatory to the convention. It is also worth reflecting upon the somewhat arbitrary nature of using whether or not a country is signatory to the convention as the perceived benchmark against which humanitarian protections can be gleaned, because it is interesting to see that around the world there are many countries that are signatories to the convention. Are we seriously expected to believe that simply because they are signatories to the UN refugee convention that somehow will be venues for offshore processing in the future that can guarantee the safety of individuals who might be sent there? And that is in the absence of any particular arrangement such as the one that we have been able to enter into with Malaysia.

Mr Hawke interjecting—

The DEPUTY SPEAKER: The member for Mitchell has already been sin binned once.

Mr BRADBURY: It is worth having a look at the existing policy and indeed the policy as it stood at the last election for the opposition. We have heard all about turning the boats back. There are three elements to their policy. There is turning back the boats. There is the no compromise on offshore processing. That is what they went to the electorate with. They went to the Australian people at the last election saying, 'There will be no compromise on offshore processing.' But here we have an opportunity generated by the decision of the High Court for members of this House to make a very clear and unequivocal decision that offshore processing should be within the realm of executive government and to restore the position that we previously understood it to be the case.

I make the point that throughout the course of this debate and the debates that will follow over the coming days there will be people right around the world who will be watching them. In particular, there will be people smugglers throughout our region who will be watching this debate, and they will be looking very closely to see the extent to which this parliament is prepared to show the resolve that is necessary to equip executive government today and into the future with all of the powers that it needs to combat irregular and unlawful people movements throughout our region. They are looking
closely; they are looking for a crack. They are looking for Australia to blink. The opposition have the opportunity to stand side by side with this government, to demonstrate this parliament's resolve when it comes to tackling people-smuggling. Or they have the option of voting with the Greens to kill off offshore processing.

I would caution them about the dangers of going down that path because whilst I agree with the Minister for Immigration and Citizenship when he says that he knows the reason why the opposition are opposed to supporting the amendment before the House—that is, because they are afraid that the Malaysian arrangement will work—I suggest that there a couple of things they should be even more concerned about. One is that the Nauru solution will not work. If we do not get our legislation through to ensure that executive government has the power to take the decisions it needs to take, then those opposite had better hope that Nauru works, because if they ever get a chance and it does not work, then they would not want to come back into this place asking a future parliament for all of the powers that we are now asking for. Turning the boats back has never worked; we know that.

Mr Keenan: We'll have a majority; don't worry about it.

Mr BRADBURY: I hear the arrogance of the member opposite. He will have an absolute majority in both houses! Don't count your chickens before they hatch. When it comes to border protection this government is interested in putting in place a proposal that we know will work. All the advice suggests that it will work, as opposed to the Nauru so-called solution, which was nothing more than a $1 billion stopover on their way to Australia. (Time expired)

Mr Ruddock: I'm glad it's expired.

The DEPUTY SPEAKER: I do not need the assistance of the Father of the House.

Mr KEENAN (Stirling) (16:23): If this government was really keen to break the people-smuggling model then quite frankly they would resign. They are the people smuggler's business model. When they came to office the people smugglers had been broken. The people smugglers had tested the previous government and the previous government had shown the resolve that was necessary to stare them down. Subsequently, they could not bring people to Australia illegally anymore.

But then the government changed, and as a result we had a change in policy. Because of the enormous moral vanity of those opposite, who thought that they could make changes to our robust system of border protection without any consequences, we had the people smugglers going back into business.

If the people smugglers were a public company, Julia Gillard would be the chairman of the board, Chris Bowen would be the managing director, and the cabinet—

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! The honourable member for Stirling has been in the parliament for a number of years. He would be well aware of the provisions of standing order 64. He will observe the standing order.

Mr KEENAN: You are quite right, Mr Deputy Speaker. The Prime Minister would be the chairman of the board, the Minister for Immigration and Citizenship would be the managing director, and the cabinet ministers would be the board of directors. Labor has been so incompetent on this issue alone that it should be enough for them to be laughed out of office. They have held inconsistent positions on offshore processing, turning back the boats and temporary protection visas. Since August
2008 the opposition has been forced to watch in horror the missteps and the terminally bad judgment that has been displayed by those opposite. Following their border protection policies has been like watching a man falling down in slow motion.

I want to recap for the House the comedic farce that we have seen that has passed for a border protection policy since the government changed in 2007. Firstly, when they came to office they said that the Pacific solution, which was part of the robust system of border protection that they had inherited when the government changed, was morally reprehensible. They called the proponents of it in the previous Howard government racist. The Prime Minister, who was the architect of Labor's immigration policies during that period, said in parliament:

The so-called Pacific solution is nothing more than the world's most expensive detour sign. It does not stop you getting to Australia; it just puts you through a detour on the way while Australian taxpayers pay for it and pay for it.

She later went on in the same speech to say:

Labor will end the so-called Pacific solution—the processing and detaining of asylum seekers on Pacific islands—because it is costly, unsustainable and wrong as a matter of principle.

This is what the Prime Minister used to say about third-country processing. Earlier in this House she spoke about what she called the 'so-called Pacific solution.' She said:

The so-called Pacific solution—stripped of the other policies that the government has scrambled around and tried to put in place since the Tampa—is really no more than the processing of people offshore in third countries.

That is what she said. She also said:

It is a policy that Labor does not support, because it achieves nothing and costs so much in so many ways …

You do not have to wonder why people have absolutely no idea what this Prime Minister stands for when she held such contrary positions on border protection policies.

The thing about the Pacific solution, and the other policies that the Howard government put in place, is that they were hugely successful. After 2001, when we were faced with a large number of illegal boat arrivals, once the government showed some resolve, once they took a principled stand, the people smugglers understood that the government was not to be tested and they stopped bringing people to Australia illegally.

That is why, when the government changed in 2007, there had been, on average, three boat arrivals per year and a total of 18 boat arrivals in the six years preceding the change in government. When the government changed there were four people in detention on Christmas Island, and those opposite dared to suggest that the Christmas Island Immigration Detention Centre was an expensive white elephant.

As I said, in a fit of moral vanity they went ahead and discarded the pillars of the robust system of border protection that we had when they came to office. Indeed, the then minister basked in the fact that he had been the minister that killed the Pacific solution. The then immigration minister, Chris Evans, said in a speech:

The major Labor policy commitment in my portfolio was to end the former Howard Government's discredited Pacific Solution. That was a shameful and wasteful chapter in Australia's immigration history.

He went on to say, in a speech in 2008:

The Pacific Solution was rightly criticised for seeking to shift our international responsibilities onto developing countries—when we should have been standing up and shouldering those responsibilities ourselves.

He also said that it was a waste of taxpayers' money. Finally he went on to say that it was
'morally wrong and outrageously expensive' and that it failed.

Mr Ruddock: He's still a minister in the current government.

Mr Keenan: And he is still, unbelievably, the third most senior minister in this government. Of course, the response of the people smugglers was almost instantaneous. These announcements and the policy passed through the parliament in August of 2008. We started to have illegal boat arrivals within the space of months. They trickled through, initially, but the people smugglers, once they tested this government's resolve, saw how weak it was and how muddle-headed it was on border protection and increased the rate of illegal arrivals.

Labor provided an enormous stimulus package for people smuggling. We then had the farce of the Oceanic Viking. We had asylum seekers literally take over an Australian government vessel and then stare down the government in what was surely one of the most shameful chapters in Australia's border protection history. The then Prime Minister, the now foreign minister, insisted that no special deal had been done to get the people on the Oceanic Viking off, when everybody knew that that was complete and utter nonsense. The farce culminated in the Labor Party sending a private plane to Indonesia to pick up people held in Indonesia, who ASIO had said were a threat to national security, and bring them to Australia. Unbelievably, because of the Oceanic Viking farce Labor chartered a private plane, flew it to Indonesia and brought back people to Australia who ASIO said were a security risk to Australia. Of course, because of this lack of resolve, because of this farce, illegal arrivals continued and the pace that they arrived in Australia increased.

Labor then goes into a massive panic. The Labor members start to understand how much damage this is doing to them amongst the Australian people, because the Australian people actually expect the federal government to protect our borders. Then the policy retreat beings. First of all we had the ill-fated and discriminatory processing freeze on Afghan and Sri Lankan asylum seekers. For periods of three months and six months they said that they were not going to process people's asylum plans from specific countries. As the shadow immigration minister said, it was 'the most discriminatory policy since the White Australia policy.' What happened after that, of course, is that our detention centres—astonishingly enough, when claims were not being processed—filled up to such an extent that order within the detention network started to break down. We had riots, we had mass breakouts, we had hundreds of critical incidents and we had the farce of the immigration minister being unable to tell this parliament how many people were detained on Christmas Island. They could not even successfully do a head count. We had radio announcers telling him that there had been a homemade bomb in the Villawood Detention Centre, which was something he had absolutely no idea about.

The culmination of these disasters was the knifing of the then Prime Minister, Kevin Rudd, now foreign minister, and the replacing of that Prime Minister with the current Prime Minister, Julia Gillard. She nominated Labor's border protection farce as one of the reasons the previous government had lost its way. She said she was going to start offshore processing, something she had previously opposed and panned the Howard government for. She announced, without consulting the government of East Timor, that they were going to do it in East Timor. Astonishingly, the people and the government of East Timor were not
receptive to that idea and did not think that it was particularly reasonable for the Australian government to announce what was going to happen within their sovereign territory. That was an absolute failure. They then went to Papua New Guinea. The Papua New Guinea government appeared to be receptive to the idea of re-opening Manus Island but, as ever, this government managed to snatch defeat from the jaws of victory. They sent the Parliamentary Secretary for Pacific Island Affairs, they grievously insulted the Papua New Guinea government and that proposal stalled.

We then had this Malaysia arrangement, the five-for-one people-swap deal, with the Australian taxpayer paying all of the costs. That was struck down by the High Court and we subsequently have the government flailing around desperate for the opposition's approval to get through amendments to the Migration Act that would give them unfettered carte blanche to do what they like within this area even though everything they have tried for the past four years has been an utter failure. If you cannot have a border protection policy, if you cannot get one through the parliament, then why do you continue to seek to govern? There is absolutely no reason why this Labor government—(Time expired)

Mr LAURIE FERGUSON (Werriwa) (16:33): I come to this debate with an abiding interest in many of the human rights issues that compel people to come to this land, I come to this debate with an almost daily opportunity in my office to interview people who are fighting refugee cases and I, also like the member opposite, come to this debate with the experience of Western Sydney where these issues bite deeply. One of the things I have learnt is that the Australian people, who to my mind are reasonably fair minded, want to have a government with control in this policy area. They want to have a belief that the government can determine which refugees from which lands enter this country. It then gives the opportunity for the government of the day, Labor or Liberal, to respond to the demands of the UNHCR, to look at the UNHCR's right in saying that this year we should look at the condition of the Rohingyas or at other Burmese groups. The people of Australia, on the other hand, can be dragged into an opposition to immigration, a concern with the process if they do not think that the government and its department of immigration have some say in the process.

We saw the experience in Europe last week when, in the Danish elections, a Left majority was re-elected after a decade of conservative government. Even then in that victory the conservative Danish People's Party, although they went down from 13.8 to 12.3, captured that percentage of the vote. We have the experiences in Sweden, the Netherlands and Denmark. These are countries where the population has lost confidence that the government is actually having a say in the refugee policy. That is the way in which I approach this debate.

Last week the Prime Minister, in the aftermath of a court case and a result which was not predicted by Senator Brandis or any of the experts opposite, on behalf of this government said to the opposition, 'Let's try and negotiate an outcome here which gives us some certainty in regard to what we believe should be the outcome and would give the opposition some certainty as well if they were elected.' Of course, last week we had very loud contributions from those opposite saying, 'Nauru: it's covered, no problems. We're convinced that it's unchallengeable.'

This week there is a different tune. I heard Senator Brandis this morning indicating on
ABC radio that perhaps Nauru is equally challengeable. The opposition was confronted with the situation on Friday and in the last few days that we could get together and get a policy which gives some guarantee that the government of the day and its department of immigration would have some say. It has been thrown back in the government's face. The pretext is the concern with whether countries have signed the UN Charter. This, apparently, is now paramount. They cannot agree with the government because the government is supposedly negotiating with Malaysia. Other speakers have been through this. It did not seem to concern them when they sent people to Nauru originally, and they have proposed it again—to a country which has the 23rd highest population density on this earth, a per capita income—(Quorum formed)

As I said, seemingly 'Nauru or nothing' is their attitude when they are asked to cooperate on a national solution to this. It is a country that has one of the highest population densities in the world and is amongst the poorest nations on this earth. It is a country where people would essentially have no work rights. They say that affiliation to the convention and Nauru is the be-all and end-all.

As other speakers have indicated, there is nothing apparently wrong with sending people to Indonesia, despite the fact that it is not a signatory. On last night's program the shadow minister, of course, said, 'Oh, that's not offshore processing; that's carting people there in a boat.' They talk about the signatories being the be-all and end-all. Many of the countries where we are receiving refugees from—Zimbabwe, which so affects many opposition members opposite, particularly from Western Australia; Sudan; Iran—are signatories. Speaking of Iran, we see the inconsistency of those opposite. Not only are they demanding that they be signatories in regard to this measure, but Iran itself was suggested by the opposition spokesman last year as being in some ways a better option than Malaysia. Quite frankly, Malaysia is a country which has recently moved towards reforming its internal security legislation and which is giving rights to not only the people that we negotiated for, the people that we were sending back, but also the rest of their claimants in the country.

We have a situation here where it is no surprise that they have tried to stymie a government proposal which they are dead scared is going to be an option which is going to be an effective deterrent. It is interesting to note that on Nauru, the be-all and end-all, the then shadow minister, the member for Murray, said on 1 December 2008:

The closure of Nauru and Manus Island...Of course they had basically—what shall we say—outlived their need...I don't think we need to again have Nauru and Manus Island operating, because we've got of course Christmas Island.

Mr Danby: Who said that?

Mr LAURIE FERGUSON: The shadow minister at the time. What we have here is a situation where a message has got to be given to Bob Brown, to the Greens in general, to the member for Cook, to the opposition leader—to all those who are now colluding in this attempt to undermine the government's solution to this matter: the Australian people want the government to assert control in this policy area. As I said earlier, they want to make sure that when people do come to this country, the UNHCR has had a say in that process offshore.

We have a situation where, as another speaker indicated, there is the question of this being a failure. The context of Malaysia was the approaching court action. If we look at the numbers coming after the Malaysian
announcement for the same time period compared to Nauru—the possible panacea, the nirvana of solutions for those opposite—they are far fewer in the same time period than after Nauru. Yet, as I say, throughout the whole period people smugglers had the reality that this was being challenged in court. They had no confidence that this was actually going to succeed.

It is on the opposition's head. We know that some opposite feel that the integrity of the migration system is more important than the short-term political interest of the opposition leader. We know that there are some people that know that there is a need for an abiding, long-term solution. Voting with the Greens, basically going along with Senator Hanson-Brown's rather short-term, narrow market policy, is not the way to go.

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! The discussion is now concluded.

MINISTERIAL STATEMENTS

Second Anniversary of Pension Reforms

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (16:44): by leave—Since the federation of our nation, Labor has believed in the need for a strong age pension for our country. Labor drove the introduction of the age pension during our nation's first decade, driven by our core Labor belief in a fair society that rewards a lifetime of work and driven by our sense of responsibility to ensure that no Australian is left behind. These Labor values endure, as the age pension in Australia has endured. A century on, more than two-thirds of older Australians receive the age pension. It remains a critical link in Australia's social fabric, ensuring that after a lifetime of work, Australians are supported in their retirement. A century on, Labor continues to deliver for older Australians.

Support and security for pensioners

Two years ago, it was this Labor government that delivered historic increases to the pension and an improved indexation system, to make sure that the pension kept pace with the cost of living. We protected the pension—and provided support and security for Australia's pensioners: support through a significant increase to the pension; security that the pension would keep pace with the cost of living through improved indexation arrangements and an increase to the wages benchmark. Australia's age, carer, and disability pensioners, our war widows and widowers, and service income support recipients have received the support of a long overdue and much needed increase to the pension. In September 2009, as a result of our reforms, single pensioners initially received a fortnightly pension rise of $70.83 and pensioner couples combined received a rise of $29.93.

And just as important, Australian pensioners have the security of knowing that they will not be left behind. The age pension will better keep pace with the cost of living through improved indexation arrangements that make pension rates more responsive to the price changes experienced by pensioners. The new pensioner and beneficiary living cost index considers a 'basket of goods and services' that better reflects pensioner consumption patterns than the overall consumer price index. We have also linked the rate of the age pension to a higher wages benchmark. The wages benchmark rate has increased for singles from 25 per cent to around 27.7 per cent of male total average weekly earnings, an increase of more than 10 per cent. This new benchmark is now enshrined in legislation.
Both the pensioner living cost index and the higher wage benchmark are proving their worth in providing greater security for pensioners when prices increase. The fourth regular increase since the historic pension reforms starts today. From today, single pensioners will receive an extra $19.50 a fortnight and pensioner couples combined on the maximum rate will receive an extra $29.60 a fortnight. Over the last two years, as a direct result of pension reform, maximum rate pensioners have received an increase of around $148 a fortnight for single pensioners and around $146 a fortnight for pensioner couples combined.

These historic reforms built on the benefits delivered to Australia's pensioners by this Labor government in 2008. Just months after coming to government, we more than tripled the utilities allowance—from $107.20 a year under the previous government to $500 a year. We also increased the telephone allowance—from $88 to $132 a year. And we helped pensioners during the global financial crisis by making economic security strategy payments to pensioners at the end of 2008.

These increases—like our pension reforms—responded to the real pressures that pensioners face. The government does understand that pensioners need some flexibility in how they pay their bills. We simplified payments to pensioners, combining four allowances into a single, simple pension supplement that is now paid fortnightly. But to increase flexibility for pensioners in balancing their household budgets, pensioners can choose to have some of their pension supplement paid quarterly instead of fortnightly—whatever suits them. To further increase flexibility for pensioners—and to help them meet unexpected costs, like circumstances where their car might break down—we have introduced new arrangements to give pensioners easier access to advance payments, and in the last financial year, around 143,400 age pensioners took advantage of the new advance payment rules.

The challenges of a fixed income, of course, are also faced by self-funded retirees and many carers. Through the pension reforms, the government introduced a seniors supplement paid quarterly to around 280,000 Commonwealth seniors health card holders. We also introduced a carer supplement, paid annually in July, to eligible carers, and now around 530,000 Australian carers are $600 a year better off.

Protector the pension into the future

This Labor government has delivered these many improvements for pensioners, driven by our belief that a fair society does reward people for their lifetime of work. A lifetime of work is, of course, an enormous contribution. But we know that for many older Australians that contribution does not stop when their last shift ends. Many older Australians do want to continue some part-time work—to pass on some of their knowledge and some of their experience, to make some extra money or to stay involved—and all of these people should be supported.

That is why this Labor government has delivered on its election commitment to older Australians, improving the new seniors' work bonus which allows pensioners who work to keep more of their pay packets before it affects their pension. Eligible age pensioners can now earn an extra $250 a fortnight from paid employment without it being assessed as income under the pension income test. This is on top of the income-free area. Pensioners can now 'bank' any unused amount of the fortnightly $250 work bonus, up to $6,500, which they can then use to offset future employment income. Couples, where both people work, each have $6,500,
or a total of $13,000. We have 78,000 age pensioners with employment income who stand to benefit from the work bonus. They get, of course, the benefit of work, and the security of the pension. Labor has been protecting the pension for more than 100 years. We have delivered for older Australians—meeting our responsibility to ensure that no Australian is left behind. We are supporting pensioners today and providing security for tomorrow. Through our pension reforms, this government has built a sustainable pension system. We will continue to deliver pension increases and improvements in a long-term, sustainable way by gradually increasing the age pension age from 2017, rising to 67 by 2023. People will have time to plan and prepare for this change. We will also continue to protect the rate of the pension into the future, by keeping Australian pensioners front and centre of reforms as we look forward to further improvements to the pension.

Pensioners will be supported in this government's plan to put a price on pollution. Under our plan, it is the big polluters who will pay for their pollution—and not pensioners. Under our plan, pensioners will receive household assistance that is more than the expected average price increase from putting a price on pollution. This will be a real and permanent increase to the pension. Pensioners will receive around $338 for singles, and $255 for each member of a couple per year.

**Conclusion**

This government, like Labor governments before us, is driven by a belief in a fair society that rewards a lifetime of work. We are driven by our sense of responsibility to ensure that no Australian is left behind. These Labor values endure, as the age pension in Australia has endured. A century on, Labor continues to deliver for Australian pensioners. We are providing support and security for pensioners and we are protecting the pension, now and into the future.

I ask leave of the House to move a motion to enable the member for Menzies to speak for 10 minutes.

Leave granted.

**Ms MACKLIN:** I move:

That so much of the standing and sessional orders be suspended as would prevent the member for Menzies speaking in reply to the ministerial statement for a period not exceeding 10 minutes.

Question agreed to.

**Mr ANDREWS** (Menzies) (16:54): Can I say at the outset that the coalition welcomes support for Australian pensioners. They are important contributors and members of Australian society. They are people who obviously deserve the support which this country can provide for them. In fact, the coalition has a proven track record over many years, indeed many decades, of supporting Australian pensioners.

The real income of pensioners increased by 20 per cent under the Howard government—that is, by more than two per cent a year. There were also one-off bonuses paid to most pensioner categories, as well as a utilities allowance which was paid to pensioners for the first time under the previous government. Furthermore, in September 1997, the Howard government legislated to index pensions using the male total average weekly earnings if that index was higher than the consumer price index. This enabled pensioners to keep ahead of cost-of-living increases and to share directly in the wage increases flowing from the strong economic performance of the Howard government of more than a decade.

The Howard government also eased the taper rates, which enabled 300,000 older Australians to receive the pension for the
first time or to get an increase in their pension rate. But in September 2009 the Labor government raised the income test taper rate for the age pension from 40c to 50c, reducing the age pension payment by 50c for every dollar above the income threshold that delivers the full age pension income. In September 2008, almost three years ago to the day, the coalition in opposition moved a private member’s bill to increase the pension by $30 per week, at a time when figures showed that more than half of elderly Australians were then living below the poverty line. But, rather than support a fair go for pensioners, this Labor government arrogantly labelled the call for a pension increase a ‘stunt’ and opposed the motion in this place, using its numbers in parliament to defeat it. In fact it was the current Prime Minister who later boasted that she was the one in cabinet who held this up to the light and led the opposition to an increase in pension payment which the coalition had proposed at that time.

I think these things should be kept in context, when we hear the government crowing, as they do today, about how much they have done for pensioners. However, the coalition’s pressure at the time eventually did force Labor to finally address the issue in the 2009 budget, but they had to be dragged kicking and screaming to that position. They crow now about the increase in the pension, but the reality was that at the time they were very reluctant to actually provide that.

Ms Macklin: You didn’t do it. You had 11 years and you did not do it.

Mr Andrews: At the time they were in government, when a motion was before this parliament to increase the pension, who voted for it and who voted against it? This side of the parliament voted for it; that side of the parliament to their shame voted against it. So I can say accurately as an observation of what occurred at the time that they had to be shamed into it and were dragged kicking and screaming to make that increase.

The minister has implied that this increase which occurred for pensioners today was more than would have been expected. But the minister had to concede this point this morning on radio station SAA in Adelaide when Leon Byner said to the minister: ‘The increase that people are going to get as of today is an increase that we would normally get anyway—correct?’ The minister replied, ‘Yes.’

Ms Macklin: Read the rest of what I said.

Mr Andrews: The minister then went on to say, ‘But we have put a new indexation system in place so there is a little more than they would have otherwise got.’ But the implication that this minister is seeking to make all the time is that the whole of $19.50 increase was something additionally given today. The reality is, yes, there has been a minor increase, but not this huge increase that she would like all of us to believe and all the pensioners to believe. It is typical of this government, who use overblown rhetoric and overclaim for things all the time, whether it is about this pension increase or many other matters. Unfortunately, the poor economic management of this Labor government will make it more difficult in future years for pensioners to get an increase in their pensions and live better than they might do at the present time. Let us take some examples. The Labor government introduced a solar panel rebate scheme which saw pensioners try to do their bit by installing solar. But, when excess power from the panels was returned to the power grid, pensioners received a nasty surprise: the Labor government had decided that the rebate or cash discount they were receiving...
on their next bill was income and therefore would be treated as such for the purposes of calculating pension eligibility. This decision was pursued by the coalition at a Senate estimates hearing and ultimately, after continuous pressure from the coalition, the government backed down and reversed their decision. Here once again was a case of this government robbing Peter to pay Paul.

Pensioners are among the people worst affected by the increases in the cost of living that we have seen in recent years. Under this government, between December 2007 and December 2010, electricity prices across Australia increased by an average of 43.5 per cent. Pensioners are the very people who do not have much flexibility in the use of electricity. If they want to cook something, they have to use electricity—if that is the form of power they use. If they want to keep warm on a cold night here in Canberra or somewhere else in the country, unlike people who are on much higher incomes, they have to pay a disproportionately large amount of their income in order to do so. What other choice do they have? So a 43.5 per cent increase in power bills hits the pensioners of Australia particularly hard. What if they do not use electricity and instead use gas? We have seen gas prices go up over the period from December 2007 to December 2010 by 28 per cent. So there has been a 43 per cent increase in electricity prices and a 28 per cent increase in gas prices.

Mr Buchholz: They want you to have half a shower.

Mr ANDREWS: ‘They have half a shower’ is what the honourable member says. I suppose that, if we take that logic to its ultimate conclusion, it means that pensioners might only be able to half-cook their food and so on. On top of all that, water and sewerage prices have increased by an average of 45.6 per cent. Again, who are the hardest hit? Those people who are on limited, fixed incomes—the pensioners of Australia. Health costs, including hospital, optical, dental and pharmaceuticals, have increased by an average of 15.3 per cent across Australia. The price of bread—one of the staples of people's diet—has gone up by 11.6 per cent across Australia, and overall the cost of food has increased by 10.3 per cent across Australia.

With these increases in the cost of living—43 per cent for electricity, 28 per cent for gas, 45 per cent for water and sewerage, 15 per cent for pharmaceuticals and healthcare, 11 per cent for bread alone and 10 per cent for food overall—Australian pensioners are among the people hardest hit, and, of course, the situation will only worsen under the government's carbon tax. This government's carbon tax will only increase the cost of living further for all Australians; but those on fixed incomes, such as pensioners, will be the hardest hit. This unnecessary carbon tax will hurt them, with higher electricity costs, higher grocery prices as well as higher petrol costs, which will mean that the cost of anything that has to do with the production of energy and anything that has been transported at any stage of its production in Australia will go up.

Of course there is a deception in what the government is trying to project on this. We are told day after day, week after week for month after month that only the 500 biggest polluters in the country will pay. The implication is that this is going to be confined to 500 companies. Of course, the government cannot name the 500 companies—repeated questioning aimed at identifying the 500 companies goes unanswered. However, leaving that aside, the implication is that only those 500 companies will pay. If that were right, why would we need this compensation package? If it were true that only those companies were going to
pay, that the costs were never going to be passed on to anyone else in Australia and that the poor old pensioners were not going to cop some of the costs, why would we need a compensation package? These questions expose the essential deception of what the government is trying to project to the Australian people.

The reality is that not only are the 500 biggest companies going to pay; they are, of course, going to pass on their costs to everybody in this chamber and everybody in Australia. Most of all, they are going to pass it on to all the pensioners in Australia. The reality is that the best word to describe this government is 'mismanagement'. There has been mismanagement and incompetency all along the line. They were shamed into increasing the pension, and they do not have much to crow about today.

BILLS

Clean Energy Bill 2011
Clean Energy (Consequential Amendments) Bill 2011
Clean Energy (Income Tax Rates Amendments) Bill 2011
Clean Energy (Household Assistance Amendments) Bill 2011
Clean Energy (Tax Laws Amendments) Bill 2011
Clean Energy (Fuel Tax Legislation Amendment) Bill 2011
Clean Energy (Customs Tariff Amendment) Bill 2011
Clean Energy (Excise Tariff Legislation Amendment) Bill 2011
Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment Bill 2011
Ozone Protection and Synthetic Greenhouse Gas (Manufature Levy) Amendment Bill 2011
Clean Energy (Unit Shortfall Charge—General) Bill 2011
Clean Energy (Unit Issue Charge—Auctions) Bill 2011
Clean Energy (Unit Issue Charge—Fixed Charge) Bill 2011
Clean Energy (International Unit Surrender Charge) Bill 2011
Clean Energy (Charges—Customs) Bill 2011
Clean Energy (Charges—Excise) Bill 2011
Clean Energy Regulator Bill 2011
Climate Change Authority Bill 2011
Steel Transformation Plan Bill 2011

Second Reading

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

Mr ALEXANDER (Bennelong) (17:05): The less coal that is burned, the less tax we will raise and the less money we will have to spend. The more renewables we use, the higher the costs and the more compensation needed. It would appear that the government has not contemplated any level of success in this purported environmental policy. It can only be deduced that this government has become so used to failed policies that it is now creating policies that are actually designed to fail.

It is no wonder that the Copenhagen Consensus Center found that a carbon tax would be the worst policy solution to achieve real results in fighting climate change. Technical innovation was found to be the best policy response, and history has taught us that this occurs with relative speed. For
example, the invention of the catalytic converter 30 years ago dealt directly with the onset of acid rain. This problem would not have been resolved had governments simply increased the price of petrol. We are better off implementing smaller-scale direct action mitigation strategies and investing our money in scientific development of technological ideas. Imagine a situation where the world's scientists combined their collective knowledge and creativity in the pursuit of technological innovation. This would be far preferable to a money-go-round to compensate for higher taxes.

With this legislation we are revisiting the Melbourne Cup syndrome of 1931, as we handicap our greatest champion to become very ordinary. Just as in 1931, the damage this will do to our economy will only lead punters across the country to a state of great depression. In this crucial economic race, this legislation is the policy that will stop the nation.

Mr BUCHHOLZ (Wright) (17:07): There is absolutely no shame whatsoever in opposing this package of bills—the Clean Energy Bill 2011 and associated bills. In fact, opposing this tax is the only defensible moral position to take. Not only is the carbon tax a bad piece of policy; it is the product of an unprecedented deceit perpetrated on the Australian people. When the Prime Minister looked straight down the barrel of a television camera and said, 'There will be no carbon tax under a government I lead,' people took her at her word. When the Deputy Prime Minister, Wayne Swan, told the Australian people that he rejects 'this hysterical allegation that somehow we are moving towards a carbon tax', people believed him as well.

One of the fundamental rules of parliamentary democracy is that you simply cannot promise one thing a week before an election and do the exact opposite six months after. The Prime Minister has attempted to explain away this towering deceit by saying that she could never have foreseen a hung parliament. That is beside the point. In a democracy, politicians are expected to give an honest account of their intentions before an election and remain true to them after the election. They are the rules.

Moving on to the policy itself, I want to clear something up straightaway, and that is the suggestion that Australia is somehow dragging its feet on emissions reductions. Nothing could be further from the truth. Australians are quite rightly sick to death of sanctimonious lectures by their political leaders about how we are the highest per capita emitters of carbon dioxide in the world—as if being Australian is somehow shorthand for being greedy or irresponsible. Australians are no such thing. In fact, we have an outstanding record of meeting our commitments to climate change action. Australian carbon dioxide emissions account for around 1.3 per cent of global emissions—not bad considering we are the 13th largest economy in the world. Under the Kyoto protocol, Australia committed to limiting its emissions to 108 per cent of 1990 levels. What was lost in the subsequent political bunfight about whether or not to ratify the protocol was that we actually came in well under that target, with an increase of just three per cent.

By way of contrast, Canada promised a six per cent reduction but is on track to deliver a 27 per cent increase. Japan also promised a six per cent reduction but is likely to deliver an eight per cent increase. New Zealand promised to keep emissions static but faces a 26 per cent increase, and the European Union is going to well exceed its promised eight per cent reduction. And what about China and India? China's 2020 emissions will be 500 per cent higher than
they were in 1990. India is on track to grow by 350 per cent over the exact same period.
So, compared to many of our peers, Australians are entitled to hold their heads high, and that is something we ought to remember as the prospect of any meaningful international agreement recedes.

Despite what the Prime Minister says about the supposedly widespread take-up of carbon pricing overseas, the fact of the matter is that no other country in the world has implemented or is even considering implementing an economy wide carbon tax like the one those opposite are proposing. Canada, America, Japan and New Zealand—none of these countries is even thinking about an economy wide carbon tax. The only place that has anything like what the Labor Party is proposing is the European Union—that lumbering and undemocratic superstate which is doing such a sterling job of looking after its economy. Even there, the European ETS is a piecemeal thing with nowhere near the financial impacts of the one being proposed by this Labor government. As we know, in the first five years of its existence, the European ETS raised $500 million dollars. In Australia we are looking at about $9 billion. That is 18 times as much as was raised in the EU being gouged out of an economy one-thirteenth the size.

To put that into perspective, the European Union has a population of about 500 million. That equates to about one dollar a head. With the $9 billion that is going to be gouged out of our economy, that calculates to around $400 per head. According to a recent World Bank report, the history of the European Union ETS has been one of ongoing rorting, fraud, money laundering and outright theft. That is not surprising. As you might imagine, the buying and selling of carbon credits in an inconsistently regulated marketplace across a dozen different countries is a recipe for every kind of fraud you can imagine. What we have is a government that could not even give away ceiling insulation without making a multibillion dollar mess of it now preparing to implement an incredibly complicated carbon pricing scheme 18 times the size of that which has been rorted sideways in Europe. It sounds to me that it is going to be a recipe for disaster.

Meanwhile, our trading partners in South-East Asia must be looking on with disbelief as we prepare to tax ourselves on the inputs they value-add and then export worldwide. In fact, Australia's decision to go it alone places our competitors at a competitive advantage and thereby actually decreases the incentive for them to follow our lead. That is an enormous problem because the government's expert modelling does not just predict that they will do so; it actually depends on it. Inherent within the government's modelling is, frankly, the deluded assumption that, upon seeing what we have done, the rest of the world will suddenly realise the error of its ways and promptly sign up to a global agreement. It is simply not going to happen. In fact, there is every indication that the complete opposite is more likely to be the case. After all, the loftily titled 'accord' that came out of Copenhagen was nothing more than a collection of idle promises—non-binding, unmeasurable and unverifiable. Just as Copenhagen gave us the accord, the subsequent round of talks in Cancun gave us more of the same. In these conditions, there is absolutely no reason to believe that the next round of talks, due to take place in Durban later this year, will produce a binding global agreement. Yet the entire economic rationale for the carbon tax is based precisely on that assumption.

Before moving on, it is relevant to note the absolutely stinking hypocrisy of the union movement in all of this. It is a fact that the union bosses will always support a bad
Labor government over any coalition alternative, but the craven way in which they have genuflected to the Greens led environmental lobby, and thereby abandoned their own members, should be a source of enduring shame. It was only a few short years ago that the union movement mobilised en masse to shriek about the coalition's job-destroying industrial relations laws. We all remember the repeated demands for a guarantee that no worker would be worse off. Fast forward to the present day and suddenly the prospect of widespread redundancies and even the demise of entire industries cannot provoke so much as a whimper of protest from the union movement. Is it any wonder that the majority of Australian workers now see the unions for what they are: out of touch, irrelevant and more interested in perks and fringe benefits than in protecting the interests of their members.

While we are talking about threats to job security, I would like to mention a few businesses in my electorate of Wright which are set to experience real pain under the carbon tax. First there is AJ Bush and Sons, a 100-year-old company still owned by an Australian family. AJ Bush is an animal by-product rendering business producing proteins, tallow and organic fertilisers. David Kassulke and his team there run one of the most energy efficient set-ups imaginable, using biogas produced onsite to power their generators and using leftover water to irrigate nearby farmland. Research out of the United States indicates that, for every metric tonne of carbon dioxide produced by the rendering process, 7.2 tonnes of carbon are removed from the environment, producing a net decrease in atmospheric CO$_2$. Then we have Nolan's Transport, another 100-year-old family owned business, along with the entire transport sector within the electorate of Wright. There is Kalfresh, producers of a great deal of the fresh produce you see in your supermarkets, as well as Gelita Ag, one of the world's leading suppliers of gelatin and collagen. All of these companies are big employers in my electorate and all of them are in line for an absolute wallop from the government's carbon tax, with the flow-on effects to the local community that implies.

What about the community? What about the ordinary mums and dads struggling to pay the bills? What about the retirees, like Walter and Nancy Beal from Kooralbyn, who are finding it hard just to make ends meet at the moment? What about young couples trying to set themselves up for the future? What about the flood victims in my electorate who are still trying to get back on their feet after losing everything earlier this year? What does this tax mean for them? What it means is that life is about to get a lot more expensive. Both the Prime Minister and the environment minister have all but admitted as much. In February this year the Prime Minister said:

I also want to be very clear with Australians about what pricing carbon does. It has price impacts. It's meant to. That's the whole point.

The following month it was the environment minister's turn. Again, I quote directly:

… the true cost of carbon pollution needs to be attached to its production and use …

Put another way, he said:

… carbon emissions need to have a price.

And it is price that changes behaviour. I could not have put it better myself. This government wants us to sit in the dark.

Despite the impending financial pain and the fact that the whole point of a carbon price is to make things more expensive so people will consume less of them, the government still want you to believe that somehow nine out of 10 households are going to come out in front. Honestly, after the litany of stuff-ups and blow-outs from this government,
how are we expected to believe that they are capable of accurately calculating the cost on individual households down to the cent? Even if they could, what do we get for all this? What sorts of emissions reductions will all this economic pain buy? After all, if the carbon price does not reduce emissions, then it is just another tax—just a great big punitive tax to go alongside the 14 others Labor have either introduced or increased since taking office. According to the government's own figures—and here is the clanger—carbon dioxide emissions will still go up under this scheme, which renders the whole thing completely and utterly pointless.

This has led some observers to suggest that, first and foremost, the carbon tax is a vehicle for wealth redistribution rather than a response to climate change. Allow me to expand on that. The carbon tax model is inefficient because it requires tens of billions of dollars to be spent on compensation. In contrast, the coalition's policy requires no compensation because it does not drive up electricity prices. A report by Frontier Economics exposed this fact with analysis it did based on Treasury's 2008 modelling of a carbon price. Looking at electricity generators alone, it found that the actual cost of technology to reduce CO₂ emissions from 2012 to 2020 is $6.6 billion. However, during that period, the government would reap $37.5 billion in tax from generators, and consumers would pay an additional $45 billion for electricity. So the government's tax is almost six times the actual abatement cost and the increased cost of electricity is nearly eight times the actual abatement cost. What happens to all this money? Most likely, it will get churned through the Labor-Greens machine and handed out to their preferred beneficiaries.

In conclusion, the carbon tax is, without doubt, the most intellectually dishonest piece of policy I have seen since coming into this place. It was introduced on the back of deceit, it is a poorly designed piece of legislation and it will not work. For these reasons alone, it deserves to be the sad and sorry epitaph of a sad and sorry government. If the government is so confident about this bill, then it should take it to the Australian people. If it is so confident, it should take it to the mums and dads in my electorate. If it is so confident about this legislation, it should take it to my people, who are the silent majority of this nation.

Mr TUDGE (Aston) (17:20): I also rise to speak on the Clean Energy Bill 2011 and related bills before us. I note that I am speaking immediately following a fellow coalition member, the member for Wright. Ordinarily in the course of debates, you would have a coalition member followed by a Labor member and then back to the coalition, but in fact there are no more Labor members. That might have been a mistake, but I looked through the speakers list for today and, no, there are no further names from the opposite side on the speakers list—yet there are still another 10 coalition members for today, and I know that there are a further 20 or more coalition members speaking on these bills in the days ahead. Why is this the case? This is supposedly, according to Labor, one of the most important reforms that a government has ever introduced in this country. The Prime Minister has talked about being on the 'right side of history' in relation to this particular reform. This reform was going to lead us into a clean energy utopia, according to government members on the other side of this chamber. So where are the other 37 Labor members?

Mr Fitzgibbon: Mr Deputy Speaker, on a point of order: the member is misleading the House. The government has been left with no alternative but to pull its speakers because the opposition keeps calling
quorums in keeping with their wrecking approach to the processes of this House.

The DEPUTY SPEAKER (Hon. BC Scott): The member for Hunter will resume his seat. There is no point of order. He should know better than to raise a frivolous point of order.

Mr TUDGE: They are clearly very sensitive about this particular matter because fewer than half of the members of the Labor Party are indeed speaking on these bills, despite the reforms going to be so dramatically beneficial to this nation, according to them. They are running scared and I believe that the members on the other side do not want to come in here and state their support on the record. I ask: where is the member for Deakin and where is the member for Corangamite? Come in here and state your support for this bill on the record. I can understand why they do not want to do that, but if they do not have the courage—

Mr Fitzgibbon: Mr Deputy Speaker, on a point of order: I appreciate the member is a new member of this place, but if he wants to launch an attack on members he can do so by substantive motion. The member for Deakin is in fact overseas on important government and parliamentary business and the member should restrain himself.

The DEPUTY SPEAKER: The member for Hunter will resume his seat. The member for Aston will resume his seat. Those sorts of points of order are not called for. Member for Hunter, I am sure the member for Aston will appreciate your comments in relation to those members who are overseas.

Mr TUDGE: The member for Deakin did have an opportunity last week to speak if he had wanted to. My point is that, if the members opposite do not have the courage to come in here and speak on this bill, then they should not vote on this bill.

Mr Fitzgibbon: Mr Deputy Speaker, on a point of order: I do this reluctantly but I do feel a need to defend the member for Deakin. He did not necessarily have an opportunity to speak last week because every member on this side—

The DEPUTY SPEAKER: No. The Chief Government Whip will resume his seat. If he raises another frivolous point of order on the same subject, I will have no alternative but to deal with him.

Mr TUDGE: At the last election there were 144 members of this 150-person chamber who campaigned on a platform promising not to introduce a carbon tax if they were elected. By being a member of the coalition, I made that promise, and the members opposite, by being members of the Labor Party, also made that promise. Of course, the Prime Minister famously said a week before the election that there would be no carbon tax under a government that she led. She did this on behalf of all Labor members because she was coming under pressure from the coalition, which said on multiple occasions that they did indeed have a secret plan to introduce a carbon tax. So she ruled it out categorically on behalf of all Labor members. There were no ifs, there were no buts—straight down the barrel of the TV she uttered those immortal words, 'There will be no carbon tax under a government I lead.' Had she said at the time, 'Yes, a vote for me and a vote for Labor members will mean that we will introduce a carbon tax,' then I would submit that the Prime Minister would not be in her job today. This bill that is before the House is based on a fraud. It is introduced by a Prime Minister who is only in office because of the express commitment to the Australian people not to introduce such legislation. All 144 members in this chamber should honour the commitments we made before the election to not introduce a carbon tax. If the Prime Minister honestly
believes that a carbon tax is the way to go, then she should take it to an election and let the people decide.

Let me go to the substance of this bill. This bill is designed to put prices up. That is the express intent of the policy. By virtue of it being primarily a tax on electricity and transport, it will flow through to the costs of almost everything for very little environmental gain. Let us look at the impact of this tax on the residents of my electorate and, indeed, on residents across Australia. There will be a 10 per cent increase on electricity prices in the first year alone. There will be a nine per cent increase in gas prices in the first year alone. These are not my figures; these are the government’s own figures. There will be an extra three per cent increase on municipal council rates, according to the Municipal Association of Victoria, bringing average rate increases to somewhere between nine and 10 per cent next financial year. In the first year alone, the government itself says it will cost the average family an additional $515. This is what we will get immediately at $23 per tonne. In a couple of years time, again according to the government’s own modelling, it will be $29 a tonne, and then it will be $35 a tonne, and it will continue to increase all the way up to $131 per tonne. It starts with a 10 per cent increase in electricity prices and a three per cent increase in rates, but it will just go up and up and up.

This could not come at a worse time for Australian residents. People are already doing it tough in my electorate of Aston and across Australia. They are doing so because the costs of basic essential services are going up well in excess of inflation or wage increases. We have seen a 51 per cent increase in electricity prices since 2007. We have seen a 30 per cent increase in gas and a 24 per cent increase in education costs. We have seen a 20 per cent increase in health costs and a 46 per cent increase in water costs. These are all essential items which are very difficult to reduce your usage of.

Let me move to the impact of this bill on businesses and jobs, particularly manufacturing jobs. In my electorate we have a particularly large manufacturing base. There are about a thousand manufacturers, employing about 10,000 people. Knox in my electorate will be one of the hardest impacted by this tax. Why is this the case? Because the carbon tax is in essence a production tax. It taxes everything that is manufactured in Australia but does not tax those products that are imported from overseas. In that regard it operates like a reverse tariff. It will penalise our businesses here in Australia by adding costs, but it does not impose additional costs on those products that are imported from China or from other competitor countries. I do not see the sense in this. Members opposite say that this package is all about sending a price signal. I ask the members opposite: what sort of price signal does it send if you make Australian manufactured goods more expensive than imported goods? Of course, the price signal that it sends is to go and buy those imported goods. Again, that makes no sense to me.

What will be the impact of this in relation to jobs? The Victorian Treasury has done some modelling in relation to this in Victoria and it says that in my electorate alone over 500 jobs will be lost due to this tax. Across Victoria about 24,000 jobs will be lost. I have visited dozens of businesses in my electorate over the last few months, and each and every one of them—almost to the last one—has said that the carbon tax will detrimentally impact their business. It will make it harder for them to operate and to employ further people, and it will put them at a competitive disadvantage with their international competitors. Of course, at the
best of times this would be bad enough—to penalise our businesses compared to our international competitors—but it is particularly bad at the moment when manufacturers and other businesses are doing it so tough. This is, indeed, the last thing that they need.

If the rest of the world were going down this path then that would be one thing—but the rest of the world is not acting. Despite what the Prime Minister and members opposite say, the rest of the world is not acting. The Productivity Commission has looked into this and it has clearly stated that Australia is the only country in the world to introduce an economy-wide carbon tax or emissions trading scheme. If you go through and look at the largest-emitting countries in the world, you see that the United States is abandoning efforts to introduce a cap-and-trade scheme, China is forecasting it will increase its emissions by 500 per cent by 2020, India's emissions are growing at 8.7 per cent per annum, Japan has delayed consideration of an ETS until 2013, in Canada an election was just won on a platform of not introducing an ETS, South Korea has abandoned theirs and even Europe's emissions trading scheme does not cover the entire economy. We will be a lone participant in this regard.

So what will be the environmental impact of us taxing our residents and our businesses in the absence of any global action? Zero! It will not alter the temperature in any perceptible way. It will not change the climate. It will not make our air clearer or our rivers cleaner. It will not save any endangered species. It will do almost nothing for the environment for all this pain that I have been referring to.

So let me summarise what these pieces of legislation will actually do. If implemented, they will be a direct breach of the promise that the members of the government made, and which each one of us made. It will push up electricity prices by 10 per cent, just to start with; it will push up rates by about three per cent; it will make our businesses less competitive at a time when they are doing it tough; and it will cost 500-plus jobs in my electorate alone and tens of thousands of jobs across Australia. And in exchange for this pain we will get zero environmental gain. No wonder the government do not want to do a cost-benefit analysis of their proposal. It is crystal clear that it simply would not stack up.

The government continually says that this bill presents the most cost-effective mechanism to reduce emissions. We dispute this statement. But, equally importantly, it misses the key point that Australia reducing emissions is not an end goal in itself. Reducing carbon emissions has no intrinsic value; it is only valuable if it results in a more stable climate or has other direct environmental benefits or productivity benefits. As the government itself has acknowledged, Australia's reduction in emissions will produce few, if any, environmental benefits for Australia if it goes alone. Even if it were the cheapest scheme—and this is not—spending money for no benefit is still a bad idea.

This is why the coalition's direct action plan is attractive. It promotes measures that both reduce atmospheric CO₂ and produce immediate productivity and environmental benefits. Carbon capture in soil, for example, is the centrepiece of the coalition's direct action policy. It not only reduces CO₂ but also immediately makes soils more productive. Similarly, the planting of trees reduces CO₂ but immediately curbs erosion, provides additional habitat to support biodiversity and is generally considered to provide positive environmental value for most Australians. This is why the coalition's
direct action plan is attractive to us over the medium term. It delivers real environmental benefits to Australia even if the main global emitters are not taking action.

This legislation should not be supported by anyone in this chamber other than perhaps the Greens member, Adam Bandt, who was the only person in this chamber who campaigned on a carbon tax. To do so would breach a promise that the rest of us made not to introduce a carbon tax. It would cause enormous amounts of pain for residents, cost jobs and provide no environmental gain.

Mrs MARKUS (Macquarie) (17:35): The current Prime Minister stated, 'There will be no carbon tax under a government I lead.' This statement is undeniable. It was a promise made four days before an election, and yet here we are today on the brink of having a carbon tax imposed on this nation by a government led by a Prime Minister who says one thing and does another. This is a bad tax, with no justifiable environmental benefit. This is a bad government with no idea of how to govern. This is a bad moment in the history of this nation, and those on the other side should be ashamed of the pain they are about to inflict on the Australian community.

Much has been said about the proposed carbon tax: that it will rake in $9 billion per year every year, that it will increase the cost of living every year—and that it is already having an impact; and, most importantly, that it will not decrease emissions. The government's own modelling shows that emissions will, in fact, increase from 578 million tonnes to 621 million tonnes. Julia Gillard's carbon tax is all pain and no gain—no environmental gain. Isn't that what this tax is supposed to be about—the environment?

I acknowledge the genuine concern about the future of this planet. Action to secure our environmental future is vital. People in the electorate of Macquarie and across the nation are genuinely looking for a solution. All of us would agree that saving, protecting and caring for the environment is critical for our future. Where the disagreement lies is in the best way to ensure we have a sustainable future. One of the reasons I am so passionate about the electorate of Macquarie is the diverse range of opinions and ideas on the best way forward. The seat of Macquarie is a microcosm of the nation and this debate is not about whether climate change exists but what is the best way to tackle it.

A tax which places a greater burden on families and businesses already struggling under rising cost-of-living pressures is not the best way. Since 2007, across Australia electricity prices have increased by an average of 51 per cent. Gas prices have increased by an average of 30 per cent. Water and sewerage rates have increased by an average of 46 per cent; health costs—hospital, dental and pharmaceuticals—have increased by an average of 20 per cent; education costs—and school fees is one example—have increased by an average of 24 per cent; and rent has increased by 20 per cent. Everyday Australians will be hit further by this out-of-touch government with an on average $515 a year increase in their cost of living as electricity prices rise by another 10 per cent and gas prices by another nine per cent. The New South Wales government Treasury review has found that the federal Labor government's carbon tax of $23 per tonne will cost the state at least 31,000 net jobs and deliver a $3.7 billion annual hit to the state's economy. The same review has found that businesses will bear further increases of between $927 and $4,191 a year depending on their usage.

There are 19,800 families in Macquarie who are still reeling from cuts to family tax benefits in this government's 2011-2012
budget. They will be hurt by this government's irresponsible and reprehensible carbon tax. Labor has tried to sell its tax by claiming that nine out of 10 Australians will be better off under the compensation package offered and that over six million Australian households will be better off. No amount of compensation can compensate those who have lost or will lose their jobs in manufacturing, tourism and other industries most exposed. The carbon tax will be ongoing but the compensation temporary and limited. This tax will potentially affect every household—families, pensioners, self-funded retirees, small business owners and big business—in Australia by lifting electricity prices and increasing the cost of grocery items and fuel across the nation.

I will make it simple for the Labor government to understand why people do not want this tax. It is easy to think increases to the cost of living for households will only affect turning lights on and off and driving a car to and from work. Wrong. This tax impacts so much more than that. Commuters from the upper Blue Mountains travelling from Katoomba to the city make use of public transport—trains and buses. Trains run on electricity. The New South Wales government estimates a $71 million increase in the New South Wales government's electricity bill. And what about buses? Increases of an estimated 6c per litre on fuel will make riding the bus more expensive. So those who are trying to reduce carbon emissions by taking public transport will be worse off as a result.

This is a tax which will go up and up and up. After three years, the price will not be fixed and it will float in line with the market price. On the government's own modelling, this tax will jump to at least $29 a tonne by 2015 and to $37 per tonne by 2020. From 1 July next year, when this tax is proposed to start, families will be hit by having to find an extra $515 a year to cover living costs. How will families already struggling be able to cope with ongoing cost increases? Senators Bob Brown and Christine Milne are both on the record saying that the price needs to be at least $40 a tonne to shift electricity generation from coal, while Senator Sarah Hanson-Young has canvassed a price of $100 a tonne. Family budgets being squeezed and job losses are all but guaranteed under a carbon tax.

Many older Australians who have lived through Australia's prosperous and challenging times, and many others who have come from other nations to call Australia home, are deeply worried about the impact of this tax. I have also spoken to many senior citizens across the electorate, both self-funded retirees and pensioners. Labor claims that families will be compensated for the price impact of its carbon tax, but how can you trust this government? First it said that the entire proceeds of the carbon tax would be returned to individuals and households. Then it changed its mind and now only 50 per cent will be allocated to compensation. Let us think that through. If pensioners receive, say, $338 compensation and the increased cost of living after the tax is $515, pensioners will be out of pocket. How long will the compensation package last anyway? You just cannot believe anything this government says. Australian pensioners, self-funded retirees and families cannot trust Labor. Small and medium businesses cannot trust Labor. Australian emissions-intensive and trade-exposed industries cannot trust Labor.

This is a government prepared to hurt Australians with a disability, and their carers. The Australian Bureau of Statistics data show that there are around four million people with a disability in Australia and 2.6 million carers. Out of these 6.6 million Australians, only one in six will receive any
assistance to offset increased costs from Labor's carbon tax. More often than not, those with disabilities are high energy users, particularly because of the specialised equipment needed to support them. How will they make ends meet when their budget is continually being squeezed by an uncaring and unsympathetic government? The government needs to explain to these Australians how it will calculate increases in the essential medical equipment payment. This government needs to explain to the Australian people how it can be so heartless as to turn its back on the most vulnerable sector of our community and their carers.

Many Australians have been forgotten by this government, and the question needs to be asked: who will really benefit from this tax? Not-for-profit and voluntary organisations will be hit hard. Volunteer organisations such as scout groups, football clubs and netball clubs will receive nothing from this government. How can local scouts and guides groups cope with rising electricity bills for their scout hall, or local soccer and football clubs keep using the lights for training or keep canteens open if electricity is unaffordable?

Small businesses will be hit and hit hard by this government's carbon tax. Small business forms the backbone of the Australian economy. Under earlier modelling of a version of Labor's scheme, Access Economics predicted a potential loss of 126,000 regional jobs. In Macquarie there are 4,515 small businesses contributing to our diverse national economy. These are businesses that are creating local jobs and driving our local economy. There are small businesses in industries such as tourism and manufacturing—industries which will suffer the most as a result of the carbon tax.

Tourism is already feeling the blow from the high Aussie dollar. The operators of Rose Lindsay Cottage, a bed and breakfast in Faulconbridge, told me about the decrease in holiday-makers and the flow-on effect to other local business like shops, restaurants and tourist attractions. Tourism adds value to the local economy and, as tourism numbers decline further due to the carbon tax, this will have a serious effect on small businesses in the Blue Mountains and the Hawkesbury. The Macquarie electorate has outstanding tourism opportunities, but the industry will suffer with fewer families and visitors having less money to spend. It is estimated that the effect of this diabolical carbon tax to the tourism industry, which contributes $92 billion to the Australian economy every year, would be between $600 million and $800 million per year. And where is the compensation for these small businesses? This government is proving to be as divisive as ever, compensating some and not others.

But it is not just tourism operators in Macquarie who will be affected. I recently held a manufacturers' roundtable in Macquarie with the member for Indi. Countless manufacturers told me that their sector is already under enormous pressure. The carbon tax will increase the costs Australia's manufacturers face that their overseas competitors do not. I have spoken to one local manufacturer, who tells me he is considering shutting up shop here and moving his business to another country as he just cannot justify paying another tax. Dean Crozier of Pakmor Waste Equipment Australia in South Windsor said the carbon tax will increase his electricity cost to the point he will be forced to decide between raising prices or letting staff go. Business costs will make his company uncompetitive against international competitors who will not pay a carbon tax. His clients include supermarkets that will pass these extra costs on to their grocery prices, again adding costs to families.
Australia's 750,000 small businesses will receive no direct compensation for the massive jump in electricity prices from the carbon tax. Tony and Barbara Porter of Australian Dynamic Technologies, a local business in Mulgrave, said that inquiries have dropped significantly as their customers put jobs on hold due to the economic uncertainty that the carbon tax is delivering. This great big new tax will be imposed on Australian businesses when no similar tax is going to be imposed upon our international competitors. The inevitable consequence is that jobs will be lost in Australia as investment and emissions flow overseas.

The government makes reference to international trading schemes, but it does not compare apples with apples. For example, the European Union has a trading scheme that does not cover the whole economy. Over the first five years of the scheme it raised approximately $500 million per year from a population of 500 million, costing just over $1 per person per year. By contrast, Australia's population is just 22.6 million. The government's $23 price will raise almost $400 per person per year.

Julia Gillard talks about transforming the economy. This tax will not help the environment, but it will deliver billions of dollars to a government that is racking up debt every day and addicted to waste. Australia is the only nation in the world attempting to introduce an economy-wide carbon tax. When we look at the Labor government's record of managing programs such as pink batts, BER, green loans, Fuelwatch and GroceryWatch, for instance, how can anyone think for a moment that this tax, this time, they will get right? They will not. They cannot.

The Labor government has mismanaged the economy, and what will they do with this tax? With all this money—$9 billion dollars per year every year—it will be waste on a scale never seen before. Three billion dollars in carbon tax revenue will be spent buying carbon credits from overseas. This is a get-rich scheme for overseas carbon traders. It means that Australians have $3 billion less to fund compensation or to reinvest in education, health, disability, infrastructure, water and the many issues vital to the health of our economy and society.

By contrast, the coalition's direct action plan on climate change will deliver real solutions towards reaching the same emissions reductions without slugging hardworking Australians with a great big new tax. Unlike the tomes of legislation put forward by this government, impacting upon every part of everyday life, the coalition's direct action plan is straightforward, easy to understand and practical. It has practical measures like capturing carbon in soil, planting trees on prime agricultural land, cleaning up waste coal mine gas, cleaning up landfill gas, striving for greater energy efficiency and converting some of Australia's older and dirtier coal fired power stations to gas address carbon emissions.

The coalition's plan is based on incentives rather than taxes and penalties. Our tax cuts will be designed to restore people's hope, to reward harder work and to foster opportunity without the need for a jobs-destroying carbon tax. We will provide incentives for Australian businesses to reduce their carbon emissions and to focus on meaningful, effective and direct action to improve Australia's environment. Every dollar goes to directly reducing emissions instead of to the normal bureaucratic red tape this Labor government is addicted to. The direct action plan is capped, so there will be no funding blow-outs. As a member of parliament fortunate to represent a part of Australia so rich in natural beauty, with much of the Blue Mountains and Hawkesbury World Heritage
listed, I understand how vital the need is to protect Australia’s environment. My commitment to the environment cannot be more clearly shown than in my advocacy for the Greater Western Sydney conservation corridor and the solar schools projects in Macquarie.

Our direct action plan is capped and fully funded. Under our plan there will be no cost to families and no new taxes. Australians do not want a big new tax. Recent demonstrations and increased opposition make this clear. I call on the government to shelve these clean energy bills and listen to the Australian people. *(Time expired)*

**Dr STONE** (Murray) (17:51): Life has been very tough for thousands of hardworking families in my electorate of Murray in northern Victoria over the last few years, yet the Prime Minister, Julia Gillard, and Senator Brown, Leader of the Greens, want to legislate to bring in a carbon tax that will make the local food-manufacturing-dependent economy a lot less likely to survive. I find that extraordinarily cruel and difficult. Living as we do in an parliamentary democracy, we would not expect to see a government destroy an economy wantonly.

The tax will negatively impact on every aspect of our lives. It is a tax imposed without a mandate. It is a tax which will create a very sad chapter in Australia’s economic history, written by the worst government since Federation. The coalition does have a better way, of course: the direct action plan, a practical approach to climate change, not one that will lower standards of living for very little environmental or global benefit. It will not even make us global heroes. Like-minded nations actually think our leadership is out of control. I have spoken to many recently who wonder what is going on in our great nation.

The coalition will continue to oppose a carbon tax in opposition and rescind it in government. That is our commitment to the Australian people. This is a bad tax. It is a tax that Australians do not deserve and certainly have not voted for. We all remember the now famous line of the Prime Minister on Channel 10 in August 2010. She said, ‘There will be no carbon tax under a government I lead.’ Of course, for the Prime Minister to take up residence in the Lodge, although she knew it was a damaging tax she needed the Greens’ support and the support of some of the Independents in order to form a government, so she sold out Australia.

Even Treasurer Swan on the 7.30 Report four days earlier was keen to stress a carbon tax was not on the ALP’s agenda when he said:

> We have made our position very clear. We have ruled it out.

All these promises went out the window when Labor had to jump into bed with the Greens and a few disgruntled Independents.

The National Generators Forum have a great deal of interest in a clean energy future, like all of us. They highlighted serious concerns they have about the carbon tax:

- The carbon price will impose a $40 billion cost on the generation sector, most of which will be passed on to electricity customers;
- Wholesale electricity prices will almost double to $100/MWh by 2020, according to ACIL Tasman;
- Despite the $40 billion cost, the carbon price will produce relatively little change in emissions from the generation sector. Modelling for Treasury forecasts that the carbon price may reduce emissions from this sector by as little as 10 million tonnes by 2020. Existing State schemes can deliver similar abatement at a much lower cost;
- The starting price of $23/tonne is far higher than carbon prices elsewhere in the world. As high as it is, the carbon price is still less than half the $60 price required to prompt switching from coal to
gas-fired generation, according to Treasury estimates;
Applying a high carbon price now puts Australia far ahead of other countries. The Productivity Commission has confirmed that, without a carbon price, Australia is already "in the middle of the pack" in terms of climate change action;
On Treasury figures, there will be a major wealth transfer from Australia with businesses buying 94 million international permits in 2020 at a cost up to $3.7 billion. This will call into question the capacity of governments to continue to compensate households and trade exposed industries;
The absence of clear emissions caps to 2020 denies investors the certainty they need to make the long-term investments needed for energy security;
The narrow scope of the plan (only 62 per cent of Australia's emissions are captured) imposes a heavy burden on covered sectors and risks seeing expensive abatement in covered sectors made meaningless by uncontrolled emissions growth elsewhere;
Restricting business' access to least cost abatement (e.g. restrictions on buying overseas permits) will force up costs for no environmental benefit;
Unlike the Carbon Pollution Reduction Scheme (CPRS), the Clean Energy Future plan will force up electricity prices by requiring generators to buy permits in advance, sometimes years in advance, for electricity covered by future contracts.
While brown-coal-fired generators receive $5.5 billion in compensation for asset value losses, other coal-fired businesses, including businesses owned by Australian taxpayers, will receive virtually nothing. Public enterprises in New South Wales, Queensland and West Australia will lose $4 to $5.5 billion in asset value;
The policy prevents an open, competitive auction for plant closures. Arbitrary eligibility conditions rule out the possibility of obtaining formal and cheaper abatement; and
The measures announced to support energy security offer no genuine assistance for most generators.

This is an appalling list of concerns from the National Generators Forum. This government quite clearly is not listening or, if it is, it regards its seats in the Lodge as more important than the future of this country's economy and the fact that—and I have to keep emphasising this—these moves will not save the globe or reduce emissions substantially, significantly or even by a little bit.

The carbon tax will cost Australia an extra $9 billion a year, taking more and more cash each year out of taxpayers' pockets. Marginal tax rates even for low- and middle-income earners will rise and $4.3 billion will be ripped away from the budget coffers. Initial estimates from Treasury in 2008 forecast the imposition of a carbon tax with a starting price of $23 per tonne that would see household power bills rise by around 20 per cent. The carbon price is expected to reach $37 per tonne by the end of the decade and over $350 per tonne by 2050. There will be no control over the price after 2015 when the price will be out of the government's hands and simply left to float on international trading markets. This is an extraordinary future that we have to contemplate if this carbon tax remains in place.

Families on average will be more than $515 a year poorer just paying for essentials. There are some families who will pay considerably more than that. I already have over 200 families in my electorate who have lost their jobs. These jobs were in the Heinz tomato sauce factory at Girgarre and Coca-Cola Amatil at Ardmona. These food manufacturers said, 'Sorry, we don't need you any more.' Heinz is going to New Zealand where there is a carbon tax of only $10 per tonne. Guess what? That is substantially less than the $23 a tonne that Heinz would have to absorb if it remained in Australia, even though the tomatoes needed for the product grow within a cooee of the...
factory at Girgarre and none of the tomatoes that they need are grown in New Zealand. How extraordinary: Heinz has been driven offshore by a policy. This is at a substantial cost to families who do not have too many job options in my part of rural Australia. I find this unconscionable.

Even the former Minister for Climate Change and Water, Penny Wong, has personal concerns over lack of certainty in this legislation. She is on record as stating 'a carbon tax isn't the most sensible thing for Australia'. She also admitted it fails 'to guarantee emissions reductions' and 'is a recipe for abrupt and unpredictable changes'. I do not often agree with Penny Wong, but on that occasion she was speaking closer to the truth. We have a tax that will give importers a tax-free ride because, for example, cheap foreign imports will not be subject to the carbon tax while our Australian companies will have to look at manufacturing offshore to survive, and I have already mentioned our food manufacturers. According to Treasury and their price modelling, the imposition of this tax will contract production across many industries, including wood products by 0.1 per cent, non-metal construction products by 0.7 per cent, cement by 0.8 per cent, alumina by 0.2 per cent, other metals by 0.3 per cent and metal products by 0.2 per cent. Why would any country deliberately set about having those sorts of contractions when the objectives are to reduce emissions in this country and to make a global difference, and those objectives cannot and will not be met? It is just extraordinary.

Heather Ridout from the Australian Industry Group believes that the manufacturing sector is already in enough trouble without the uncertainty and burden of this punitive tax on investment. Using Treasury's own forecasts, Ms Ridout on MTR Radio stated that more than 15 per cent or 170,000 jobs would be cut from onshore manufacturing jobs, and she vehemently states that the implementation of this carbon tax could not come at a worse time when you consider the ever-increasing prominence of cheap imports from countries like China and the current high value of our dollar. Ms Ridout believes that this taxation measure will push up energy prices and put a price on emissions, placing Australian manufacturing in a highly vulnerable situation. You just have to wonder what is going on on the government benches other than a crazed, desperate move to stay in the Lodge.

Then, of course, I mentioned at the beginning that my electorate depends on growing magnificent, clean, green food. Much of that food, which is often dairy or fruit products, meats, cereals and oil seeds, is manufactured locally and much of it is exported out of the country. In other words it is energy intensive and export exposed. They are the sorts of manufacturers who are most vulnerable to this disastrous tax. We have Murray-Goulburn, which is the largest dairy processor in Australia that is still Australian owned. They have stated that the carbon tax will cause extraordinarily adverse effects on their business to the tune of millions of dollars of extra energy and other costs per year.

According to Robert Poole of Murray-Goulburn, long-life and powdered milk uses considerable amounts of energy in its production. It will be financially crippling for Murray-Goulburn to absorb these costs. They will have to pass on these additional costs to their farmers, their suppliers, to ensure the Murray-Goulburn Cooperative remains viable. What do we know about farmers? Farmers are price takers. They cannot pass on a cent of these additional costs of production to Murray-Goulburn, their own cooperative, nor can Murray-Goulburn pass costs onto Coles and
Woolworths, the big duopoly that has purchased most of Australia's manufactured food for customers.

We know that duopoly squeezes the prices of all of its suppliers so hard that there is no way that this industry can expect to get a higher price out of Coles and Woolworths, so its farmers will have to tighten the belt once again, and for many of them there are no belt notches left. They have already been squeezed by drought, by flood, by the higher value of the dollar and by the exchange rate. All of their costs are going through the roof. They must operate their milking machinery and their refrigeration, they have transport costs to pay and they have fertiliser costs. Everything that they touch will have an additional cost with this carbon tax and they cannot pass on a cent of that additional cost. It is an extraordinarily difficult situation that we are staring down. The Murray-Goulburn factory at Cobram has a briquette fire boiler that it uses for manufacturing. You can imagine what they are contemplating in terms of costs of replacing that boiler or the punitive additional costs they will incur if they cannot.

This is a very serious problem and it is about an economy that has served as the food bowl of Australia for nearly 100 years. Now it is staring down the barrel of economic contraction, not because of the floods or the droughts, the mouse plagues or the locust plagues. What is bringing about the contraction now is bad government policy. It is extraordinary that, in a parliamentary democracy in a country as developed as Australia, government policy can destroy an industry that has been benchmarked as amongst world's best practice. Government policy is going to take this industry down. I find that just so heartbreaking.

I have farmers, not at retirement age but in their 40s and 50s, who are saying, 'We can't keep pushing and pushing to make a viable living when our own government is against us. It is introducing policies which will simply make it impossible for us to survive and at the end of the day there will be no improvement in emissions, and global warming will not be affected by our sacrifice, the loss of our farm properties, the loss of our livelihoods or the loss of our futures for our children and grandchildren.' So I beg this government to rethink what they are trying to do. It is not worth the Lodge, quite frankly, to destroy the Australian economy. The Greens do not have an understanding of the way the economy works; they never did and it appears they never can. This government should look closely, instead, at the coalition's policies. We are very generous in the coalition and are saying, 'You may take them. Implement them.' At least we will have a country to be proud of in the future and will pull our own weight.

Mr HAWKE (Mitchell) (18:06): It is a privilege to rise tonight to speak against the so-called clean energy bills that we see before us. I want to start by recapping on how we got to this point where Australia faces these 19 bills and the thousands of pieces of paper for this legislation.

Since 2007 I think we have been on a tortuous road in relation to the politics of the environment and carbon. With the election of Kevin Rudd we saw that there would be change, allegedly, in Australia through the signing of the Kyoto protocol. But what we know, of course, is that the targets under Kyoto were already met by the previous Howard government, so Kyoto in effect achieved nothing except some goodwill internationally. We then saw the government attempt to implement a series of environmental programs and policies, year in and year out. All have failed or ended up in an abysmal smoking ruin for good
government policy, for good political environment policy and for the environment in general, whether it be the green loans failure, the solar scheme failure or, let us not forget, the Home Insulation Program, the stated reason for which was an environmental one.

Then we had Kevin Rudd backing down after Copenhagen on advice, allegedly, from the current Prime Minister and the current Treasurer. Then we had the new Prime Minister, Julia Gillard, promising before the election that there would not be a carbon tax. And we had the great policy initiative that 150 citizens would be brought forward to decide the environmental policies of this country. Would we have a carbon price? What would we do? One hundred and fifty people would be brought together to decide that and we were to trust the people on that. Then, after the election, we do not trust the people anymore to decide. We are going to have a carbon tax. The announcement of a carbon tax is for a high carbon tax when compared internationally, a punitive $23 a tonne carbon tax which is out of sync with the rest of the world and will punish Australian industry and innovation. Then we see the Greens running the show. The policy is going to affect the thousand biggest polluters in Australia. Then it is the 500 biggest polluters in Australia who are going to foot the bill for the so-called Clean Energy Bill that we see before us.

Even today we see more tortuous evasion from the Labor Party on this policy. They have run out of speakers on what they tell us is the greatest policy reform of our time. Does nobody over there want to say anything about this policy? Are they really saying, with 19 bills, with a thousand pages of legislation, that there are no Labor Party speakers to tell us why we need to do this? That is just some of the tortuous path that has got us to this so-called reform.

It is a fact that 144 of the MPs in this chamber campaigned against a carbon tax at the last election. That is why the coalition have been clear about our position: if you want to do such a major reform, you must place it in front of the Australian people. There is nothing wrong with reform. There is nothing wrong with having a policy this radical. But in a democracy, in Australia, you owe it to the people to put it before the people and say: 'This is our policy. This is what it will do. You make the decision about it.'

When you look at what the government is presenting to us, it fails every test that you want to pass over it. It will not work the way the government say it will. They say this is a market based policy. I can tell you there is very little that the Labor government can tell us about the market. The connection between consumption and production, supply and demand, seems to have gone missing in the way they are arguing and articulating their case for this. This legislation is supposed to put a massive tax, a disincentive, on everybody's consumption and production, but somehow we are not supposed to use that disincentive to consume and then pollute the environment because we are going to compensate everybody. We are going to compensate heavy industry. We are going to compensate people on low incomes. We are going to compensate all kinds of special needs sectors and people who have come forward with their hands out to the Labor Party begging for a handout from the government. They are going to be compensated, removing the disincentive to keep polluting. Somehow, the creation of a 19-bill, thousand-page piece of legislation, we are going to save the planet. We will have a law here that will reduce emissions in Australia and thereby somehow affect the climate of the planet. That is what the
government is asking us to believe in this parliament today.

Not only can we reject each one of those contentions but also we can say that nothing will be achieved environmentally from this legislation—nothing at all. In fact, it will do nothing to demand, it will make all of us poorer and it will challenge our ability to get ahead internationally. The question the Labor Party has to answer, and every single member of the Labor Party should be in here today to tell us this, is why this orgy of government legislation is going to be beneficial for Australians and for our future. They cannot articulate their own case in relation to this.

I asked a question of the Prime Minister a few weeks ago about this. I want to turn to what I think will be the most devastating impact of a carbon tax once we have put a massive disincentive into the economy: a huge tax, a high carbon price, penalising our industry and business and subsidising some sectors on the basis of whether they have large union memberships or large political clout. Who will be left to foot the actual bill for the carbon tax in Australia? It will be every single small business owner in this country—the people without an organised voice, the mums and dads who run their own businesses across this country. There is no compensation for them. Running a small business in Australia today is already a herculean feat. There are millions of them and they provide most of the employment and generate most of the wealth in Australia today, yet they are being asked to foot the bill for the Labor Party’s absolute incompetence in managing the environment and our economic future.

Take, for example, the case of Mr Andrew Fulton, who runs a small construction business in my electorate. What he does all round this country is modify the homes of disabled people. If somebody is a quadriplegic after an accident he will put a ramp into their house so they can be wheeled out of their bedroom for a few hours a day to have some sunlight. He came to me and said, quite validly: ‘Under the carbon tax, how am I supposed to quote for jobs next year? All of my input costs will go up under the carbon tax.’ He is not going to be the recipient of a government handout to compensate him for that damage. His clients are people who are already in a very difficult situation, people who have suffered severe trauma and injuries and whose relatives or family have put together as much money as they can to make some improvement to the quality of their life. He cannot pass on those costs. They are already doing everything they can just to get a small construction change to the house. He is not making a massive margin; he is doing well for him and his family but he is not making a big margin. Who will wear the increase? What will happen to that business under the carbon tax?

When I asked the Prime Minister that question, the Prime Minister spoke about the National Disability Insurance Scheme in her answer. That is a worthy scheme and, incidentally, something I support. But she did not answer the question. The coalition has asked the Prime Minister what will happen to small business; how will it survive; how could it survive under a carbon tax; what is the long-term future for all of these individual enterprises all around the country? There is no answer.

Take, for example, drycleaners, who run energy intensive businesses. What is going to happen to small individual drycleaners? Is there a compensation package for them? Of course there is no compensation package for them. Can they pass on a massive increase in cost to their customers? Of course not. In practicality, people are going to dry-clean
less. What is going to happen to those businesses?

These are not just theoretical questions; these are real, practical questions about how people will survive under the carbon tax. With 19 bills—thousands of pages of legislation—we do not even have a Labor member willing to come into this place and explain to us what will happen to the millions of small businesses in this country, who will face higher electricity and input costs as a result of this carbon tax. There is no question of compensation for these people. They will not get a cent. They already work like stink. They already pay large taxes. What will happen to them?

Electricity is a big, important part of this so-called Clean Energy Bill. There is no contention that energy will be cleaner under this legislation or that we will achieve any improvement in the quality of our energy in relation to damage to the environment. If you are from a major metropolitan city in this country today, you will have already faced massive increases in electricity costs. Sydney is a very good example, with up to 40 to 45 per cent increases in the cost of every individual household bill and every individual business bill. Now, that is very interesting contention, and it has happened in other places as well. But we know that, relative to Victoria, the electricity price increases in both New South Wales and Queensland, in Sydney and Brisbane, are measurably higher. You would think, then, that this is a microcosm of what is supposed to happen under the carbon tax. There has been a massive increase in the price of electricity in both Sydney and Brisbane compared to Victoria; yet has there been any change in demand, in electricity patterns or in consumption? No. The evidence tells us that demand is continuing to increase at the same rate as it does in Victoria. It is inelastic.

People need electricity. Our economy needs electricity. Our households need electricity. We cannot stunt usage by creating a disincentive through price. We can only try to improve the quality of the generation of our power. That is why the Greens and the Labor Party are hypocrites: they refuse to even consider options like nuclear power and other forward-looking technologies, things that will actually make a difference to the level of carbon emissions we generate. If you are serious about tackling Australia's carbon emissions, you must be serious about power generation, because it is the No. 1 reason why we are one of the world's highest emitters of carbon—and, of course, we know that is only 1.5 per cent.

Looking at what the government is proposing, it is clear that this carbon tax will not work. It will affect Australia's standard of living compared to other nations. With our carbon emissions being only 1.5 per cent of the world's emissions, we are only a small part of the world economy, so to put a very high carbon price into our economy ahead of the rest of the world is a completely irresponsible move by an Australian government, considering it will not achieve the desired effect.

What will happen to our industry? We are going to be exporting wealth offshore. That is basically what we are doing. We know that Labor and left-wing governments around the world have always had the redistribution of wealth at the heart of their platforms. It is part of their reason for being. What we have in Australia today is this perverse situation where the Australian government is proposing a redistribution of wealth offshore, to other countries. Australian industry is so competitive, so environmentally friendly. If you look at any major industry in this country, you will find that they are leading the world, in most cases, in the use of
environmental technologies. They are already setting a standard and a benchmark in their production, ahead of most other countries. They are doing it voluntarily and sometimes with incentives, but it is happening.

So why, then, would we seek to penalise those functioning, great Australian companies, industries and businesses by placing them at the mercy of the global market? We are not proposing to disengage from the global market. The government is not proposing to protect our manufacturing and other industries on anything other than a mate's selection: 'If you come to us and you beg hard enough, or you've got a big enough constituency or you can make a great case to us, you'll get a handout; the rest of you won't.' That is basically what we are being told by the government. So most people will not get help. We are shipping our wealth offshore. The standard of living that Australians have enjoyed as a result of all the hard work they have put in over the years and the great country that we live in will be shipped to other people. And, if you think that other economies will not take advantage of what is happening in Australia today, if you think that the strategic decisions of every international company—and we have so many global companies that invest in Australia—will not be made on the basis of the high carbon price in the Australian economy versus no carbon price or other disincentives in other economies, then I do not think that is being realistic.

Under what the government are proposing, we have seen the problems with electricity. There is even criticism coming from state owned assets and public generators; it is not just private corporations noting this. Public generator enterprises in New South Wales, Queensland and WA expect, on their own estimates, to lose up to $4 billion to $5 billion in value. The case is so compelling in relation to why we ought to pause at this juncture and say, 'This is not the right approach,' or, at a minimum, 'Let's put this before the Australian people and say, "Here it is; you make the decision."' But the government know what people in this country would decide today. They would decide that they have not got enough information. They are not convinced that this will benefit the environment. They do worry about the economic impact it will have. They worry about their own standard of living—and they are right to do so.

This is not a fear campaign, as the government always says. We do not have to go round saying, 'Be fearful, everybody. Be afraid; be very afraid.' People are making their own decisions from listening to what the government is saying—not just what we are saying; they are listening to both sides and they are making their own judgment. And I can tell you that listening to the government trying to convince you about anything at the moment is a completely uninspiring exercise and sometimes an exercise in humiliation for them, like today when we saw the member for Werriwa abandoning his principles on refugees.

Returning to these 19 bills, I think what we have before us today is a perverse redistribution of wealth offshore. It will do nothing for the environment, and Australians around the country are right to be very concerned about the government's agenda in relation to the pricing of electricity.

Ms GAMBARO (Brisbane) (18:21): I also rise this evening to speak to the Clean Energy Bill 2011 and related bills. It is the fundamental aim of public policy to ensure that the seen and unseen consequences of a policy's implementation increase the general welfare of individuals and society. Today we are discussing a bill that is directly and expressly designed to make millions of
Australian households and families worse off. It is, once again, an example of this failed Gillard government's complete inability to design and introduce policy that leaves Australia a better place today and into the future. It is absolutely crazy to rush such a policy through the parliament. Inflation at the moment is above the Reserve Bank target range. There is a possible threat of stagflation in Australia. The European community is facing a debt crisis of unknown proportions. And, more alarmingly, there could be a double-dip recession in the United States. The Prime Minister must explain to the Australian people why she so desperately wants to rush this legislation through in the current global climate when so many millions of Australians are already doing it tough.

In this context, one fundamentally important question needs to be answered by this government, the Prime Minister and the Minister for Climate Change and Energy Efficiency. They refuse to answer this question because they know the answer refutes any arguments they have made in favour of the clean energy bills. While the Gillard Labor government proposes a new tax that is bad for families, bad for the economy and wastes tens of billions of dollars of taxpayers' money, the question is: by how many degrees will this carbon tax reduce global temperatures? The Gillard government says that the policy will remove 160 million tonnes of carbon dioxide from the atmosphere by 2020 or the equivalent of 45 million cars. What this government does not recognise is that 160 million tonnes is a completely insignificant contribution to carbon dioxide abatement.

The reason the coalition has proposed a budgeted direct action plan is we can take clear positive steps for the future environment of this country until a global agreement can be reached. A carbon price would only be legislated if—and only if—a global agreement could be reached. This side of the House is in favour of effective direct action in the environment. We have a policy that will not pass on costs to households. It is a budget neutral policy that is fully funded from savings in other government spending. We will not be sending tens of billions of dollars—taxpayer money—overseas to foreign carbon traders with no guarantee that this money will not be rorted, as we have already seen in a number of examples in Europe.

In 2010 alone, carbon dioxide emissions in China were more than seven billion tonnes. It is also estimated that China's carbon dioxide emissions grew by nearly 500 per cent between 1990 and 2020. This government is kidding itself and Australians that this policy will make any real contribution to the environment and, in so doing, reduce global temperatures. At the same time, this tax will be economically disastrous for this country.

On the ALP website the Prime Minister says that this policy taxes only the big polluters, not Australian households. She is yet to identify the 500 big polluters. It is quite obviously the case, when you are talking to a number of businesses around the country, that this tax will fall on small to medium sized businesses and it will fall very hard on Australian households.

We in the coalition know that electricity prices in Queensland and around Australia have increased significantly in recent years. All this tax will do is push up prices even more significantly. The government should know that the actual economic incidence of any tax is different from the intended statutory evidence. We know the demand for electricity is inelastic and that electricity providers will be able to pass on the vast majority of this impost directly to hundreds
of thousands of Australian households. At the same time, these clean energy bills will continue the huge growth in bureaucracy and waste further billions of dollars in administrative churn.

As other members, including the member for Flinders who has spoken to this bill this evening, have informed the House, other countries are not committing to policies such as the ones that are proposed by the Gillard Labor government. We have seen an abject policy failure of attempts to create so called green jobs. We have seen this around the world. We have seen it in Spain. We have seen it in the United States. Research has shown that in Spain, a country with 21 per cent unemployment—that is right, 21 per cent unemployment—for every green job created, 2.2 regular jobs have been lost. The subsidy cost of each green job created was $774,000. No one in their right mind would seek to claim that that is economically efficient. Similarly, the Obama administration's US$39 billion loan guarantee program that was supposed to create up to 65,000 new jobs only managed to create 3,500. This is another example of these optimistic but ultimately defective policies that never ever stand up to their original claims. I suggest to this House that many of the aims and objectives of the clean energy fund would not pass a cost-benefit analysis.

Other countries have taken note. Canada, a very sophisticated country that we are quite comparable with in many ways and in resource competitiveness, has recently elected a majority conservative government that went to the election with an explicit policy of no carbon tax. Yesterday Anna Caldwell reported in the Australian newspaper that the Australian Trade and Industry Alliance released its own report finding that 950,000 manufacturing workers would be fully exposed to the impact of the tax. The report prepared by SFS Economics for the alliance found that nine out of 10 manufacturing jobs in this country would be hit by a carbon tax.

I visit many businesses in my electorate. It is a part of my job that I enjoy enormously. As a former small business owner-operator, I like talking to small and medium sized business owners about their operations. Constantly I have them saying to me, 'Why is the Prime Minister pushing this legislation through, when four days before the election she said clearly and unequivocally there would be "no carbon tax under a government I lead"?' Last weekend I had mobile booths in the northern suburbs of Brisbane. The very first constituent who came to my mobile booth said to me, 'How do I stop this carbon tax?' That was the sentiment I got all day from my constituents. Many businesses I visited expressed to me their absolute dismay at being left to fend for themselves—and they have. They have been left to fend for themselves as they face all of the costs, all of the burdens, of the Gillard government's carbon tax with no direct support to help them through and to deal with the harm. They are going to be left with the impost and the costs. Local small businesses and family enterprises have been totally ignored when you look at this bill and its related bills. The Gillard government has provided carbon tax carve-outs and compensation for some sectors but has completely forgotten small businesses.

These businesses are the absolute core of our economy. There has been a chorus of concern from small business, with many of them complaining about the added costs of inputs and energy. I know from just a year ago, running my own business, about the phenomenal increase in electricity imposts. Many small business people speak to me about that but there is no compensation being provided. There is a risk to jobs and there is
also a risk to small business viability that has been absolutely ignored under this legislation. The small business sector are the very people who are the largest employers in the country.

Families are already worried about the cost of living increases and they are in no mood for further price rises from local small businesses that are already trying to cope with falling consumer demand. Tough trading conditions exist out there in the retail sector and small businesses are on very, very tight margins. They have very little capacity to absorb these cost increases. I visited the Brisbane markets recently, and many of the wholesalers there expressed great concern that they would have to reduce their staff as they would be unable to pass on these costs or add them to the cost of their produce. This Labor-Greens carbon tax adds cost, and it builds at every single stage of the supply chain.

The owner of the Red Deli delicatessen in Clayfield recently told me that he was absolutely concerned about the damaging effect that the increased cost of electricity would have on his business. As I talked to Ross, he told me that he would have to reduce staff or pass the increased operating costs on to customers. These cost increases and the lack of compensation will harm our smaller businesses, particularly those like the small deli that I have just mentioned, as higher energy costs, longer supply chains and limited market power to push back on input cost increases will make business conditions even worse.

It is not only small business that will have to find operating cost savings to offset the increases caused by Labor’s carbon tax. There is small business employment, but medium-sized businesses have also expressed their concern to me. Recently the Leader of the Opposition and I visited Essilor in the electorate of Brisbane. Essilor is typical of many businesses around the country that are doing it really tough and will do it much harder under the carbon tax. This is a business that is producing world-class quality lenses, and the carbon tax will mean that manufacturing conditions are going to get even harder for businesses like Essilor. Essilor is a great local company. It employs many, many families. The cost of the carbon tax will increase the additional costs of producing these lenses. At the moment Essilor are responsible for 65 per cent of the market, but their increasing competitive pressures plus another impost of the carbon tax will only make it harder for them to operate in this country.

Even before expected rises in the price of gas and electricity under the carbon tax, Brisbane charities reported to me that pensioners and others on fixed incomes were struggling with the massive increases in electricity costs. Some of their power bills are scandalous and, according to the Queensland Competition Authority, nine electricity service providers were forced to cut power to 5,873 residential customers across Queensland for non-payment of their electricity bills for the September quarter last year. Sadly, many thousands of pensioners would have been amongst this number.

There is little relief in sight, with the state electricity price regulator, the Queensland Competition Authority, announcing yet again a 6.6 per cent increase in power bills from 1 July this year, which added another $120 to the average bill of households already under pressure from the array of cost increases. Power prices have soared by more than 60 per cent since the state Labor government promised deregulation of the industry in the south-east and that it would put downward pressure on prices.
It is a national disgrace that Labor in Queensland and nationwide has delivered a system and an economy where thousands of people will be cold in their homes because they cannot afford electricity. Particularly during winter, living in a cold home has absolutely devastating impacts on people's physical and mental health. It is deplorable that we are seeing reports from agencies about vulnerable people and the increasing costs in electricity and gas which mean that people are left at home shivering.

As to this particular legislation that we are speaking on tonight, when the Prime Minister, leading into the election, promised, 'There will be no carbon tax under the government I lead,' almost 80 per cent of small businesses took Labor at its word and did not factor in the carbon tax. They did not factor it into their business plans and they did not factor it into their business operations. This legislation will only inflict pain and suffering on many hundreds and thousands of households and small businesses in this country. Therefore, I cannot support this bill.

Mr IRONS (Swan) (18:36): I rise today to speak on the Clean Energy Bill 2011 and related bills, otherwise known as the carbon tax legislation, the tax we were never going to have under the Prime Minister, who said, 'There will be no carbon tax under the government I lead.' I have spoken in this place before about renewable energy, and I repeat a comment from a previous speech, where I stated:

… as long as our primary energy sources are fossil fuel based, all our best efforts to reduce consumption will not deliver a net reduction in greenhouse gas emissions and will have a negative economic impact.

This statement was made in a submission by a geothermal company to the Western Australian Greenhouse Task Force back in 2003. I could not agree more with this statement. The only way we are going to seriously reduce carbon emissions is by finding reliable alternative energy sources to coal and oil. Looking for efficiencies has failed and so will a tax. Nowhere in that submission did it say, 'We will reduce emissions by introducing a tax.' To members of the government I say again: nowhere in that submission did it say, 'We will reduce emissions by introducing a tax.'

While I am referring to government members, or even the Independents, can just one of them tell me or my constituents in the electorate of Swan by how much this legislation is going to reduce emissions or the global temperature? I am sure they cannot do that because no-one has yet. This is a tax that is all about economic pain with no environmental gain.

The Prime Minister and the Labor government along with the Greens and the Independents are imposing a tax on all Australians and the economy, and it will not help the environment. This is a tax that was never to be, but political negotiations by the economic Neanderthals, the Greens Party, has seen a Prime Minister turn a promise to the Australian people before the 2010 election into a political lie of the greatest magnitude this country has ever seen after the election.

This government has no mandate for a carbon tax no matter what way they spin it. As the Leader of the Opposition said in his speech on this legislation, 'This is a bad tax based on a lie and it should be rejected by this parliament.' When this country went to the 2010 election 146 members of this House won seats after saying that there would be no carbon tax. The government has no mandate for a carbon tax. In fact, it has a mandate not to introduce a carbon tax. 'There will be no carbon tax under the government I lead,' the Prime Minister said five days before the last
election. 'I rule out a carbon tax,' she said one day before the election.

'We have made our position very clear. We have ruled it out,' the Treasurer said on 12 August 2010. He reiterated on 15 August: 'Well certainly what we rejected is this hysterical allegation that somehow we are moving towards a carbon tax … We certainly reject that. What a grand deception. And, given the impact of this tax, which represents the biggest restructuring of the economy in our country's history, this is arguably the most significant pre-election deception our political system has ever seen.

The carbon tax means a $9 billion a year new tax, a 10 per cent hike in electricity bills in the first year alone, a nine per cent hike in gas bills in the first year alone, higher marginal tax rates for low- and middle-income earners, and a $4.3 billion hit on the budget bottom line, even though we were told before carbon Sunday that the carbon tax was going to be budget neutral. And that is just for starters. The carbon tax will start at $23 a tonne but after three years the tax rate will not be fixed—it will float in line with market prices and the government will have no control.

In addition to squeezing family budgets, the carbon tax will impact on jobs and the economy, particularly in energy intensive small businesses. My electorate of Swan has the biggest transport hub in Western Australia, including freight, rail, distribution and manufacturing centres in Welshpool and Kewdale. The Leader of the Opposition and I have visited the distribution company TNT in my electorate to hear concerns about the impacts of the tax. We heard concerns about the increased costs this carbon tax would mean. This hub is a big employer and we do not want to see jobs lost or companies relocating overseas. TNT is a company that has already implemented efficient transport systems and state-of-the-art equipment to reduce their emissions and, dare I say it, they have the most efficient setup in Australia. This company in my electorate will actually be punished by this carbon tax for already being efficient.

On another occasion, the Leader of the Opposition visited a manufacturing plant in my electorate of Swan and was cheered by the workers as he came onto the factory floor. It was a moment of clarity for me when they cheered Tony Abbott. The workers of this country can see the fraud in this tax that is being foisted upon them. The only people who cannot see it are the Prime Minister and the Treasurer, who promised before the last election that there would be no carbon tax.

I have asked the Prime Minister to come and speak to the people in my electorate and listen to their concerns. It was my expectation that the Prime Minister would be doing this as part of her self-proclaimed ‘wearing out my shoe leather’ tour of the country, which she declared she would do whilst trying to sell the carbon tax to the people of Australia. Unfortunately, this tour ended without the Prime Minister even making it to the electorate of Swan. What a disappointment, but perhaps not a surprise, for the small businesses in my electorate.

When the stated aim of this policy is to close down coal mines I am certainly concerned for energy intensive industries in my electorate of Swan. Now the Prime Minister talks about compensation, but one thing is for sure: you cannot compensate someone who has lost their job.

I want to focus on the Prime Minister’s compensation briefly, now. That fact that there is this supposed compensation is an admission from the government that its carbon tax policy will do harm to Australian families. Initially, Labor committed to
returning all the moneys raised through the carbon tax to the taxpayer. Members will remember the trade minister stating on 10 March this year, 'We will return all of the moneys raised to people through the tax mechanism.' But later the government changed its mind and it was confirmed on carbon Sunday that 50 per cent of moneys raised would go to compensate families. What this really means is that people will not be properly compensated. We know that a teacher and a shop assistant will be worse off under this tax. A single-income family with a child will be worse off under this tax. And I think the suspicion of most Australians is that the compensation will not keep up with the tax as it goes up and up.

Unbelievably, this government is introducing this tax when no other country is planning to introduce an economy-wide carbon tax. This has been clearly stated by the Productivity Commission. In the United States all moves towards a national cap-and-trade scheme have been abandoned. While the EU does have an ETS, it does not cover the whole economy and it provides many industries with free emissions permits. The EU ETS raises only about $500 million per year while the Labor-Greens carbon tax will raise $9 billion a year. Canada, Japan and Korea—all major exporters—have either ditched or deferred their carbon tax systems. Most experts would agree that there is zero chance that either China or India will adopt any form of serious carbon tax.

That is what makes this such an astonishing act of economic self-sacrifice. And it is in this context that there could not be a worse time to implement a carbon tax. We only have to cast our minds back a couple of weeks for evidence of this in the loss of steel industry jobs. It is clear that Australia's manufacturing industry is under significant pressure at the moment. A carbon tax will increase costs, which overseas competitors do not have to pay. Jobs will go offshore to factories which will emit more emissions than Australian manufacturers—a bad net result for the environment.

Every one of the members of the government and the coalition said there would be no carbon tax. So why is the government forgetting its commitment to the Australian public? For numerous reasons, but not one of them is for an environmental gain. And this is perhaps the most damning argument against this legislation: it will cost and destroy jobs, squeeze household budgets and hit the budget's bottom line while not even reducing emissions. According to the government's own modelling, under the carbon tax—the bills we are debating today—emissions will increase from 578 to 621 megatonnes from 2012 to 2020. Emissions will increase.

So, instead of reducing emissions, what is the government planning to do? It plans to spend $3.5 billion in carbon tax revenue—revenue ultimately derived from households across Australia—buying carbon credits from overseas carbon traders. This means $3.5 billion in taxpayers' dollars going to pay potentially dodgy and corrupt foreign companies to do things like plant trees in other countries, not in Australia. This is the same system that the Australian Crime Commission has this year found was rorted to the level of $5 billion in Europe. And what hope have we got that this government is going to be able to prevent fraud and rip-offs after its famous pink batts and BER debacles? By 2050, funding for overseas carbon credits is expected to rise to $57 billion a year, or 1.5 per cent of GDP. Is there no end to the ways in which this government is prepared to waste taxpayers' money? That is why I say there is no environmental gain from this carbon tax.
There is a better way. Compare this to the coalition's direct action plan, which will actually reduce Australian emissions by the bipartisan target of five per cent by 2020. There is no carbon trading with overseas traders—only measures which will achieve real improvements for the Australian environment. We will green our cities by planting an additional 20 million urban trees. We will establish a standing green army to help with this. I was particularly proud at the last election to announce that three of these green army projects, if we won the election, would be in my electorate of Swan: at Tomato Lake in Kewdale, at the Canning River Regional Park and at the Swan River Foreshore. This is important given the wetlands systems in my electorate, which is surrounded by water on three sides, and the announcement was welcomed by environmental groups across my electorate. In fact, I took my own green army to help out the Canning River Regional Park Volunteers to clear weeds and plant trees in Ferndale earlier in the month. This is real action to protect the Australian environment, not the carbon traders' bottom line. We will invest in solar and renewable energy and in soil carbon to replenish the land. We will provide direct incentives for business and industry to reduce their emissions—all this without a carbon tax. Most importantly, under direct action there will be no cost to families, no new taxes and no rise in electricity prices as a result of our direct action policy. It is straightforward, practical and easy to understand. We took it to the last election and we stand by it.

In conclusion, the coalition will be opposing this legislation. Given that the Prime Minister has already done a deal with the Greens, it is likely this legislation will get through this House and be fast-tracked through the other place with little scrutiny.

Mr Robert: It's shameful if that's the case.

Mr IRONS: I hear the member for Fadden agreeing with me on that. If so, the next election will be a referendum on the carbon tax and, if elected, we will rescind the legislation and scrap the carbon tax. The Labor-Greens government has no mandate to introduce the carbon tax legislation. The Prime Minister said, 'There will be no carbon tax under the government I lead.' She likes to compare her change of heart to that of John Howard before he introduced the GST. However, there is a key difference: John Howard took his policy to an election and let the people decide.

Mr Burke: Not the one he implemented.

Mr IRONS: The Labor-Greens government is trying to push this through before an election without a mandate. I hear the Minister for Sustainability, Environment, Water, Population and Communities interjecting; he obviously does not care about the Australian businesses and jobs that will be lost overseas. As the Leader of the Opposition has said, 'There should be no tax collection without an election.' I will not be supporting the bills before the House. They are not good for my constituents, they are not good for the country and they are not good for the environment.

Mr MATHESON (Macarthur) (18:49): I rise today to speak about the devastation this Labor-Greens carbon tax and its suite of 18 supporting bills will bring to my electorate of Macarthur. In Macarthur there is a diverse mix of highly populated residential areas, small business and industrial estates which are home to some of Australia's leading manufacturers, as well as large tracts of productive agricultural land and mining. My constituents have different needs, world views, jobs, interests and political persuasions, but what they do have in
common is the very clear community consensus that the carbon tax must be scrapped.

The government has no mandate to introduce this carbon tax legislation. My community vividly remembers the statement the Prime Minister made days before the election: 'There will be no carbon tax under the government I lead.' The Prime Minister has failed to honour her promise to the Australian people. On the other hand, my colleagues and I in the coalition have a track record of delivering on our promises, delivering good government, delivering good economic management and delivering results on environmental management. The coalition has a real plan for protecting our environment, now and into the future. We are committed to addressing climate change and will reduce Australia's emissions by five per cent by 2020.

In Macarthur there are 9,760 businesses. Of these, over 95 per cent are small businesses. These businesses are the backbone of our community, supporting local employment and investing back into the community through our numerous local charities, events and causes. Whether it is manufacturing or mining, from education through to dining, the carbon tax will hurt businesses in Macarthur and across New South Wales. It will cost local jobs.

The New South Wales government have very clearly stated that families and businesses in New South Wales will be worse off than in any other state in the country. The New South Wales Treasury modelling predicts that 31,000 jobs will be lost in New South Wales by 2030 as a result of the carbon tax. This will include 18,500 jobs in the Hunter Valley alone. The New South Wales government predicts that state finances will be $1 billion worse off between now and 2014, with a reduction in gross state product of close to one per cent per year by 2020, and that electricity prices in New South Wales will rise by $498 in the next financial year. The carbon price will impose a $40 billion cost on the generation sector, most of which will be passed on to consumers. Despite the $40 billion it will cost, the carbon price will produce relatively little change in emissions from the generation sector.

For Australian families, the carbon tax means a $9-billion-a-year new tax and a 10 per cent hike in electricity bills in the first year alone. In New South Wales, families are facing an even bleaker outlook, with electricity prices to rise by 15 to 20 per cent. There will be a nine per cent hike in gas bills in the first year alone; higher marginal tax rates for low and middle income earners; and a $4.3 billion hit on the budget bottom line. There is no doubt the carbon tax will put more pressure on the cost of living. Families in Macarthur are already struggling. This Labor-Greens carbon tax will make a bad situation worse, with a $515 hit on the cost of living. That is just for starters. Since 2007 families in Macarthur have had to deal with power prices that have increased by an average of 51 per cent, gas prices that have increased by an average of 30 per cent, and water and sewerage rates that have increased by an average of 46 per cent.

I would like to touch on the impact the carbon tax will have on local government. In my electorate, Campbelltown City Council has budgeted $4.5 million for electricity for the 2011-12 financial year. The implementation of a carbon tax, where it is common knowledge there will be an increase of up to 20 per cent in electricity charges, will result in an increase of $900,000, which will ultimately be passed directly on to the ratepayers of Campbelltown. The Campbelltown local government area has a population of 160,000 people and is situated
on the south-west fringe of the Sydney metropolitan area. It is well known that families of this local government area are middle- to low-income families who can ill afford this type of increase in their household budget. That is not even considering the impact the carbon tax will have on landfill charges, which nobody in local government can quantify at this point in time. This will eventually lead to an increase in garbage collection charges, which will also be passed directly onto ratepayers.

The cost of living under a Labor government just keeps going up and up. People in Macarthur know that any tax cut will not keep pace with the carbon price that is set to soar to over $131 a tonne. What will that do to the cost of living for families and pensioners in Macarthur? The carbon tax will hit families in Macarthur with a vengeance. As Macarthur sits on the outskirts of Sydney, getting to and from the city for work will send household petrol bills soaring. Businesses who import or export will face sky-high transport costs which will be passed on to consumers. Costs for building new houses are expected to rise by at least $10,000 for an entry-level home in Macarthur. This is the worst possible time for a government to introduce a carbon tax into the Australian economy.

Our manufacturing sector is already under immense pressure. A carbon tax will increase costs that overseas competitors do not have to pay while destroying Australia's one real competitive advantage in manufacturing—relatively cheap electricity. The government's carbon tax will give overseas companies a competitive edge over our own manufacturing industry. We have already seen the damage that this tax has done in the steel manufacturing industry. Jobs will go offshore to factories that emit more carbon than Australian manufacturers—a net loss for Australian jobs, the environment and economy.

In Macarthur there are a large number of employers who will not be able to survive a post-carbon tax economy. One of Macarthur's largest manufacturing companies has told me that they will be facing massive cuts to their competitiveness if the carbon tax is introduced. I have been contacted by many small businesses in my electorate who have real concerns about the rising cost of electricity and the impact it will have on their businesses. For most small businesses in Macarthur the increased tax deductions will not make up for the rising cost of electricity. From hairdressers, construction and building companies, local farmers to exporters—and even a local pet crematorium—local businesses can see the writing on the wall. The carbon tax is bad for business. It will be bad for local jobs and it will be bad for local families. An example here is 'Simon the Pieman', one of Macarthur's most loved pie shop owners, is expected to have to raise his prices to cover his increased electricity and delivery costs. Simon the Pieman is expected to have to charge $10 for a tradie's morning tea break of a pie and a chocolate milk. A carbon tax is going to devastate his business and he will not receive any compensation at all. There are examples of this same scenario all over my electorate.

Macarthur is one of the region's largest employers in mining. In Macarthur's mining industry there will be 5,500 people directly or indirectly affected by the government's carbon tax. In New South Wales, 31,000 mining jobs will be lost across the state. These jobs represent families with mouths to feed and bills to pay. I will not sit idly by and watch this government destroy the great Macarthur region and indeed our great nation.
I know my colleagues in the coalition share this feeling and will oppose a carbon tax, which is nothing more than economic vandalism. The government likes to say that families will be compensated for the impact of its carbon tax, but a tax cut to compensate for a tax increase is not a tax cut; it is a con. The tax cut will not be a rebate on people's bills. It is nothing more than empty cash thrown at Australians in a desperate bid to suffocate short-term debate and keep interest groups at bay. No other country is planning an economy-wide carbon price. The Productivity Commission has clearly stated that not one other country on earth is bringing in an economy-wide carbon tax or emissions trading scheme.

In the United States, for example, all moves towards a national cap-and-trade scheme have been totally abandoned. Let us look at what small-scale schemes have done for the international community—the results speak for themselves. A United Kingdom study released in March this year found that for every job created in the renewable energy sector 3.7 existing jobs were lost. A 2009 Spanish study found that for every green job created by subsidies and price supports for renewable power more than two jobs in other industries are lost.

The Treasurer has been making grandiose claims that China is acting to reduce its carbon emissions, but China's emissions are forecast to rise by 500 per cent over the next nine years. How fair dinkum is China in relation to reducing emissions? A recent article by John Lee in the Australian notes that wind power now accounts for one per cent of China's energy needs, while solar constitutes one-thousandth of one per cent of the country's energy use. They are more worried about maintaining economic growth at all costs and there is little incentive to connect renewable energy assets to the power grid when fossil fuels are much cheaper. Chinese figures estimate that by 2030 renewable energy, including hydropower, will only meet two per cent to three per cent of the country's energy needs. Lee goes on to say that China views renewable products and technologies as an export opportunity to subsidise clean energy sectors in foreign countries. They can produce a wind turbine at a third of the price of one made in Germany or Spain. Far from exercising environmental leadership, Beijing has simply identified yet another export opportunity to Western consumers.

In Europe, while they have an ETS, it does not cover the whole economy and it provides many industries with free emissions permits. The European ETS only raises around $500 million a year. In comparison, Labor's carbon tax will raise a whopping $9 billion a year with no actual emission reductions.

This brings me to my next point, one which I believe is the worst aspect of this carbon tax legislation. This tax is all pain for absolutely no environmental gain. The government's own modelling shows that emissions will not decrease in Australia. In fact, emissions are set to rise from 2012 to 2020 from 578 million tonnes to 621 million tonnes. Instead of delivering real emission reductions, this government is proposing to spend $3.5 billion of hard-earned taxpayers' money to purchase overseas carbon credits. Using the government's own modelling, by 2050 this figure will be $57 billion—1.5 per cent of Australia's GDP sent overseas to 'purchase' carbon credits. This will deliver nothing but numbers on a piece of paper. It is just a major wealth transfer from the Australian economy and will call into question the capacity of the government to continue to compensate households and trade-exposed industries. There will be no gain for the Australian environment. The sheer incompetency and arrogance of this
government is astonishing. This legislation is nothing more than a get-rich-quick scheme for overseas carbon traders—yet another poorly thought-out scheme, and one that the Australian Crime Commission has already highlighted as involving $5 billion in fraud to date. Internationally, the carbon-trading train has left the station. The United States withdrew from the Kyoto protocol in 2001 and has indicated it will not commit to any replacement treaty. Russia, Japan and Canada have all recently stated that they will not continue with the protocol after it expires. It has also been reported that 90 per cent of trades in the European Union's emissions trading system were fraudulent, resulting in a loss to European taxpayers of more than $6.6 billion.

In her carbon Sunday documents, the Prime Minister's own figures show that more than three million Australian households will be actually worse off. I want to emphasise that these households are not just 'rich' people. Thousands of families across Macarthur will be worse off under this government's carbon tax. Here are just a few examples. A teacher married to a shop assistant will be worse off under the government's package, even on the government's own figures. A policeman married to a part-time nurse will be worse off, under the government's own figures, thanks to the carbon tax. A single-income family with a child, on the government's own modelling, starts to be worse off from below average weekly earnings. That is what the government is doing to the forgotten families of Macarthur. That is why I cannot, as a representative of the community of Macarthur, support this bill. This will be the greatest moral challenge of our time. It is a grievous breach of trust—one that Australians will never forget.

The coalition has a real plan for Australia's environmental future: a plan that involves direct action. We must protect our environment and ensure that it is there for future generations to enjoy. We will address climate change with real, practical and measurable action. Our direct action plan will reduce emissions by five per cent by 2020. Rather than throwing billions of hard-earned taxpayers' dollars at foreign countries to buy their carbon credits, we would rather see that money go towards improving Australia's environment and lowering Australia's real emissions. The coalition will achieve our target through positive direct action for the environment and through providing incentives, rather than through hurting Australian families and the economy with a devastating carbon tax.

Our plan is fully costed, capped and funded. Our plan will ensure that a coalition government would live within its means. Our environmental direct action plan will not cost Australians their jobs. It will not come at the expense of reduced standards of living. Instead of penalties and taxes, our direct action climate policy will provide incentives for Australian businesses to reduce their carbon emissions. We will focus our attention on meaningful and effective direct action to improve Australia's environment. Our plan will give all Australians the opportunity to play a vital part in improving our environment through real, direct action.

In Macarthur, the direct action plan will see thousands of trees planted and local businesses given the support and incentives to go green. The direct action plan will mean that local jobs in Macarthur will be protected and employment opportunities will remain for our future generations.

A carbon tax will create a world of pain for families in Macarthur, and I cannot with a good conscience support such heinous and draconian measures that will not improve our environment one little bit. I would urge all
members of the House to think of their electorates—consider their pensioners, their families, their future generations—and oppose this bill.

Standing here tonight, I look around. We have been told that the government has pulled a number of speakers. If I were a sitting member of parliament I would have liked to get in and represent my electorate and put my case in relation to a carbon tax. It seems a shame that there are a number of members who are not speaking tonight because they have been pulled by the Prime Minister and so are not stating their case. I think that is an absolute disgrace. This bill is being rushed through the parliament at 100 miles an hour. It just goes to show that there are a number of members in the government who actually do not believe in the carbon tax and that is why they are not here to speak on it tonight.

Mr BROADBENT (McMillan) (19:03): I know that, across Australia tonight, there will be a number of people who, sitting behind the wheel of a truck or sitting in their house just preparing to watch the ABC news—in fact, people in all situations right across the nation—are actually listening to what is happening in the parliament. So I should explain that I am here, standing in the Parliament of Australia, and we are considering the introduction in this parliament of a carbon tax that has connected to it 18 ancillary bills that were presented by the Prime Minister and the Minister for Climate Change and Energy Efficiency. This is part of the debate that we are having to talk about them on both sides of the House. But it seems that those on the other side of the House, the proponents of this tax, have lost interest completely. They have in the House only the minister at the table, Minister Burke. So, just to explain to the Australian people, I am standing in, basically, an empty parliament, considering something that is going to affect every member of our society for generations. There are those who say that that is a positive. I say: that is a negative.

I have been opposed to the carbon tax. But I want to take you back a step, because people would then say to me: 'Russell Broadbent, member for McMillan: you are a Liberal. The Liberal Party, in coalition with the National Party, under John Howard proposed such a scheme, an emissions trading scheme'—Dr Shergold's baby, at that time, and Mr Howard agreed that we would look at it. But then, in a recent interview, he, the former Prime Minister, said, 'It was always my intention that I would only act on this if the world acted with us.' And that is right for this nation right now.

Why would we put ourselves in the position of being less competitive than our major competitors around the world? In fact, to those who argue that the world has acted: it has not. If you could put to me today that we could not operate in the world unless we had an emissions trading scheme, a carbon tax proposal, and that the other people that we trade with the world had already enacted one, then there would be a case for us to participate. But today there is no case. I put it to you that there are those in the commentariat, such Don Argus, whom I would like to come to in a minute, and others of stature who put their name to economic writing—that is extremely important to them, because they put their name and reputation to it—who oppose this issue.

How did it come about? I am not one to attack the Prime Minister, but I will say this. A politician may make a statement on an issue—especially when people are about to vote on who they want to run the country—with the intention that the people of Australia will understand what their intent is in regard to that issue. During the last election Prime Minister Julia Gillard said, 'There will be no
carbon tax under my government.' I believe she was genuine when she said that. I believe it was her intent that under her government in this term there would be no carbon tax. However, circumstances came about whereby the Prime Minister of the day, to remain Prime Minister of the day, needed to do a deal with some others, including the Greens, who demanded a carbon tax or a response to climate change.

I can accept that; that is the process of politics. But if a politician, of any ilk, changes their mind, it is appropriate for them to honestly come to the Australian people and say: 'Look, I cannot hide this from you. I said that before the election and now I am saying this. Here are the reasons why. That is what happened then. That is what I said to you. But, honestly, I have to say to you now that I have done this deal with some other parties which leads me to say that I will be offering the Australian people a carbon tax.'

The failure to do that was not appreciated by the nation. I think the Australian people would have accepted it if they had been told by the Prime Minister, 'I am going to introduce a carbon tax—even though I said before that I was not going to—and here are the reasons why.' I think the Australian people would have accepted the Prime Minister being brutally honest with them, but she failed to be honest with them and this has caused all the trouble about the legitimacy of the introduction of this tax, especially when we are not focused on another election, I do not think, within weeks or months—I do not know; it could be—but certainly we are in the two-year time frame of an election campaign.

If the Prime Minister had said: 'Look, what I am going to do with this is lay it out for you'—which could be the introduction of these bills now—'but I will not introduce it until after I have taken it to the Australian people.' That would have been acceptable to the Australian people, because there would have been a long debate about it and there would have been reasonable consideration of the carbon tax. The Australian people would have got to have their say. They would have voted, exactly as they did with John Howard and the momentous introduction of the GST. The people of Australia had a say. And he just got there. I was part of that. I think we lost 19 seats, and mine was one of them. That is why I said to the people on the back bench of the Labor Party a few weeks ago, 'If you're not sitting in a safe seat, have a look around at your colleagues who are in safe seats, who have a buffer, because they are still going to be here after the election, and you will not.'

I spoke a few weeks ago about when I was sitting in that chair down there and Paul Keating was in opposition. If you ever saw Paul Keating in full flight in this House, you would know that it was something to behold. I can tell you: there were not many orators like Paul Keating, not many with such absolute dominance of the parliament. Paul Keating looked over and said to me, 'You're gone.' And I was. And now I am looking at where Labor members normally sit, and I can say to them, 'You're gone.' This carbon tax is unacceptable to the Australian people in the form it has been put to them.

It is not just me. I have the greatest admiration for Don Argus, who has been used by the government for his astute ability in many areas. He says in his address 'Are we still the lucky country?':

... I have previously stated my view that mainstream science is right in pointing to high risks from unmitigated climate change. I have also said that economic growth and a healthy climate are not mutually exclusive. I have some concerns about the proposed carbon tax and in its current form I do not think the tax
and associated policies are in Australia’s best interest.

First, I have deep reservations about Australia being a world leader in this area when it represents less than 2% of global CO2 emissions. Should we be proposing a scheme when much of the world has yet to commit to a carbon price?

These sentiments echo those of Nobel prize winner, Michael Spence. In his book, “The Next Convergence”,— which I have purchased now— Michael makes the point that countries should coordinate plans so nations and regions do not suffer competitive disadvantages. It is also surely imprudent to introduce new taxes when there is so much global uncertainty and confidence is faltering.

Even the Productivity Commission said it will cost jobs, it will increase inflation and it will increase electricity costs. If you have those three in place and the government then talks about, and only talks about, this being a tax on 'big polluters'—who are the big polluters? They are the electricity companies in Gippsland, Darren Chester’s seat, and the workers in my seat of McMillan. They are calling them the big polluters. Who these big polluters are, the government has yet to say, yet here we are in this House discussing a bill that will directly affect every Australian and every 'big polluter'. The government refuses to release the list of the names of the big polluters that will be directly affected by this legislation. If power costs are to increase by 10 per cent with the passage of this legislation, those costs have to be passed on, if they can be passed on, to every household. But where does that leave the so-called big polluters—or, as I call them, electricity producers—who provide the power for all the reverse cycle air conditioners that are going into the new homes on the outskirts of Melbourne, Sydney and Brisbane as well as, probably, into every new development in both small and large towns? I saw a whole street of homes built in front of my house. Every one of them had a reverse cycle air conditioner, and every one of them relied on power from the electricity producers.

This legislation is not good for Australia now. Time after time there are newspaper articles saying this. I will quote the Australian; in fact, I will not quote the Australian—that is not seen by the government as appropriate. Instead, I will quote the Herald Sun. It said:

… Julia Gillard fronted the media yesterday spruiking the benefits of the controversial carbon tax, looming large in the background was the metaphorical rhinoceros.

In this case it was Bob Brown and his Greens team, who since the last election have been pulling the Government's strings. These are not my words, Bob; these are the Sun Herald's words. The article continued:

Their influence over the Federal Government should not be underestimated, particularly when the Prime Minister herself promised in the election campaign there would be no carbon tax on her watch.

… … …

Once again families who strive hard to better themselves and try to build a future, are targeted by a government that claims to represent workers.

… … …

But it appears the only certainty will be that household costs will keep rising, with more jobs on the line. That's for certain.

I do not want my community to be uncompetitive internationally; I want my community to do the best it can to reduce the carbon footprint that we put down. I think there are myriad ways to do exactly that, and I think there is a great opportunity for our nation to say, 'We want to reduce our emissions.' How we go about that can be a topic of conversation and debate from now until the next election.
So tonight I call on the government, if they have any political decency—and I mean political decency; I am not denigrating those on the other side or the Independents or anybody else—to say, 'We are prepared to lay down these 19 bills, which the government does not have a good record of managing, until the next election and to let the Australian people vote.' Let the people have a say so that they are part of the legislation, not opposed to the legislation.

Debate adjourned.

BUSINESS
Rearrangement
Mr ALBANESE: I move:
That orders of the day Nos 20 and 21, government business, be postponed until a later hour this day.

Question agreed to.

BILLS
Navigation Amendment Bill 2011
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.

Ms PARKE (Fremantle) (19:19): I welcome the Navigation Amendment Bill 2011 and its provisions, which both facilitate Australia's ratification of the International Labour Organisation's Maritime Labour Convention and amend provisions in line with the convention's guidelines on vessel tracking. These steps are consonant with the government's National Ports Strategy, which is a very important item of future planning for Australia, and are therefore consistent with a reform program that follows from a careful and serious process of consideration.

The material that has fed into that process includes the submissions and the report from the House Standing Committee on Infrastructure, Transport, Regional Development and Local Government's inquiry into coastal shipping policy and regulation. I made a submission to that inquiry, not least because the electorate I represent includes Western Australia's largest and busiest general cargo port. Fremantle port is a key part of Australia's sea freight infrastructure, and, as the Minister for Infrastructure and Transport has pointed out, shipping is by itself an incredibly important part of the Australian economy. It carries 99 per cent of this country's trade by volume, which in turn accounts for 10 per cent of the world's seaborne trade.

The harbour was designed by CY O'Connor, one of Western Australia's most brilliant individuals, and it continues its historic function as WA's principal point of freight arrival. It handles approximately 80 per cent of seaborne imports by value, but the port is remarkable for reasons other than the scale and value of the cargo it handles. The Fremantle branch of the Maritime Union of Australia is the largest branch of the union in the nation; what is more, it is growing substantially at a time when we are being told that the relevance of unions is in decline.

Collective labour is and always will be an essential balancing force in a market economy in which the odds are stacked against the individual worker and in favour of employers and large corporations. What is more, the wider values of the labour movement—its characteristic concern with shared welfare, public goods, social bonds and common wealth—underpin fairness and the pursuit of equality in Australia and elsewhere. It is understandable, though sad and incorrect, that in periods of macroeconomic strength there emerges the misconception that the importance of the labour movement, of unions and of collective bargaining has somehow passed. That is not only wrong but also dangerous. A workforce that is de-unionised, casualised and increasingly employed on a contract basis is
an insecure workforce that is vulnerable to exploitation. Whenever the economy strikes difficult weather, vulnerable workers are the first overboard. Let us not forget that, during the global financial crisis, the mining sector in this country—which some later claimed had rescued the Australian economy by itself—laid off 15 per cent of its workforce. It did so because it could; it is an industry in which casual and contract employment has become commonplace. The Navigation Amendment Bill springs from the Labor government's recognition that labour values and workplace rights are human rights. As part of our commitment to those values and those rights, this bill amends the Navigation Act to achieve a series of outcomes. First, it will ensure the act conforms with the guidelines in the Maritime Labour Convention that establish a foundation of basic living and working conditions for seafarers who work on vessels engaged in commercial shipping. This is a necessary precondition for Australia's ratification of the convention. Second, it will provide for the issue of Maritime Labour Convention compliance certificates to Australian ships and allow for the inspection of all ships at Australian ports by Australian Maritime Safety Authority surveyors to ensure that the requirements of the MLC are being met. Finally, it will amend the definition of 'vessel traffic service' in order to widen the relevant regulation-making power. This provides the legal basis for the extension of current vessel-tracking services, from 1 July, to cover the southern region of the Great Barrier Reef. The significance of this, of course, is that it forms part of the government's response to the grounding on that e Great Barrier Reef of the Shen Neng I in April last year.

The International Labour Organisation's Maritime Labour Convention is a critical statement of workplace principles. Adopted in February 2006, its pre-eminence as a code of maritime labour protections has led to it being known as the 'seafarer's bill of rights'. The essential areas covered by the convention include: minimum workplace requirements and conditions of employment; accommodation, recreational facilities, food and catering; and health protection, medical care, welfare and social security protection.

We should not for a moment think that those things are naturally guaranteed or that the Maritime Labour Convention is merely symbolic. Indeed, earlier this year a ship at dock in Fremantle was the subject of an industrial dispute that revealed some unsavoury practices. The ship, Bader III, owned by a company based in Jordan, flagged in the Bahamas and crewed by seafarers from Pakistan and the Philippines, was chartered by Livestock Shipping Services in South Perth. The dispute centred on a breach of agreement between the shipowners and crew that had been running for more than a year. In response to the crew's agitation at being paid less than half their entitlements, the shipowners rescinded all shore leave and threatened any crew member who chose to speak with Australian authorities or representatives of the International Transport Workers Federation with 'harsh punishment'.

It is a credit to the courage and resolution of the men on this ship that they ignored this bullying and these threats, that they did protest their treatment and that they did engage the assistance of the International Transport Workers Federation, the Maritime Union of Australia and the Labor Party. In turn, Dean Summers from the ITF, Chris Cain from the MUA and Fran Logan MLA, the Western Australian member for Cockburn, acted quickly to highlight and protest the unacceptable conditions under which these seamen were being forced to work.
This is an example of the kinds of circumstances that can occur and that are likely to affect vulnerable maritime workers. This is an example of the kind of 19th century industrial inequity and exploitation that still occurs and that can also occur in Australia, in Fremantle harbour, because of the nature of sea transport. It represents a breach of workers' rights and of human rights that should not occur anywhere. And it is by implementing the measures contained in this bill that we not only guard against them occurring in Australian ports and on Australian ships but also actually play a role in extending the observance of these rights to other parts of the world. Just as the Bader III was able to bring workplace oppression and human rights abuses across the sea and into an Australian port, so too our strengthened capacity to seek out and respond to such oppression will spread its protective influence beyond our waters.

In conclusion, this bill is part of providing greater workplace protection and compliance both for Australian seafarers and for all seafarers on ships that visit Australian ports. What is more, it improves and strengthens the vessel-tracking capacity and ship-reporting system that operates in our waters, which in turn provides greater general oversight and environmental protection. I support the bill and I commend the minister for this further achievement in bringing reform to shipping and to sea freight administration and infrastructure in Australia.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (19:26): I am pleased to sum up the debate on the Navigation Amendment Bill 2011. I thank the member for Fremantle and others for supporting this bill, which has been supported by all members of the House who have spoken. It allows for the implementation in Australia of the Maritime Labour Convention. The MLC is internationally described as a bill of rights for seafarers. The importance of this bill was highlighted only last week in Sydney. The Doris, a Maltese registered, Russian owned, 35,000 tonne bulk ship, was boarded by the International Transport Federation in Glebe. The ITF took this action in response to the Doris's Russian crew not being provided the most basic international minimum wages or conditions.

Unfortunately, there is very little the Australian government can do about this situation, at least until the MLC is given the force of law. Ninety-nine per cent of our international trade is carried by ships, yet only one-half of one per cent of that trade is carried by Australian flagged vessels. Our ports manage 10 per cent of the world's entire sea trade. Two hundred billion dollars worth of cargo is moved annually. Australia is the biggest single island nation and the fourth largest shipping task in the world, yet there are only 22 Australian registered major-trading ships plying our waters today, down from 55 when the Howard government was elected. Consequently, until we can revitalise our shipping industry, we are reliant upon foreign flagged vessels for this absolutely vital role in the Australian economy. However, shipping matters rarely get the front page of our daily newspapers. The exception is when there is a major incident such as an oil spill or grounding.

Without efficient and safe shipping services to and from Australia, our lives would be very different. Efficient and safe shipping services require well-trained and fit-to-work seafarers as crew on those ships. The MLC ensures decent working conditions for all seafarers. The implementation of the MLC in Australia will not necessarily result in significant changes for seafarers on Australian ships because the majority of them already enjoy good working conditions.
The passage of this bill will help to ensure that these good working conditions are maintained on Australian ships and are extended to seafarers working on all foreign flagged ships entering Australian ports. The MLC will ensure that seafarers will not have to work unreasonable hours, that they will have proper accommodation and recreational facilities, and that they will be assured of adequate care in the event of an accident or illness. While improving the working and living conditions of many seafarers, the MLC will also have the effect of reducing the likelihood of accidents that may result in marine pollution, damage or loss of life or injury to seafarers. Most shipowners already provide good working conditions for the men and women who crew their ships by setting enforceable minimal working conditions for all seafarers. The MLC will provide a level playing field by ensuring that these shipowners will be protected from unfair competition from the few unscrupulous shipowners who expose their crews to substandard working conditions. I commend the bill to the House.

Question agreed to.
Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr BANDT (Melbourne) (19:30): I move Greens amendment (1) as circulated in my name:

(1) Schedule 1, page 11 (after line 6), after item 29, insert:

29A At the end of paragraph 132(6)(b)
Add “and”.

29B Paragraph 132(6)(c)
Repeal the paragraph.

The Greens commend the government for introducing this bill. It is a welcome move. It will implement into Australian law a number of important provisions in the Maritime Labour Convention. They are, as has been described, a bill of rights for seafarers. They will extend some important rights and protections for those working in the industry.

One of those important rights is the right to get medical care, as has been mentioned previously in the debate. However, the Greens see that there is no reason to impose a minimum qualifying period of seven days, as is set out in the bill, before medical care is to be made available. It is not something that is required in the convention. It is not something that would be a common standard in society, and one could readily imagine instances in which someone would be ill for a period of fewer than seven days but nonetheless be deserving of protection. On that basis we move the small amendment that has been circulated in my name. I thank the Australian Institute of Marine and Power Engineers for drawing this to my attention. I commend the amendment to the House.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (19:32): The member for Melbourne has moved an amendment to repeal paragraph 132(6)(c) of the Navigation Act. Currently, a seafarer is able to access sick leave only if he or she is so unwell that he or she will be unable to work for more than a week. The amendment will allow seafarers to access sick leave on the same basis as other workers, irrespective of the period of time they are unwell. The government supports this reasonable amendment which has been moved by the member for Melbourne. This adds, in a small way, to the bill that has been moved before the House.

This bill is an important step forward. There has never been so much legislation on shipping as there has been in recent years. The government is absolutely determined to revitalise the Australian shipping industry.
We need to become a shipping nation, not just a shipper nation. We need to become participants, not just consumers. As the largest inhabited island continent on the planet, we have a vital interest in having a revitalised Australian shipping industry. This bill, bringing in the Maritime Labour Convention in the way that it does, is a part of the reform process. Later on, I will be bringing substantial legislation before the parliament for our national shipping reforms. I hope to receive the support of everyone in the House to have a revitalised Australian shipping industry in the interests of our economy, in the interests of a sustainable environment but also in the interests of our national security. I commend the bill to the House.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (19:34): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011

Consideration in Detail

Debate resumed.

Mr HOCKEY (North Sydney) (19:35): I move opposition amendment (2) as circulated in my name:

(2) A person who has obtained information in the course of performing a function of the Parliamentary Budget Officer has the obligations set out in clause 4 of Schedule 2.

(3) Schedule 1, item 16, page 9 (line 22), omit ";" and "".

(4) Schedule 1, item 16, page 9 (lines 23 to 25), omit paragraph 64H(3)(d).

(5) Schedule 1, item 16, page 9 (lines 26 and 27), omit the note.

(6) Schedule 1, item 16, page 10 (lines 10 and 11), omit "publicly announced".

(7) Schedule 1, item 16, page 10 (line 25), omit "publicly announced".

(8) Schedule 1, item 16, page 11 (line 20) to page 12 (line 31), omit sections 64L and 64LA, substitute:

64L  Public release of policy costings

(1) The Parliamentary Budget Officer must publicly release a policy costing if requested to do so by:

(a) if the costing was requested under subsection 64H(2)—the Senator or Member who made the request; or

(b) if the costing was requested under subsection 64J(2)—an authorised member of the Parliamentary party that made the request; or

(c) if the costing was requested under subsection 64J(5)—the independent member who made the request.

(2) The Parliamentary Budget Officer must not otherwise publicly release a policy costing.

64LA  Public release of responses to other requests by Senators or Members

(1) The Parliamentary Budget Officer must publicly release a response to a request under paragraph 64E(1)(c) if requested to do so by the Senator or Member who made the request.

(2) The Parliamentary Budget Officer must not otherwise publicly release a response to a request under paragraph 64E(1)(c).

64LB  Public release of submissions and other work

The Parliamentary Budget Officer must ensure that the following are made publicly available:
(a) requests by Parliamentary committees referred to in paragraph 64E(1)(d), and the submissions prepared in response to those requests;
(b) the results of any work done in the performance of the functions of the Parliamentary Budget Officer under paragraph 64E(1)(e).

(9) Schedule 1, item 16, page 13 (lines 1 to 7), omit section 64M, substitute:

**64M Disclosure of personal information**

A requirement to publish under this Division does not authorise the disclosure of personal information (within the meaning of the *Privacy Act 1988*) without the consent of the individual concerned.

(10) Schedule 1, item 16, page 15 (line 27) to page 16 (line 14), omit section 64U.

(11) Schedule 1, item 16, page 16 (line 15) to page 17 (line 6), omit section 64V.

(12) Schedule 1, page 20 (after line 20), at the end of the Schedule, add:

**19 At the end of the Act**

Add:

**Schedule 2—Information gathering powers and secrecy**

Note: See section 64F.

1 Relationship of information gathering powers with other laws

The operation of clause 3:
(a) is limited by laws of the Commonwealth (whether made before or after the commencement of this Act) relating to the powers, privileges and immunities of:
(i) each House of the Parliament; and
(ii) the members of each House of the Parliament; and
(iii) the committees of each House of the Parliament and joint committees of both Houses of the Parliament; but
(b) is not limited by any other law (whether made before or after the commencement of this Act), except to the extent that the other law expressly excludes the operation of clause 3.

2 Purpose for which information gathering powers may be used

The powers under clause 3 may be used for the purpose of, or in connection with, a function given to the Parliamentary Budget Officer by this Act.

3 Power of Parliamentary Budget Officer to obtain information

(1) The Parliamentary Budget Officer may, by written notice, direct an employee of an Agency to do all or any of the following:
(a) provide the Parliamentary Budget Officer with any information that the Parliamentary Budget Officer requires;
(b) attend and give evidence before the Parliamentary Budget Officer or an authorised officer;
(c) produce to the Parliamentary Budget Officer any documents in the custody or under the control of the employee.

Note: A proceeding under paragraph (1)(b) is a *judicial proceeding* for the purposes of Part III of the *Crimes Act 1914*. The Crimes Act prohibits certain conduct in relation to judicial proceedings.

(2) The Parliamentary Budget Officer may direct as follows:
(a) that information or answers to questions be given either orally or in writing (as the Parliamentary Budget Officer requires);
(b) that information or answers to questions be verified or given on oath or affirmation.

The oath or affirmation is an oath or affirmation that the information or evidence the person will give will be true, and may be administered by the Parliamentary Budget Officer or by an authorised officer.

(3) An employee of an Agency commits an offence if:
(a) the employee is given a direction under this clause; and
(b) the employee does not comply with the direction.

Penalty: 30 penalty units.

(4) A determination under section 71 may prescribe scales of expenses to be allowed to persons who are required to attend under this clause.
(5) In this clause:

Agency has the same meaning as in the Financial Management and Accountability Act 1997.

authorised officer means a person who:

(a) is an official within the meaning of the Financial Management and Accountability Act 1997; and

(b) is authorised by the Parliamentary Budget Officer, in writing, to exercise powers or perform functions under this clause.

4 Confidentiality of information

(1) A person commits an offence if:

(a) the person discloses information; and

(b) the information was obtained by the person in the course of performing a function of the Parliamentary Budget Officer given by this Act or any other Act; and

(c) the information is disclosed otherwise than in the course of performing a function given to the Parliamentary Budget Officer by this Act or another Act.

Penalty: Imprisonment for 2 years.

(2) Subclause (1) does not prevent the Parliamentary Budget Officer from disclosing particular information to the Commissioner of the Australian Federal Police if the Parliamentary Budget Officer is of the opinion that the disclosure is in the public interest.

5 Sensitive information not to be disclosed

(1) The Parliamentary Budget Officer must not include particular information in a policy costing, response or submission, or in any document publicly released by the Parliamentary Budget Officer, if:

(a) the Parliamentary Budget Officer is of the opinion that disclosure of the information would be contrary to the public interest for any of the reasons set out in subclause (2); or

(b) the Attorney-General has issued a certificate to the Parliamentary Budget Officer stating that, in the opinion of the Attorney-General, disclosure of the information would be contrary to the public interest for any of the reasons set out in subclause (2).

(2) The reasons are the following:

(a) it would prejudice the security, defence or international relations of the Commonwealth;

(b) it would involve the disclosure of deliberations or decisions of the Cabinet or of a Committee of the Cabinet;

(c) it would prejudice relations between the Commonwealth and a State;

(d) it would divulge any information or matter that was communicated in confidence by the Commonwealth to a State, or by a State to the Commonwealth;

(e) it would unfairly prejudice the commercial interests of any body or person;

(f) any other reason that could form the basis for a claim by the Crown in right of the Commonwealth in a judicial proceeding that the information should not be disclosed.

(3) The Parliamentary Budget Officer cannot be required, and is not permitted, to disclose publicly or to:

(a) a House of the Parliament; or

(b) a member of a House of the Parliament; or

(c) a committee of a House of the Parliament or a joint committee of both Houses of the Parliament;

information that subclause (1) prohibits being included in a policy costing, response or submission, or in any document publicly released by the Parliamentary Budget Officer.

(4) In this clause:

State includes a self-governing Territory.

This amendment relates to the information-gathering powers and secrecy requirements of the PBO. Schedule 1, item 16, subsection 64F(1) provides that the Parliamentary Budget Officer may make arrangements with government bodies to obtain information and documents. Subsection 64F(2) provides that these arrangements may include provision for the confidentiality of the information or the documents. Subsection 64F(3) provides that arrangements made under subsection 64F(1) must be made publicly available. Subsection 64F(4) provides that an
arrangement made under subsection 64F(4) is not a legislative instrument.

These subsections severely constrain the powers of the Parliamentary Budget Office to obtain information. They essentially require the PBO to enter into a memorandum of understanding with more than 30 government departments or agencies. How bizarre. The PBO has no leverage in these negotiations, so it would pretty much have to sign up to whatever the departments put in front of them. For example, departments could potentially use rather restrictive memorandums of understanding to protect their patch. They could have provisions suggesting that the information should not be disclosed to the PBO without a two-week cooling-off period, which would make a mockery of the four weeks available to do all of the costings for everyone's policies during the course of an election campaign.

Quite frankly, I have never known a department of government, let alone someone in the private sector, who would not seek to protect their patch and their assumptions when it comes to their own modelling of costings for a particular government policy. However, this government says that the PBO can only obtain information from a government department if there is a memorandum of understanding and if there are confidentiality provisions specified in the act. So if the PBO wants to obtain information or documents which are not in the public domain then clearly the PBO will be constrained. If the information is in the public domain it is already available to people.

The bottom line is: what capacity does the Parliamentary Budget Office have to go to the individual departments and obtain information or assumptions about particular initiatives? It is this fundamental point about the assumptions that matters. If the government already has, for example, a costing on the NBN then everyone is entitled to know what the assumptions are—for example, what the assumption is about the cost per household or what the assumption is about the cost of the rollout of the cable. Should the cable be underground it will have a different cost assumption. When the government comes up with a figure of $32 billion or $39 billion, it is the right of the PBO, in the absence of full and frank disclosure by departmental or NBN officials before a Senate estimates committee, to be able to actually get to the nub of what the underlying assumptions are. It does not have to disclose them to us. In fact, my amendments are putting in place far more significant protections in relation to confidentiality than those that are recommended in the bill.

So what do we do? The coalition is yet again offering an amendment that gives the Parliamentary Budget Office more power to obtain information—which I will come to in a minute. But most significantly it is not going to go through this archaic, floundering MOU process with 30 different departments before the next election. I move that the subsections be omitted and that they be replaced with stricter confidentiality protections and greater powers to obtain information. (Time expired)

Mr BILLSON (Dunkley) (19:40): That was an excellent contribution from my friend and colleague the shadow Treasurer. What these provisions allude to and what is encapsulated in schedule 2 is a proper spread of information-gathering powers and disciplines about how that information would be utilised and applied to the very important task of the Parliamentary Budget Office doing what is expected of it—that is, providing independent, fearless analysis and accessing information that is available within the Commonwealth system to better inform
good governance at a Commonwealth level and, through that, to offer those insights and that wisdom to the parliament.

The Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011, the bill that the government is trying to ram through, actually provides no real tool kit for the Parliamentary Budget Office other than the hope and, dare I say, the ambition of a memorandum of understanding that might set out some arrangements about how information is to be obtained. It does not set out any threshold requirements about what reasonable expectations the parliament has of the agencies involved in formulating memorandums of understanding. It does not set in place any default arrangements for what happens if, through whatever misfortune, a memorandum of understanding is not executed or a department or agency is hostile to the idea of revealing its material. There is no fallback position here at all. It is basically saying, 'Knock yourselves out; see if you can cut a deal with an agency,' with no incentive for those agencies to be cooperative, collaborative, expansive and open and caring and sharing about the material that it provides. It basically says, 'This sets in place a framework where you can enter into discussions,' with no real burden or obligation on the agencies to do the right thing.

I am sure the Parliamentary Secretary to the Treasurer, who is in the chamber, would sense a competition law parallel here of an enormous imbalance in market power in that the agencies hold all the material and have no pressure on them to share it and the Parliamentary Budget Office, already gutted in terms of what it can do, what resources it can draw upon and what baseline economic modelling it can refer to—already compromised in that respect—has to front up to a department or agency and say, 'Please share with us some information so we can do some meaningful work.'

It is interesting that the parliamentary secretary has often resorted to the report from the joint select committee's inquiry into the Parliamentary Budget Office. It is interesting reading. It talks about the Parliamentary Librarian, having some experience, considerable insight and practical knowledge about how difficult this can be, emphasising:

… the importance of the PBO having access to Executive agency data, at no cost, as without this data, the PBO would be limited to using publicly-available information, and what agencies are willing to provide.'

That was the Parliamentary Librarian reflecting on experience about the need for the Parliamentary Budget Office not to be nobbled by a lack of power to access information.

I would also note—on a night where we hear that Treasurer Swan has got some award, which will no doubt bring a smile to the face of many in this place—that even the OECD is actually supporting the Parliamentary Budget Office having full access to information and economic models held by the executive agencies in a timely manner. It goes on to say:

There will always be a large asymmetry of information between the government and such bodies—no matter how well they are resourced. This creates a special duty to give such bodies full access in legislation to all relevant information in a timely manner.

That is not an MOU. That is not a wing and a prayer, as with the provisions that the government has dished up in the hope of agencies and departments will do the right thing. That is clear advice about the strong legislative position the Parliamentary Budget Office should have to access the information that it requires. Even the Auditor-General went on to talk about the PBO, saying that it
'would require full and free access to all information and records necessary to perform its functions'. There is reference in the report to the Canadian experience and there is even information about what Treasury and Finance thought might be a reasonable caution, and it goes to what the shadow Treasurer was saying—that is, if you are the keeper of that stuff you might be a bit reluctant to share it and that if you have some insights, or you are relying on some heroic assumptions, you may not want to shine the sunlight onto that.

This amendment seeks to ensure that the provisions in schedule 2 actually give the Parliamentary Budget Office the legislative power that has been urged and recommended by the OECD, by the Auditor-General and by the Parliamentary Librarian to be able go about doing its job and to have dependable access, backed by legislation, to get the information it needs to carry out its responsibilities. (Time expired)

Mr BRIGGS (Mayo) (19:45): It is a surprise to be speaking on this bill this evening. I heard the Parliamentary Secretary to the Treasurer speaking this afternoon on his more favoured topic of boats and getting on boats. So I am surprised that he has brought this bill, the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011, back at this hour this evening without much notice.

This is another important amendment that the member for North Sydney has moved. It is an amendment which seeks to give the Parliamentary Budget Office real power to access information from departments about the numbers and the programs—information which oppositions and Independent members need. The Independent members obviously did not get the note that this was being brought on this evening either, because I know the member for Lyne would be here otherwise. We are sending a message to the member for Lyne, if he is listening: this is back on. They have brought it back on tonight, Rob. You might want to get down here and speak to this.

This amendment provides another opportunity to strengthen the Parliamentary Budget Office and to achieve its genuine purpose. The purpose of the Parliamentary Budget Office is at 64B—to remind the Parliamentary Secretary to the Treasurer. It is in front of you there, David. It reads:

The purpose of the Parliamentary Budget Office is to inform the Parliament by providing, in accordance with this Division, independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals.

Independent non-partisan analysis of the budget cycle would require, as the member for North Sydney has outlined very well in this amendment, that the PBO get access to information from departments. This really gets to the issue of how you would cost policies if you were in opposition and you were looking to do something in an election campaign and you were lucky enough to be elected. You want to have the best information and the Australian public would want us to have the best information available to us. This bill provides for halfway-house information. It relies on the department agreeing to what it is going to give up.

No department wants its information to be genuinely tested by another source. We all know that in this place. Bureaucrats do a good job and they work hard, but they do not like to be told that they are not necessarily right with their information. They do not like it when Access Economics tells them that they are wrong. I remember during my time in the former government that there used to be quite loud explosions when Access Economics used to question the numbers that Treasury would produce, for instance. Not
that Treasury is ever wrong we learnt the other evening. You cannot ever question Treasury's numbers. Even though they do not always get them right, you cannot question these numbers, according to the government.

The Parliamentary Budget Office should be an independent agency, just like the United States Congressional Budget Office. I looked today at the Congressional Budget Office website and all the services they provide for members of the congress and the United States public. There is an enormous amount of resources there about the spending patterns of government, the behaviour of departments and the amount of debt. That really gets to the point that the government are trying to avoid here. They do not like people knowing how much in debt we actually are. It is very hard to find that information. If you go to the Treasury website today I challenge you, Madam Deputy Speaker, to find very quickly how much debt there is that the Australian government currently owns. It is certainly not one click away; whereas it is actually on the front page of the Congressional Budget Office website. They tell you what the deficit is, because they are a genuinely independent agency which is providing independent advice.

The aim of the PBO—and the parliamentary secretary is presumably getting briefed about that right now—is to give a non-partisan analysis of the budget cycle and of the fiscal policy implications of the proposals. Parliamentary Secretary, this leads to better policy and better outcomes, leading, say, to a policy about border protection prior to an election—going to a place, visiting the boats, the Customs patrol vessels, and seeing how they operate; maybe even getting on them and letting a TV camera come on and watch you get on them; putting on the hat like the first mate; and enjoying the visit but also understanding how much that costs. That is the idea of the Parliamentary Budget Office, Parliamentary Secretary, and if you increase the power of the Parliamentary Budget Office to get this information—

Mr Bradbury interjecting—

Mr BRIGGS: The parliamentary secretary does not like the reference to his time out on the Customs patrol vessel. I thought you looked really good out there, David! I think it is actually a potential next career—

The DEPUTY SPEAKER (Ms S Bird): Order! The member will not involve the speaker, nor call the speaker by the wrong name.

Mr BRIGGS: I am sorry, Madam Acting Deputy President. It was just outside his electorate of Lindsay, of course—6,000 kilometres outside his electorate! In any event, this is another good amendment that the parliamentary secretary should adopt. If you can ring Swannie and get the instruction to do so that would be good. (Time expired)

Ms O’Dwyer (Higgins) (19:50): We are here tonight to debate the second amendment that has been brought forward to amend this bill, the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011, because we on this side of the chamber believe very strongly that it is important to draw back the curtains to let the sunshine in and be able to have an independent parliamentary budget office that will have full powers to be able to go about doing its job.

I know that the member for Lyne, who is not here in this chamber tonight and who was also a member of the joint committee, said that he was very concerned that the Parliamentary Budget Office needed to be an independent budget office. We
are onto the second amendment now, and the purpose of the second amendment that has been brought forward by the shadow Treasurer is to give the Parliamentary Budget Office the powers to be able to obtain information. What could go to independence more than the powers to be able to obtain information?

It is clear that under the bill that has been brought forward by the government that the Parliamentary Budget Office would be constrained. It would be constrained by memorandums of understanding that it would have with the Department of the Treasury, the Department of Finance and Deregulation and other departments. It would be restricted in the information that it could look at, which of course would mean that it would not be able to look at the budget cycle, at fiscal policy, properly. It would not be able to provide a sensitivity analysis to the figures provided because it would be restricted in the information granted to it.

This amendment that has been brought forward by the shadow Treasurer gives the Parliamentary Budget Officer some serious grunt, some serious power. That power is as strong as the powers of the Auditor-General. We think that is what is required to have an independent, properly functioning parliamentary budget officer. In the amendments that we have brought forward, it will allow the Parliamentary Budget Officer by written notice to direct an employee of an agency to do all or any of the following:

… attend and give evidence before the Parliamentary Budget Officer or an authorised officer.

Just think of this: this allows the Parliamentary Budget Officer to be able to interrogate Department of the Treasury and department of finance about the figures that they have brought forward. The officer is able to then ask them about the assumptions that are within their models. It gives them the ability to be able to truly conduct sensitivity analyses and it means that, rather than simply being restricted in the information that is provided, they can ask the pertinent questions that may arise.

Our amendment also goes to the fact that it would require the Parliamentary Budget Officer by written notice to direct an employee of an agency to also:

… produce to the Parliamentary Budget Officer any documents in the custody or under the control of the employee.

So often it is very difficult in this place to obtain the information that is necessary, to find out the answers to fairly basic questions, because that information is held by one department and not by another and often there are many excuses employed as to why that information cannot be provided. This amendment gets around that. It means that if one department is holding the information of another department and it is relevant to the figures that they have brought forward, or they have information that is relevant to the Parliamentary Budget Office, they must produce it. That is why this amendment is necessary. That is why this amendment goes to the integrity of the Parliamentary Budget Office.

The shadow Treasurer and the coalition are the only members in this place who are truly concerned about having a parliamentary budget office that is in the true spirit of the US Congressional Budget Office, one that has serious grunt to perform its role and
function and to do its job as an independent parliamentary budget office.

Mr BUCHHOLZ (Wright) (19:55): I rise to speak on the second amendment to the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011 and, in giving this short address to the House, I call on our Independent colleagues who hold the balance on this particular bill. This bill is prudent to the transparency and to the authenticity of gathering information for oppositions in an electoral cycle. I remind the Parliamentary Secretary to the Treasurer where we are in the parliamentary cycle and urge him to consider his position given that there may be a day that he sits on this side of the House and these amendments may serve him well, as they will serve us well.

Mr Bradbury: I doubt it!

Mr BUCHHOLZ: The parliamentary secretary jests and says, 'Doubt it.' Considering the polls, I suggest that that day is coming a lot sooner than you would anticipate.

I talked to the Independents about letting the sunshine in and encouraging transparency in this government, and I refer to the Prime Minister's words of 'letting the sunshine in'. Predominantly, this amendment speaks to the protection of those in opposition in obtaining information which is relevant at a given point in time. The PBO needs to have greater jurisdiction. The PBO needs to have a capacity to obtain information which is relevant in the political electoral cycle. When we go to PEFO, there is the matter of the data which is available to the opposition once the writs are called. It is unwise for an opposition to make their assumptions on the previous MYEFO assumptions and it is more unwise to make them on the previous budget assumptions.

Our economy is one of robustness. It is one that changes on a day-to-day capacity. When we are forecasting revenues on our terms of trade and we are trying to calculate the capacity of our revenues on trading figures, we need to have up-to-date figures. For example, let us say that we are forecasting our resources revenue on the back of China's demand at the moment. At this very moment Mongolia are just about to put coal tonnage on the border of China for $80 a tonne as opposed to our trade figures of $175 a tonne. Depending on where we are in the electoral cycle, if we were to go and do our forecasts on the data that was not made available to us, because that transparency was not there, it would have a huge implication for our forecasts.

All we are asking for is the kind of information that is available to other governments, such as the Canadian governments, for instance, and this House knows other countries such as the United States which have that luxury. All we are asking for is that the powers and the capacity of the PBO are granted so that they are able to access relevant information from departments that are evaluating costings that benefit our people and the electorates that put us here. No-one wants to be made to look like a dill and everyone comes into this House in good faith.

The other point I want to make is that the assumptions that we make need to be made confidential. If we put assumptions up or want to test assumptions, under the current legislation without this amendment there is a real concern that those assumptions will be made public by the Treasurer of this country or through web pages and that there will not be the capacity to have those assumptions tested. I would be very interested to hear the parliamentary secretary's response to those concerns. In the interests of absolute transparency and as this has been a robust debate I call on the parliamentary secretary to consider this truly heartfelt amendment. I
also call on the Independents, in making their determination on this bill, to give due consideration to this amendment. *(Time expired)*

**Mr VAN MANEN** (Forde) *(20:00)*: I have listened with interest to this debate over the last day or so. At the end of the day, the whole idea of a parliamentary budget office is to hold both sides of politics to account on the financial projections that they make and bring to the electorate at the time of an election. It is about openness, it is about accountability and it is about transparency. This government have stood on a platform and said, 'We want more open, more accountable government.' The Independents in the crossbenches have also said, 'We want more accountability, more openness and more transparency,' yet we have a bill from the government that provides exactly the opposite. It shuts down debate; it restricts access to information. It says, 'You can only use these projections and you can only use this or that bit of information.'

We in the opposition say that if we are going to be truly open, honest and transparent, let us do it properly. All that these amendments are designed to do—and this amendment is one of the key ones—is allow us to get access to a proper range of information. The Treasury have in the past done a great job but, more often than not, they have shown in their budget forecasts or in their other forecasts that they have missed the mark. So why can we not access other sources of information to verify what Treasury has to say? It would reduce the risk of the analysis that we produce for the electorate. It would give the electorate better information.

This amendment clearly stands on its own. We are trying to get access to information and ensure that it is confidential so that we can properly assess the recommendations that come back from the Parliamentary Budget Office and, if we need to make changes for whatever reason, we can make those changes in a sensible period of time so that we do not just have to make an instant decision on the spot based on some press release issued by the Treasurer or whoever else is trying to make it look as if our policies are not costed properly or whatever the case may be.

So there should be no reason why memorandums of understanding are required with government departments. If those confidentiality aspects are already in place then the source of information will remain confidential and everybody can get on with what they want to do, which is to provide properly costed election policies to the electorate. So it really stands on its own. If we look at the limited powers that the PBO has been given, how do we know that we are going to be given a proper range of information to make our projections in the first place? Why do we have to rely on the Treasurer's numbers or MYEFO? Why can we not get an external source of information to compare and contrast?

I commend this amendment to the House. It is predicated on the basis that we want open, transparent and honest government and commitments from both sides of politics, and that this can only be the best for our community.

**Mr ROBB** (Goldstein) *(20:04)*: Last night it took us three hours, in answer to a series of questions, to eventually establish with the Parliamentary Secretary to the Treasurer that during the 33-day campaign period the nature of costings would be absolutely no different to what we witnessed at the last election. I think everyone accepts that that is totally unacceptable. All it means is that we will have a dogfight for 33 days between ourselves when people in the
community really want to debate the policies.

It is not beyond the wit of man to establish—and the member for Forde just put his finger right on it—the capacity for the policies of both sides of politics to be assessed by the same authority in an independent fashion, in an open, honest and transparent way. That is all that is being requested, yet this thing has been so complicated, so misrepresented from the original intent, that there is now a large measure of mistrust that has already emerged between both sides of politics. And it will have a real effect. Actions have consequences, and if this mistrust is not dealt with then it will impact on how we deal with the costings process at the next election.

We are 100 per cent prepared to have all of our costings dealt with by the PBO in an independent fashion, as I would expect the government's policies to be dealt with so that both sides of politics know that it is a level playing field, that the database on which it is based is identical for both and that if there are mistakes because the data may be wrong they will be reflected in both costings. That is not so much point. It is really what order of magnitude of cost is associated with these costings. There has been a large measure of distrust generated because of the nature of this bill that the government has presented. That is exactly why my friend and colleague the member for North Sydney has presented a lot of very sensible amendments to this bill to try and get back to the original intent.

The second thing we discovered last night was what would happen if the Parliamentary Budget Office made a request of Treasury for the data, the modelling, the assumptions and the variables associated with something like the carbon tax. In a very long-winded and roundabout way the answer we got was that that would be a matter for the Treasury—that it would be a matter for the memorandum of understanding that the Treasury would have carriage of. The Parliamentary Budget Office would basically tug their forelock to any one of 30 departments—in this case Treasury—and be told under the memorandum of understanding. The memorandum of understanding is not negotiated; from what we could ascertain last night, the memorandum of understanding is a question of the Parliamentary Budget Office being told by each department what they could and could not receive.

So my first question to the parliamentary secretary tonight is: am I correct that the memorandums of understanding do not involve a negotiation; they do involve, essentially, the Parliamentary Budget Office being told what they can expect to receive by way of data, modelling, variables, assumptions and whatever? I would be grateful if the parliamentary secretary could give me and my colleagues an answer to that question. (Extension of time granted)

The second question I would like to ask is about when costings would be released if we had completed 80 per cent of the costings of our policy proposals, or even more, before the election—if we had done 100 per cent, as the parliamentary secretary suggested we must. I think he said that any well-organised party would have all its policies ready and costed before the campaign started, but bear in mind that two-thirds of the government's policies, when they were in opposition and ran for election in 2007, were presented on the Thursday before the election in a press release. The detail actually got delivered on Friday at lunch time. It just makes a mockery of what the government says. We got lectured last night. We were asked how we could be expected to be considered organised if we did not have all that work done and costed before the election.
But let us say we had done that. Let us say we had done 100 per cent of the costings, as the parliamentary secretary has suggested—but which, in his own experience, he has never delivered. If we had done that, could he please explain when the costings data that was associated with that would be released publicly? He said last night that in the period before the 33-day campaign the costings of any policies would be confidential. That was always our understanding, but it is very important for us to know when the Parliamentary Budget Office would be required to release those costings in a public sense. Ultimately, if we announce a policy, the costings, as we have said from day one, would be subsequently released for the public to have a look at in an open, honest and transparent way.

The third item that I would like to pursue is an example that came up at the last election. We requested from the government in advance of the campaign—so that we could be prepared and have costings well ahead of the conclusion of the campaign, or even the start of the campaign—a status list of the infrastructure projects that they had already contracted out of the infrastructure fund that had been gifted to them by the previous government, and which they were in the process of spending. They have spent every other fund that was gifted to them, including the surplus.

Mr Briggs: Now they want the Future Fund.

Mr ROBB: Now they want the Future Fund. Now they are pillaging the Future Fund. But that is another matter. The point is that we asked for a list of the infrastructure projects, knowing full well that they would have contracted some confidentially but not others—that they would have other things in consideration but they would not have contracted them. We wanted that so that if we happened to win office we would have a capacity to change the priorities, as they did when they came to office.

We were unable to identify the government projects which we could cancel or reschedule because we did not have the list. So we asked for the list. We wrote formally. The Leader of the National Party, as I remember, wrote to the Minister for Infrastructure and Transport and asked for the list and the amount of money that was uncontracted. The request was ignored. He wrote again. It was ignored again. This is a government that came to office promising transparency, openness and honesty!

So we made a conservative assessment of the redirection of $3.3 billion from the fund. When we turned up to have a meeting with the two secretaries of the departments it was a one-way conversation rather than a discussion in many respects because everything that we put was not taken into account. We were told that we could not book that $3.3 billion because we had not identified individual projects. (Extension of time granted)

We were told that we could not book any of the $3.3 billion. In other words we had created, automatically, a $3.3 billion contribution to the $10 billion so-called black hole because we were not given a list of projects that were contracted and the amount that was uncontracted. The secretaries did concede that there were sufficient funds in the infrastructure funds to support these redirections. So there was $3.3 billion in the fund that was not contracted. The secretaries accepted that and conceded that there were sufficient funds but, despite conceding the money was there, we got fitted up with another $3.3 billion as a black hole. They said, 'We've made our decision,' for about the fifth time in a row. These things are why we have lost any trust in the
government in particular and in those that they send to deal with us in private. It was a stitch-up. It was a politicised process in the extreme. How can they defend that? There was by the admission of the secretaries $3.3 billion uncontracted, sitting there, available to be spent by an incoming government on the projects of their choice.

My question is: what happens if the Treasury at the next election says to the Parliamentary Budget Office in their memorandum of understanding, Thou shalt not receive a list of the projects and thou shalt not receive the amount of money that is uncontracted? What does that mean? Does it compel the Parliamentary Budget Office to take out an FOI? If it does compel the Parliamentary Budget Office to take out an FOI, I understand there is a 28-day period of grace for delivery. That is pretty much the campaign proper.

Can you understand now why we are starting to develop a massive level of distrust in this process? When I look back at the number of items that we were stood up from—and which we were told were black holes—and when I go through each one of those to try to establish the assumptions, we were not allowed to get access. In trying to establish the amount of money in funds, we were not allowed to get access. In trying to elicit from the government or the secretaries why they used 4.9 per cent on the bond rate when it had never been that low—and the market average for the previous six months was 5.5—when I try to get that information, which we were denied, I see that the PBO is likely to be denied that same information.

How better off are we now? Just about every item that we were knocked back on, which have been hanging around our neck and lit in the last year because of some so-called black hole, was actually the product of a politicised process. They were all products of being denied information again and again. When we question the parliamentary secretary now, it would appear that that information in all prospects will be denied the Parliamentary Budget Office. We will go through this charade of a dogfight throughout the campaign again. When we want to discuss the merits of the policy we do not want to be discussing whether we have something right or not, because we do not have access to the assumptions, to the data or to the variables, and the Parliamentary Budget Office by all accounts will not have them either. I would be grateful if the parliamentary secretary could answer those three questions that I have put to him.

Mr BILLSON (Dunkley) (20:19): I do share the frustration of my friend and colleague the member for Goldstein. We have the Marcel Marceau of the ministry here. He will not answer a question. He will not deal with any of these matters of substance that are brought before him. I wonder whether the Parliamentary Secretary to the Treasurer is here purely for ornamental value. It is a lovely tie, but I think there could be more value added to this debate tonight than him sitting there like a stunned mullet unable to answer very basic questions that go to the integrity of the proposal that is before us.

It reminds me of the contribution when the member for Page was critical of the opposition's vision of a parliamentary budget office and warned that, under the coalition proposal, the government would not have control of it. The member for Page belled the cat. Under the coalition's proposal the member for Page was concerned that the government would not have control of it. This is where the MOU comes in. You put this coathanger of a legislative framework in place, which has already had the guts ripped out of it, and then rely upon a memorandum of understanding with no threshold minimum
requirements of reasonable access. That gives you a sense of the efforts the government is going to to control the Parliamentary Budget Office so that it is yet another organ of the executive and not a resource that adds to the good governance of the country.

Then you go further and you actually have a look at what else was said to be the case. I refer back to the member for Fraser's contribution. He stood in this place and said on Monday, 12 September—and I quote—'the aim of the bill is to shine a spotlight on coalition costings'. The whole purpose of this bill is not to serve the parliament, it is not to serve good governance in the country, it is actually to provide another weapon with which the executive can seek to slap around the opposition. This is where we come to the whole debate about the motive with which the government is approaching this issue. You can absolutely understand, because there is case after case, example after example, evidence after evidence that shows the government is doing all it can to compromise, to hobble and to leg-tie the Parliamentary Budget Office so that it is in perfect synchronicity and harmony with whatever the government wants to have it do and the work it wants carried out. Even the Parliamentary Library, in its analysis of this, makes a point which is quite interesting. It talks about the debate in Australia and how the best known of such a parliamentary budget office is no doubt the Congressional Budget Office in the United States. It points to other countries, such as the United Kingdom, Canada and the Netherlands that have established similar bodies, and it makes, I think, what is proving to be a quite courageous claim. It says:

While the precise nature and functions of each of these bodies differs, a key feature is that they share an independence from the executive branch of government.

I am sorry to say that this is no longer the case. This is a parliamentary budget office quite of its own creation—one that seeks to be a resource to the parliament but which turns out to be nothing but a tool of the executive nobbled in terms of what it can do and then constrained in the information which it can access.

As I mentioned earlier, the MOU is supposed to be the process through which these issues are elucidated and the exchange of information carried out. Read some of the material that has been brought forward to support what the government is proposing. Even in its response to recommendations from the joint select committee there is a statement relating to 'the government proposes that memoranda of understanding between the PBO and government departments will deal with interactions with the FOI Act.' My friend and colleague the member for Goldstein made a very good point: is the memorandum of understanding just going to be a glorified FOI process minus the fees? Is that all we are talking about? That is the risk that we have here: an outcome which is no different from what is there now—an opportunity and a utility of the Parliamentary Budget Office that adds absolutely nothing to where we are right now.

If you read further into the joint select committee's report it goes into a rather lengthy statement about what the Treasury proposes would be excluded under the information-sharing arrangements that would so apparently inform the Parliamentary Budget Office. The Treasury asserts that these things should be excluded: specific information which is commercially valuable in nature; information produced for the purposes of the deliberative processes or the national economy. That goes to some of the very points the member for Goldstein is making: which projects to fund and which
ones not to fund; what is the recommendation that goes forward? Also excluded should be certain cabinet documents and ministers briefing documents. You can see it now. (Extension of time granted) This list goes on to talk about information which is subject to privacy and the like. What the Treasury is trying to do is shape up an expectation for these memorandums of understanding that seek to provide some flexibility but at the end of the day rule out anything that is useful in the effort of inquiry and inquisition that should be at the heart of the work of the Parliamentary Budget Office.

If you are wondering why we would be suspicious about this, it is because Labor has form. You look at what has happened in New South Wales, the process there, where there is an arrangement that is pretty much a tricked-up version of FOI that applies in New South Wales. The Clerk of the Senate considered these arrangements and the provisions that operated in New South Wales and offered to the committee this observation:

It seems to me that the Parliamentary Budget Office in New South Wales can get access to the sort of information from government agencies that anyone would be able to get under FOI in New South Wales.

The Clerk of the Senate then poses the question:

Is that good enough for a Parliamentary Budget Office?

He goes on to answer:

I do not think so, because the parliament is the grand inquisition of the nation, is scrutinising the operations of government on behalf of the people to use very broad terms and has both the rights and powers to have information to inform it to do that job properly.

That is the argument we are putting forward to make sure that the information is accessible and is not needlessly constrained.

Yet the government offers up this fig leaf of credibility in the form of an MOU. But what sits behind every reference, every attempt to explain what the MOU would actually do is that it constrains, it restricts, it limits and it impedes the access to the very information the Parliamentary Budget Office should have access to.

So I again put to the Independents—the Independents, where have they gone? That is right, they are not here. The Independents are not here. This debate, so fundamentally important to the new paradigm in good governance, we are in here debating these issues—

Mr Robb: It is after six.

Mr BILLSON: As the member for Goldstein said, 'It is after six,' but I just wonder where they are, because these are fundamental questions about whether this Parliamentary Budget Office only has the credibility of the name above the door but once you walk through that door there is nothing there. It is like a Hollywood film set: great front of house, nothing of any meat behind it, and none of the tools, powers or resources that it needs to carry out the important job this parliament and certainly this coalition hopes it would be able to contribute to the better governance of the country.

Mr BRIGGS (Mayo) (20:27): I rise again because of the lack of willingness from the Parliamentary Secretary to the Treasurer, who seems intent on playing texting games and having discussions with a political staffer in the box—who, I might say, if I can give some advice to the political staffer in the box: I previously sat in that box in a previous role. I say to you: you should not participate in debates. It is highly disorderly. It is a privilege to sit in this place. If you want to participate in the debate, young man, go and put your posters on the wall—
The DEPUTY SPEAKER (Ms S Bird): The member for Mayo!

Mr BRIGGS: put your name on the ballot paper.

The DEPUTY SPEAKER: The member for Mayo!

Mr BRIGGS: No, no, Madam Deputy Speaker, participating in—

The DEPUTY SPEAKER: The member for Mayo! The member for Mayo!

Mr BRIGGS: debate from the advisers box is highly disorderly—

The DEPUTY SPEAKER: The member for Mayo! The member for Mayo!

Mr BRIGGS: and it is inappropriate for political staffers to do so.

The DEPUTY SPEAKER: Would the member for Mayo like to withdraw for an hour? He will pay respect to the chair.

Mr Briggs interjecting—

The DEPUTY SPEAKER: I disagree. The member for Lyons on a point of order?

Mr Adams: The point of order is that you are attacking the parliamentary secretary personally, you are not dealing with the bill in detail, and you are attacking somebody in the advisers box.

The DEPUTY SPEAKER: The member for Lyons will resume his seat. I appreciate his assistance. I will deal with the matter. Member for Mayo, my concern at the moment was the disrespect you were showing to the chair. I will indicate that I will not tolerate it. The member for Mayo will constrain his contribution to the subject of the bill and the amendment before the House.

Mr BRIGGS: Thank you, Madam Deputy Speaker. I apologise for not showing you the appropriate deference, I genuinely do. However, the parliamentary secretary's lack of respect for this debate, playing games with a Treasurer's adviser in the box, who is participating in the debate, is inappropriate. It is not good enough, David. You are better than that. It is absolutely inappropriate—

The DEPUTY SPEAKER: And again! The member for Mayo will resume his seat.

Ms King: Madam Deputy Speaker Bird, on a point of order: I ask you to draw the member back to the subject matter of the bill.

The DEPUTY SPEAKER: The member for Mayo will get the call, but first of all I will remind him—I did not pull him up previously—that we will refer to members by the name of their seat or their position.

Mr BRIGGS: I will continue to refer to the parliamentary secretary, who should answer the questions that have been raised by the shadow finance minister, the member for Goldstein. They are legitimate questions. If he does not know the answers he can use his advisers in the box to get the answers to what are legitimate questions. We do have concerns about the memorandum of understanding. This is a direct attempt to stifle debate.

The DEPUTY SPEAKER: The member for Mayo will resume his seat.

Mr Fitzgibbon: Madam Deputy Speaker, on a point of order: I have been in this place for 15½ years; I do have respect for the member for Mayo, but never in those 15½ years have I heard a member of this place launch an attack on people in the advisers box who have no opportunity to respond in their own defence. I ask you to bring him to order and to have some respect for the orderly processes of the House—

The DEPUTY SPEAKER: I thank the government whip for his contribution, and I indicate to the House that I am in a fairly good mood in terms of keeping order, but I do not need more assistance than that which
has been provided. The member for Mayo, I am sure, will bring his contribution to the point before the House.

Mr BRIGGS: I appreciate the member for Hunter is trying to protect the parliamentary secretary, but that is exactly what I was doing. I was asking the parliamentary secretary to answer the legitimate questions raised by the member for Goldstein, the shadow minister for finance, which he is refusing to do. We can continue to raise questions with the parliamentary secretary. This is an important issue. We think it is very important; the Independents thought it was very important and I am sure the member for Lyne, wherever he is, thinks it is a very important issue. These issues that we are raising are legitimate amendments and deserve answers. This is what the committee stage of the parliament does. You might have been here for 15½ years, Member for Hunter, but you would not have seen a parliamentary secretary in the Howard government refuse to answer legitimate questions that the member for Goldstein, the shadow finance minister, has rightly put on the record for him to answer. He has got his advisers there, who are in this place to assist parliamentary secretaries not up to their brief and have been sent in to do their job. I should not respond to interjections but I will on this point to the member for Lyons: you had 12 years in opposition and this never got raised. When you were in opposition you voted against the Charter of Budget Honesty. The Labor Party is not interested in moving bills in this regard; they are trying to stifle what is a legitimate— (Time expired)

The DEPUTY SPEAKER (Hon. BC Scott): I call the Chief Government Whip, the member for Hunter.

Mr FITZGIBBON (Hunter—Chief Government Whip) (20:32): Thank you very much, Mr Deputy Speaker.

Mr Briggs: Mr Deputy Speaker, on a point of order: During my contribution there were several points of order raised which took away my time and I would appreciate an extension of time.

The DEPUTY SPEAKER (Hon. BC Scott): There are other opportunities to speak. The member for Hunter has the call.

Mr FITZGIBBON: I am very tempted to move an extension of time for the member for Mayo.

Ms King: Mr Deputy Speaker, I rise on a point of order. The member for Mayo, in an interjection, has just made a highly unparliamentary comment and I ask you to ask him to withdraw it. He just said that I misled—

Opposition members interjecting—

The DEPUTY SPEAKER: Order! I did not hear the comment the member for Mayo is alleged to have made. If it was unparliamentary he will assist the House by withdrawing it. I did not hear it.

Honourable members interjecting—

The DEPUTY SPEAKER: The parliamentary secretary has raised a point of order—

Mrs Bronwyn Bishop interjecting—

The DEPUTY SPEAKER: The member for Mackellar! The parliamentary secretary was offended by a remark that she considered unparliamentary. I did not hear that remark. The member for Mayo would assist the House if he were to withdraw that comment.

Mr Briggs: Out of respect for you, Mr Deputy Speaker Scott, I withdraw.

Mr FITZGIBBON: I am not going to pursue the point of order, but I am not sure
that the qualification at the beginning of that withdrawal met the standard of the standing orders. I will let it go through to the keeper. Suffice to say what the member for Mayo just did in terms of his withdrawal did meet the standards of the contribution he made to this in-detail debate and of course matches the standard we have come to expect—

The DEPUTY SPEAKER: The Chief Government Whip will resume his seat.

Mr Baldwin: Mr Deputy Speaker, on a point of order: The member is on his time debating aspects of the bill and he should address his comments in that order—not addressing the points of order.

The DEPUTY SPEAKER: The member for Paterson will resume his seat. The Chief Government Whip and the member for Hunter has the call and I bring him back to the amendment before the House.

Mr FITZGIBBON: I would be delighted to return to the amendment. I would be delighted to better the standard shown by those opposite in this debate, not only this evening but also on previous occasions when we have had debate on this issue—and indeed, over the course of the last 12 months. This is the standard we have come to expect from an opposition which has come to the view that if they cannot be in charge of this place, no-one will be and they will just play the wrecking game. We know that is what this debate is about tonight. We are in what is commonly known as a filibuster. It is not new to this place. Across the other side of Members Hall we have come to expect it, but I have never seen it pushed to such an extraordinary extent—and never have I seen, as I said earlier, a member of this place stoop to the level of attacking advisers in the advisers box in an attempt to make silly little points.

Opposition members interjecting—

The DEPUTY SPEAKER: The member for Hunter will resume his seat.

Mr Baldwin: Mr Deputy Speaker, on a point of order: The member for Hunter, the Chief Government whip, has not addressed one iota of an issue pertaining to this bill—

The DEPUTY SPEAKER: The member for Paterson will resume his seat. I will address that point of order from the member for Paterson. I was not in the chamber when this debate commenced, so I cannot comment on what has been ruled on prior to my occupying this chair at 8.30 this evening.

Mr Baldwin interjecting—

The DEPUTY SPEAKER: I do not need any advice from the member for Paterson; he will resume his seat.

Mr Baldwin: I am just pointing out—

The DEPUTY SPEAKER: No, you will resume your seat. I was not in the chamber before this debate started—I was here last night. The bill before the parliament at the moment is in committee stage and it is the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011. As I call the next person, I would expect that they would then, given those interjections and points of order, relate their comments to the bill before the House. I call the member for Mayo.

Mr BRIGGS (Mayo) (20:38): Thank you, Mr Deputy Speaker Scott. I will continue with my contribution about this, because the member for Goldstein raised a very important point in relation to the powers of the Parliamentary Budget Office to get information from the relevant departments—in fact, he raised an extremely important point about how quickly you can get that information and what is ruled out, particularly when it comes to FOI.

I can speak from some experience on this matter, because in recent times I have been
sending in quite a number of FOIs and I can tell you that the rules in relation to the timing of FOIs are very rarely met, which is the point of the question that the member for Goldstein asked the Parliamentary Secretary to the Treasurer. The member for Goldstein deserves an answer to that question in this debate. The question was a very pertinent one—and never mind the the 28-day time line to respond to questions on FOI; if they are not even being met, what guarantee can the parliamentary secretary offer in this debate that the information will be provided to the Parliamentary Budget Office in a timely manner to ensure that opposition members, or indeed Independent members of the parliament, are able to ask and get legitimate questions answered prior to or during an election campaign? The parliamentary secretary should answer that question. That is exactly the point the member for Goldstein was making.

Last night in this debate—Mr Deputy Speaker, you will remember—the parliamentary secretary redefined the reasons for the Parliamentary Budget Office. In response to the first amendment that we moved, he said that the Parliamentary Budget Office was ostensibly about having a comparison of election costings during the election campaign. He referred to an article in a newspaper from an economic commentator. But that is actually not the purpose of the Parliamentary Budget Office; the Parliamentary Budget Office is not designed to become a plaything of the government to use as an election tool in a campaign environment. What it is meant to do is improve the quality of the debate.

The future Labor Party president, who is in the chamber, would understand that we are meant to be part of and engaging in genuine debate about costings and about policy, to assist the opposition the Independent members of the parliament, and even the Greens, to come up with fiscally responsible policies which can be implemented in government. It is not about using it as an election tool for a government of the day to belt up the opposition or Independent members, or even the Greens, about their policies, which is what the parliamentary secretary said last night. So this second amendment and the questions that the member for Goldstein rightly asked—and it might be a laughing matter for some—are genuine issues about the independence and the ability of the Parliamentary Budget Office to get information from departments prior to and during election campaigns. It is about giving reasonable advice to members of parliament—not over a long period of time and not with MOUs which rule out specific material which can be provided and expected to be undertaken in FOIs.

The member for Goldstein asks legitimate questions; the parliamentary secretary is hell-bent on ignoring those questions, under instructions from the Leader of the House no doubt. It is appalling that this debate—which is an important debate, an important reform—many members of parliament have spoken about how important this reform is. We on this side of the House asked for this reform three or four budgets ago now, when the member for Wentworth was the Leader of the Opposition. This is an important reform; the Independent members of the House think so. The parliamentary secretary thinks it is of such little importance that he will not even answer a legitimate question from the member for Goldstein; he is not interested in engaging in this debate; he should stand up now and give this House a guarantee that the Parliamentary Budget Office will be able to get genuine information from departments under these MOUs. We do not think they will; that is why we are moving this amendment.
It is up to you, Parliamentary Secretary, the ball is in your court. If you are any good at this, you will be able to explain how this will work. You will be able to guarantee in this place how this will work. This amendment will be either through your words of assurance in answer to the member for Goldstein’s legitimate questions or through passing this amendment, which we hope, because it will add to the strength of what will be a good reform in this place. You should engage, Parliamentary Secretary Bradbury, in this debate. You should stand up and answer those questions this instant.

Mrs BRONWYN BISHOP (Mackellar) (20:43): When this debate began last evening, we began by discussing the fact that this proposal for a parliamentary budget office was the initiative of the opposition. It was our initiative because we clearly saw the need for independent advice that could assist us with our costings and that was free of the influence of Treasury, which is now a politicised body. We need to ensure that when we have our costings released they will not be subject to the sort of treatment that the then head of Treasury, Mr Henry, meted out when we agreed to put our costings—which had been done independently, to the Independents, allegedly so they could make up their minds on the basis of the assessments done who they would choose to vote with, in order that a commission to form a government could be granted.

Last night I started to talk about the minutes of the meeting that the head of Treasury, Mr Henry, meted out when we agreed to put our costings—which had been done independently, to the Independents, allegedly so they could make up their minds on the basis of the assessments done who they would choose to vote with, in order that a commission to form a government could be granted.

Item B was the costings of opposition election commitments, and these minutes say that the attached briefing paper had been provided to the Independents and that the discussion had begun by noting that the approach taken to preparing the briefing for the costs on the government's election commitments had been, firstly, to consider the impact of the commitments on the position announced in the Pre-Election Economic and Fiscal Outlook and, secondly, to prepare advice on the impact of the election commitments on the same basis as the departments would use for an incoming government.

The problem with this briefing session was that, whatever question was put, the answer given was enormously favourable to the government that had contested the election—in other words, the Labor government. Also, dishonest answers were given—or, should I simply say, answers were spun—so that we saw Treasury choose to knock out nearly $10 billion from our costings and our savings, which were $11½ billion dollars, on what I can only describe as spurious grounds. The Treasury simply said of the $2.5 billion of savings that were put down and noted against the issue of conservative bias allowance, ‘This is not a real saving.’ Yet Treasury itself had presided over a similar saving of $4.6 billion that had been notched up in the budget papers of the existing government—no consistency, no honesty.

Of the expenditure of $3.3 billion that we claimed savings for from the three funds—that is, the Health and Hospitals Fund, the Education Investment Fund and the Building Australia Fund—the Treasury said, ‘We’re not going to allow that as an acceptable saving because you haven’t specifically identified the individual programs funded from those funds before the election.’ How dishonest is this? In 2007, Mr Rudd went to the election and said, ‘We will reserve the right to cancel committed programs which have not yet been contracted’, which is exactly what we were going to do. Treasury identified that there was $3.6 billion available under those funds for us to have
claimed and booked, but we only claimed 
$3.3 billion, and yet, dishonestly, the 
Treasury said to the Independents, 'They 
can't claim that $3.3 billion because they 
haven't identified those programs.' Prior to 
the election the shadow minister for finance 
and others had asked for those programs, 
and—guess what?—Treasury could not find 
them; they did not exist. Yet later in the day 
they suddenly found a secret list of those 
programs and how each of them was costed. 
We then asked for them in this very serious 
meeting with these Independents who, 
through their decision about who they would 
back, were making the decision for the 
nation. What did Treasury say? They said, 
'We can't let you have them; they're secret.' 
Did they give any reason for that? Of course 
they did not; it was designed to influence the 
Independents to support the Gillard pitch. 

Then we come to the question of another 
$2.4 billion, which was claimed against the 
NBN. (Time expired)

Mr FLETCHER (Bradfield) (20:48): My message to the Parliamentary Secretary 
to the Treasurer this evening is that we are 
from the opposition and we are here to help. 
We know that your objective is to give effect 
to the intention of the government, as stated 
by the Prime Minister last year, that we 
should 'let the sunshine in', but we also know 
that from time to time there can be practical 
challenges in letting the sunshine in. It can 
sometimes be the case that, when you reach 
to pull the curtain cord to open the curtain 
and let the sunshine of transparency flood 
into governmental process, there are small- 
minded people deep within the machinery of 
government who resist the tug on the cord. 
We know, Parliamentary Secretary, that you 
are not one of them, because you have 
brought forward this excellent legislation 
which is designed to give effect to an 
objective that all of us in this parliament 
share: to empower the parliament—to 
empower the legislature—to be as effective 
as possible in dealing with economic, 
financial and budgetary matters. All of us 
share the objective of equipping the 
parliament with an office which will best 
assist it to deal with these important matters 
through the provision of independent, 
effective, expert advice.

We know, Parliamentary Secretary, that 
you are interested to hear helpful suggestions 
which will make your admirable bill even 
more effective. Therefore, we are certain that 
you are interested in the experience that we 
on this side of the House have to offer of the 
unfortunate reality that from time to time 
there can be a gulf—a small gulf but still a 
gulf—between the government's best 
intentions and its actual performance on the 
matters of transparency and accountability.

The point we wish to make to you this 
evening, Parliamentary Secretary, is that 
section 64F of the Parliamentary Service 
Amendment (Parliamentary Budget Officer) 
Bill 2011, as it stands before the parliament, 
is not as empowering as it could be of the 
Parliamentary Budget Office and the 
Parliamentary Budget Officer. It envisages a 
scheme under which the Parliamentary 
Budget Officer may approach, meek and 
trembling, the departments of state and 
request that they make an arrangement under 
which information can be provided. It is, 
some would say, small-minded and even 
suspicious to even raise the possibility that 
the departments of state may not necessarily 
leap to be cooperative with a parliamentary 
budget office—a creature of the legislature— 
in this scenario. But let us adopt the great 
words, the guiding principles, of Ronald 
Reagan, who said, 'Trust but verify'—a quote 
you, I am sure, would be familiar with, 
Parliamentary Secretary. I have no doubt that 
it is a phrase which is oft quoted in Penrith.
Parliamentary Secretary, I put to you that amendment (2), which the member for North Sydney has moved this evening, among the excellent amendments that he has circulated, would give the Parliamentary Budget Office somewhat greater powers of seeking information than are in the undoubtedly well-meaning but, sadly, slightly deficient bill that you have brought before the House this evening. It ought to be given very careful consideration by this House. If your objective is to produce a powerful, well-resourced parliamentary budget office which can give effect to its objective of being a source of independent advice to the parliament—and we do not doubt for a second that it genuinely is—then this amendment should be adopted.

Mr BUCHHOLZ (Wright) (20:53): Thank you, Mr Deputy Speaker, for allowing me to speak on the amendment to this bill. This is an important part of the evening, when we come to the transparency of this government. I am a new member in the House and this amendment speaks to the budget costings being able to be compared from the same starting point. Those assumptions are vital in developing the strength of rebuttal to the most important economic debate in our nation when it comes to that part of the electoral cycle.

The government's position in this debate is that there is equity and transparency there and that it comes in the form of a memorandum of understanding. We beg to differ, and you can see by the number of members in the House tonight that the MOU provision put up by the government is not satisfactory and does not provide the transparency that the opposition seeks. It is not enough. There is a concern that under the MOU the departments will be directed by the Treasurer and the will of the government of the day. The Parliamentary Budget Officer needs the capacity to get confidential information and pass it on to whoever is in opposition at that point in time so that there is transparency in government.

This debate comes back down to trust. When we look at other bills being debated in this House during this time, trust is not one of the commodities that the government has a strong capacity for. I do not want to go through the rhetoric of, 'There will be no carbon tax under a government I lead,' and I do not want to talk about Swanny's—

An opposition member: Don't go there!

Mr BUCHHOLZ: So I will not go there. This is a fair dinkum debate and I commend the parliamentary secretary for showing up, but I do have an element of concern about the parliamentary secretary's capacity to engage in this debate. Being a new member I deadset thought that I would ask you a question, you would answer it, we would leave the chamber and the debate would be concluded. I can only conclude that the arrogance shown by the government has contributed to the continuation of the debate. I look forward to the many questions that have been asked in this forum tonight being answered, because we truly are looking for transparency.

I bring the government's attention to proposed section 64H, which deals with requests for costings of policies or proposed policies outside the caretaker period. A key feature is proposed in 64H(2), which empowers senators and members of the House of Representatives to request policy costings. Whilst there is a capacity there to request them, there is no provision for them to be made available. To illustrate that, proposed section 64H(2) reads:

A Senator or a Member of the House of Representatives may request the Parliamentary Budget Officer to prepare a costing of a policy or a proposed policy.
As speakers before me have alluded to, that provision really has no more strength than an FOI request. I ask you sincerely to consider this when you talk about letting the sunshine in and making the parliament more transparent. I do not mean to direct all the heat at you guys, even though you are in government, because a little bit of this lands at the feet of our Independent colleagues on the crossbenches. They have supported this amendment from the get-go.

What we also ask for here is the capacity for confidentiality—that, when a request is made, it does not go up on a website or billboard or end up on the front page of the Australian. Ladies and gentlemen of the parliament, I have sincere concern that this debate will continue according to the arrogance being shown by the parliamentary secretary with his capacity to end the debate. (Time expired)

Mrs BRONWYN BISHOP (Mackellar) (20:58): When I was last speaking, I was making the point that the real intent of the government bringing in their version of a parliamentary budget office is to enable them to again repeat the false undermining of the budget costings that we took to the last election. We took the view prior to the last election that we would not submit our costings to Treasury because of the bias in Treasury. We had them independently costed by reputable people and it was only after the election was held, and there was no winner, that the Independents demanded that costings be examined by Treasury and that they be briefed upon them. I had dealt with the fact that Treasury had disallowed $2.5 billion of our costings from the item of conservative bias allowance, quite inappropriately, and they had disallowed $3.3 billion against the three funds, where they had identified $4.6 billion, but they had, they said, a secret list of programs and that we should have identified individual programs for our savings to be valid. They disallowed $2.4 billion of savings that we identified that could be saved from the NBN, because Treasury said that they said that their estimate of the interest rate paid on the borrowings they would have to make was 4.9 per cent, whereas we said it would be 5.5 per cent, which gave us the right amount of savings. We had based that on the average of the bond rate over the six months prior to the election. Yesterday, I produced an average of the bond rate from July 2010 to date, which in fact showed that that bond rate is 5.23 per cent. So, once again, Treasury got it wrong and wrongly disallowed that saving for the benefit of the Independents.

There was a further $600,000 that they knocked out which were to be savings from our policies to get people off welfare benefits and into the workforce, which would allow tax to be paid by those people and savings to be made by welfare. Treasury said, 'No, you can't claim those because they come from a second-round incident,' yet they had allowed savings in the government's budget papers of a similar amount of money that were second-round benefits. Again, that was inappropriately disallowed. There was $1.15 billion disallowed by Treasury with regard to the Pharmaceutical Benefits Scheme because, they said, of the identified 40 per cent of savings that could be identified from the arrangements first entered into by the present Leader of the Opposition when he was health minister and then by the government itself, they wanted to legislate for 23 per cent of those savings. So there was another 17 per cent to be booked by us. That is nearly $10 billion of the so-called $11 billion black hole. There was no black hole, and yet the politicisation of Treasury allowed this to become a statement that was made and the Independents said they partially—if not wholly—made their decision to go with
the Gillard lot on the basis of what Treasury had to say to them.

This is the important point about this bill. We said we want to be independent of Treasury. We want to have access to Treasury modelling and Treasury estimates, but we do not want it to be tied to the coat-tails of Treasury, because that places any opposition in the position of simply having a biased Treasury that misleads people and disadvantages an opposition in a way which is, quite frankly, unconscionable. We have sensibly moved the amendments to make sure that we can have access to the right data and make sure that a parliamentary budget office has access to outside data, which would allow a true independent assessment to be made. But, with the poor old parliamentary secretary over there being silenced by the Leader of Government Business, he has again been placed in a position, as we said right at the beginning of the debate, of being a boy on a man's errand. He is quite a nice chap, but the problem is that he just does not have the wherewithal and it is not his—(Time expired)

Mr SIMPKINS (Cowan) (21:04): It is a great joy to enter this debate tonight. One of the great things about being a member of parliament is that you get the opportunity to go out to the schools of your electorate and talk about what a great, strong democracy we have in Australia. I describe to the children in the high schools the way the parliament works and the advantages of government. I say that on the government side they have some extra staff in their offices in the ministerial wing, but behind the ministers they also have the departments—all those thousands of public servants dedicated to helping the government. One of the reasons it would be good for the opposition to win the next election is that we would get all that support.

I was in the chamber to hear the very fine points that were made by the members for Mackellar, Bradfield, Mayo and Wright. It is very important that we are true to that which was brought out by the originators of the concept—that is, the shadow Treasurer, on this side. When we look back at what happened at the time of the 2010 election we see the way in which Treasury was used and directed to find every possible way to undermine and cast doubt on the figures of the opposition. It was very clear from that point on that a parliamentary budget office was needed in this country, but not a parliamentary budget office in the way that the government has bastardised the original concept—not this strange amalgam of rules that will see Treasury maintaining control and oversight through the MOU process. It is absolutely bizarre.

When you talk about the independence of the Parliamentary Budget Office, what the government are putting forward is surely nothing more than a continuation of the same advantages that they were able to direct in the form of what happened at the time of the last election. It is clear that what we need in this place for better democracy so that we can be true to the Australian people, should we ever have a hung parliament again and so that figures are accurate and unbiased, is an independent parliamentary budget office that is empowered to give information and is not tethered to the coat-tails of Treasury. That is the only way forward. When we look at amendment (2), it is clear that what the shadow Treasurer has proposed is to see restored the original concept, the original independence and the original value that the Parliamentary Budget Office was designed to have. Sadly, I think the government is not interested in that. It has seen the advantages that were derived after the previous issues and it is determined to hold on to those same sorts of controls. Whilst the government
might throw it out there in the ether and in the media to suggest that somehow what we are proposing is to undermine the Parliamentary Budget Office, what we are doing is making sure that this Parliamentary Budget Office is true to the independence that is absolutely critical in this case.

The trouble is that what we have in this place is a government who is very much in favour of a facade of what this Parliamentary Budget Office might be. At the heart of what the government is about is a maintenance of that status quo—somehow holding the Treasury to a position of doing the government business, undermining a legitimate opposition and weakening the democracy that this Parliamentary Budget Office should deliver. I think it is an absolute disgrace, and there is no reason at all why this second amendment should not be accepted by the parliament. I look forward to it passing when the time comes, because what we need is a stronger democracy so I can go back to those kids in my electorate and say that we have a better democracy than we used to have. (Time expired)

Mr BILLSON (Dunkley) (21:09): Given that the parliamentary secretary seems either unwilling or unable to answer any of the legitimate questions that the coalition has put to him, I would like to help him if I may. We agree occasionally, and here I am to help you, sir. Given that the parliament is nobbled by having the Marcel Marceau of the ministry here tonight, not speaking a word about the issues that we have raised, let me just recap where we have got to. This second amendment introduces a new schedule that gives information-gathering powers and deals with secrecy so there is no reckless distribution of information. The government seeks to oppose that amendment and to leave in its place section 64F, which basically says the PBO will enter into a memorandum of understanding. If you dig further and actually look at what the government is proposing, there is an explanation in the explanatory memorandum:

In the interests of efficiency and consistency, it is envisaged that an MOU will initially be developed with the Departments of Finance and Deregulation (Finance) and the Treasury (Treasury) and that other agencies would use this agreement as necessary.

I thought I would go to the source document, which is the submission provided by the Treasury and the Department of Finance and Deregulation to the Joint Select Committee on the Parliamentary Budget Office. I thought, seeing as the parliamentary secretary will not explain just what the MOU may or may not contain, I would go to where the agency advocating it outlined what it thought the MOU should contain.

Our concern earlier in the evening was that there are existing powers to access information in the Freedom of Information Act, but when you look at the submission from the Treasury and the Department of Finance and Deregulation you see they are not content to have the limits, the restrictions and the exemptions that are applicable under FOI—they actually want to go further. On page 12 of the submission from Treasury and the Department of Finance and Deregulation they talk about the need for formal protocols, but they make the point that it would be unfair to ask departments to be too open about the information for fear that it might conflict with the departments' obligation 'to manage their departments for the benefit of their minister'. What they are saying is that the framework of this MOU will seek not to compromise what in the eyes of Treasury and the Department of Finance and Deregulation is to the benefit of their ministers.

The submission goes on to suggest a good starting point—and it is only a starting point—is the use of the information
protocols that are there in relation to freedom of information. It outlines the current exemptions that are available under the FOI arrangements. It goes on to say:

Provisions would need to be made to allow agencies to refuse requests on the same grounds that documents can be exempted under the FOI Act and for the review of those decisions.

Not content to simply nobble the Parliamentary Budget Office so that it has no more power than anyone making an application under FOI, they do not want to leave it at that. There is actually a proposition here to wind it back even further. Not content with the existing constraints and with replicating those that exist under the Freedom of Information arrangements, the Department of the Treasury and the Department of Finance and Deregulation, the very agencies that in the explanatory memorandum are said to be shaping this MOU that the parliamentary secretary cannot talk about, go on to say that beyond FOI constraints there are other types of data which government agencies use in their work that could not be provided to the Parliamentary Budget Office.

We have before us the evidence trail that highlights not only that the government does not want to properly empower the Parliamentary Budget Office, as it seeks to substitute a memorandum of understanding arrangement, but also that the MOU arrangements will actually be more restrictive than the current FOI restraints. This is yet another example of how all this is about the government making sure that the Parliamentary Budget Office is so constrained and so hobbled to the executive that it becomes an agency and an arm of the government rather than an independent, properly authorised and properly empowered organisation that can add to the good governance of the country. I ask the Independent members to consider this: did you ever think the Parliamentary Budget Office would have less power than a citizen under FOI? If the answer is no, you surely must back the coalition’s amendments, because that is exactly the plan the government is seeking to implement. (Time expired)

Mr ROBERT (Fadden) (21:14): I rise to provide comment on the coalition’s very sensible second amendment to the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011, the bill where once again the government are asking us to take them on faith. I think that all gathered here agree that we are sick and tired of taking this government on faith. We took them on faith on school computers, which are still not delivered; we took them on faith on overpriced school halls, to find that state schools were ripped off to the tune of 60 per cent of the value of private schools; we took them on faith on Green Loans; we took them on faith on the solar rebates, which have been an unmitigated disaster; we took them on faith on pink batts; and we took them on faith on live cattle exports. The list goes on of where we have taken these people on faith.

The coalition has asked numerous questions this evening from the emasculated member opposite, who refuses to answer even the most simple questions. So I simply say to the parliamentary secretary—the good Commander Bradbury of ‘HMAS Sinking’—there is time for you to outline exactly the requirements of this highly secretive MOU that the government is putting forward.

The member for Wentworth outlined a perfectly good parliamentary budget office in 2007-2008, an opportunity for costings to be properly understood. It was built on the back of the Charter of Budget Honesty which, as we all know, came in when the Howard government came in because the then
finance minister actually stood publicly and said that the budget was in the black and that the finances were under control. The Howard government came in to find a level of astonishing duplicity resulting in a black hole of something like $8 billion or $9 billion in Commonwealth finances—hence the Charter of Budget Honesty came in.

And yet in 2007 when this government came to power and they put forward their policy costing to the Treasury, 130 of its over 160 policies were put in for costing on the last possible day imaginable and Treasury threw up its hands. Do not listen to what these people over there say, watch what they do because of the duplicity they showed when coming into office in 2007. They had no intention of having their policies costed; they put them all through on the last day. That is how I remember your government coming to power, Parliamentary Secretary. That is how I remember you treating with contempt the Charter of Budget Honesty.

The DEPUTY SPEAKER (Hon. BC Scott): I remind the member for Fadden that he should not—

Mr ROBERT: I withdraw and am admonished, Mr Deputy Speaker. The parliamentary secretary, Commander Bradbury, comes into this place with the Parliamentary Budget Office—

The DEPUTY SPEAKER: No, Member for Fadden—

Mr ROBERT: I withdraw. The parliamentary secretary, the member for Lindsay, comes in supporting a parliamentary budget office, even though in 2007 on coming to the treasury bench the government could not fulfil the requirements of the Charter of Budget Honesty. And here they are, laying down a range of issues with respect to the Parliamentary Budget Office that severely constrain the powers of that office and that require the PBO staff to go and have secret MOUs with a whole range of government departments.

The question for the government is: how hard is it to be open, honest, accountable and transparent? I know you won office in terms of duplicity. I know you won 2010 because of gross duplicity. I know you won the last election because the Prime Minister stood there and said 'There will be no carbon tax under the government I lead.'

The DEPUTY SPEAKER: Member for Fadden, I did not win—

Mr ROBERT: Now is the opportunity for you, sir, to come clean with this government—

The DEPUTY SPEAKER: Order! The member for Fadden will resume his seat.

Mr Stephen Jones: Mr Deputy Speaker, I rise on a point of order. The point of order is on relevance. The bill before the House is the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011, not any other legislation that might be before the House.

The DEPUTY SPEAKER: There is no point of order. We are talking about a budget bill, and in the budget there are money matters that are wide ranging. I call the member for Fadden and I remind him also to direct his comments through the chair and not at the chair.

Mr ROBERT: We are talking about the second amendment. We will find out tomorrow when the amendment to the Migration Act comes in, and we will see how aligned the convenor of the Left, the member for Throsby, is with his values and principles. We will see, sir, how relevant you—the member for Throsby—are tomorrow when those bills come in. But right now, in terms of this amendment, this is
simply saying that the coalition's amendments relating— (Time expired)

Ms King: Mr Deputy Speaker, I rise on a point of order. I ask you to draw the member back to the subject matter of the amendment, not the member for Throsby.

The DEPUTY SPEAKER: The parliamentary secretary has raised a point, but I think you will find that it has been a very wide ranging debate for the last two nights. And the member for Fadden's time has expired.

Mr CRAIG KELLY (Hughes) (21:19): I rise to support amendment (2), moved by the member for North Sydney. If we are to have a fair dinkum parliamentary budget office, this amendment is absolutely necessary. What we have in the government's bill is simply a clayton's parliamentary budget office. It is the type of Parliamentary Budget Office you will have if you really do not want one. But I trust that this is not a deliberate policy of this government. I trust that it is just sloppy legislation and sloppy drafting that has led to this situation.

Mrs Griggs: As usual!

Mr CRAIG KELLY: That is right. I am a believer in the old saying that if, it is a choice between a conspiracy and a stuff-up, always go for the stuff-up. But on this government's record I would bet my bottom dollar on it—I would put my last dollar on it—that this legislation is a stuff-up and that they have not done this deliberately.

I trust that the parliamentary secretary is here in good faith and that he actually might stand up and answer some questions rather than just sitting there in the chair like a scarecrow. If you have been silenced, Parliamentary Secretary, I really feel sorry for you, because you will need to think about what will happen when you guys might be in opposition, which might be sooner rather than later. There are a few members in the chamber here who just might hang on. I see the member for Chifley over there and the member for Throsby. I know you guys have big margins, but you never know—you might just hang on and be here in opposition very shortly. And you would want the most effective parliamentary budget office that this government could possibly have.

These amendments will not only strengthen the parliament but also strengthen the decision-making processes of this entire parliament for the betterment of the nation. And do we not need it at this time? We have to look at the fiscal position this government is leaving us in. In just four short years you guys have had the skill and ability to run up combined deficits of $150 billion. Congratulations—a brilliant effort! Going forward, in years ahead we have to work out how we are going to pay this back. We are going to have scarce and limited resources, and they will always be—something you guys simply do not understand. Therefore, we have got to make sure that the decisions made by this parliament and the policies that are put in place by the opposition and the government are the best and most effective they can be.

Just think of that $150 billion. The Treasurer is probably looking in the mirror now, practising his speech for the award of the World's Greatest Treasurer. He is talking about cracking it for a surplus of $3 billion. Let us just say that all the planets align and you guys do get that $3 billion, you will all stand up and applaud him. I would like you to remember that you have done $150 billion in four years, so if you can do $3 billion in one year you are going to take 50 years to bring that back. You have not cracked it for a single budget surplus in 20 years and to undo the damage that you guys have done in the last four years you will have to repeat this effort for the next 50 years going forward. That is the damage that you guys have done
and that is the reason we need a truly independent and efficient parliamentary budget office.

Opposition members interjecting—

Mr CRAIG KELLY: That's right, there is poor old Wyatt here—21 years of age—maybe for his next birthday!

The coalition's model of a parliamentary budget office has been developed over many years, unlike the one that you guys are putting forward which has simply been rushed through. We have actually sat down and thought about it. We have thought about the fact that you do need confidentiality provisions. They are most important and that is what this amendment will bring. Also, you cannot have the powers restrained, like your proposal does, and that is another reason that this amendment is desperately important.

In the remaining time we have left, as we are getting close to 9:30 pm, we hope that the parliamentary secretary will get to his feet—he has got 20 seconds to go—and at least answer some of these questions and not just sit there in silence as we have seen in the last hour. We know he wants to say something. We know that he has been nobbled. Come on, mate, get up, have a go; just don't sit there. I will give you the opportunity.

Mr TUDGE (Aston) (21:24): I rise to contribute to this very important debate in relation to the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011 and the particular amendments which we are moving now. This is an incredibly important debate, and of course it is only occurring because of the actions of the coalition and in particular the actions of the member for North Sydney in putting this matter on the agenda. We would not be having this discussion at all—the government would not be putting forward a countermotion—had we not put this agenda item on the table in the first instance.

This is important for a number of reasons. Most importantly, it is critical to have an independent office that the opposition can rely upon, can have confidence in, and can get detailed analysis from in order to put forward its propositions going towards an election. We know there have been problems in the past. We know that, when the opposition has put in costings to the Treasury in the last few years, we have not always got the confidentiality that we would demand. We have not always got the analysis and integrity that we would have expected from the particular process. So we have moved to establish a completely independent parliamentary budget office so that we do not have to rely upon the Treasury in order to do this particular work and we do not have to rely upon information which could be compromised from a confidentiality perspective.

This particular amendment that we are putting forward, amendment (2), strengthens these objectives. It is an objective which is apparently now shared across this chamber. It is no longer our objective just on this side of the chamber to have an independent office; it is indeed apparently an objective of the government members also. Apparently we now all want an independent office. Apparently we now all want terrific transparency to enable the opposition to get independent confidential costings leading up to an election. We apparently all want the sun to shine in and for there to be greater accountability in relation to this particular matter. Given that these are apparently the shared objectives, I ask the government to consider very carefully the particular amendments that we are putting forward now in order to deliver upon those objectives.
One of the key parts of giving an agency independence and integrity is its ability and its right to be able to gather information in order to do its analysis. If the agency does not have that ability to gather the information that it requires, then its analysis will be compromised. At the moment, under the government's bill, gathering that information would be reliant upon a memorandum of understanding between the Department of the Treasury and the other departments. We do not think that is good enough, and the member for Dunkley has gone through some of the reasons that has been the case. Indeed, the Treasury has been advising that the ability for the PBO to access information from other departments would be less than the current ability to access that information under the present freedom of information laws.

So our amendments here strengthen the ability of the Parliamentary Budget Office to gather the information that is required for it to do its job. If you go through and look at the particular amendments, they are very straightforward. In essence, they enable the Parliamentary Budget Officer to require and obtain the information that it sees fit. If the government honestly believed in the objectives of creating an independent budget office with proper powers and proper scrutiny, then it would support this particular amendment.

The other critical thing is that the Parliamentary Budget Office must operate in a confidential way. The second part of our amendment is that it strengthens the confidentiality provisions. They are very straightforward amendments here. They empower the Parliamentary Budget Office to obtain the information that it needs and it empowers the Parliamentary Budget Office to ensure that there is confidentiality. I submit to the government: support these amendments if you are fair dinkum about the Parliamentary Budget Office. (Time expired)

Mr PYNE (Sturt—Manager of Opposition Business) (21:30): Mr Deputy Speaker—

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! It being 9.30 pm, I propose the question:

That the House do now adjourn.

Mr Albanese: Mr Deputy Speaker, I require that the question be put immediately without debate.

The House divided. [21:34]

(The Speaker—Mr Harry Jenkins)

Ayes .................67
Noes .................68
Majority .............1

AYES

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Cobb, JK
Crook, AJ
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Scott, BC
Simpkins, LXL

NOES

Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Coulton, M (teller)
Entsch, WG
Forrest, IA
Gambaro, T
Griggs, NL
Hartsuyker, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Neville, PC
O'Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Secker, PD (teller)
Slipper, PN
BILLS

Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011

Consideration in Detail

Debate resumed.

The SPEAKER: The question is that amendment (2) circulated in the name of the member for North Sydney be agreed to.

Mr ROBB (Goldstein) (21:40): I am very grateful to be given some more opportunity to see if we can, for the first time tonight, elicit one answer at least from the parliamentary secretary. It is a great occasion to see the Treasurer. Finally, the Treasurer has summoned up the courage. He is the world's greatest Treasurer and he has summoned up the courage to come down to the chamber on the issue of the Parliamentary Budget Office! I am sure that the world's greatest Treasurer would have the integrity to fix this bill, before he leaves the House!

Mr Hockey: Scurry out.

We have an opportunity, hopefully, in whatever period we have, for the first time tonight to get an answer to a question. The member for Forde made a very astute observation. The whole point of this debate, the whole point of this legislation, the whole reason we put up this proposition some years ago—was to ensure that there be some independent authority which would, with honesty, openness and transparency, consider and cost the policies of both sides of politics.

We have been unable to get any answers out of the parliamentary secretary opposite. So I would like to ask some more questions. Perhaps I will ask some easy questions to start with to get him into the mood of
answering questions. Parliamentary Secretary Bradbury, the first question I would like you to answer is: what does a 26 per cent primary vote mean for a parliamentary leader? You might be able to get yourself warmed up—

The SPEAKER: This is the first opportunity that I have had to be in the chair on a debate on the consideration in detail of this piece of legislation. The consideration-in-detail debate is a very narrow—I emphasise 'very narrow'—debate. We have before us an amendment moved by the member for North Sydney that goes to a particular clause in the original bill and suggests words that replace it.

That is the subject of the debate now. Whatever has happened for the last three or four hours of debate, just forget it. You had your opportunity to speak in the second reading debate; this is not a rerun.

Mr ROBB: It is very difficult to forget the last four hours because I put a series of questions that are very narrow and very deliberate. They go to the question of this amendment. The parliamentary secretary opposite got told last night—we heard it—by the Leader of the House, 'This is not question time; you shut up and stop answering questions.' That is what we heard and that is what he has done all night. He has sat there, mute, all night as we have sought to get answers to legitimate questions. Will the Parliamentary Budget Office cost the government's policies? Will it use the information that has been made available by Treasury and others to cost the government's policies?

The second question that I have asked is: when do we see released the costings carried out if we have done 100 per cent of all of our costings before the election, before the campaign proper? It is not a difficult question, Parliamentary Secretary, it is very easy. It is why I pitched up that dorothy dixer before to get you warmed up to answering some of the questions. You have to get in the mood, obviously. You have not looked at us all night. You have not opened your mouth. The way in which you are dictated to by the Manager of Government Business is a disgrace. This is an insult to the people on this side of the parliament. We will keep speaking and we will keep asking questions until you answer some questions, until we know whether this bill is something we can support and until we know whether this amendment is necessary or not.

Mr ROBB: You can keep your mouth shut up the back there, thanks.

Mr ROBB: Amendment (2), Mr Speaker, goes to the issue of both the data and information that can be acquired by the Parliamentary Budget Office and the secrecy provisions that surround it. If there is to be a parliamentary budget office, which costs both sides of politics in an independent, honest, open and transparent fashion, we need to know: will that Parliamentary Budget Office cost the government's policies? Will it use the information that has been made available by Treasury and others to cost the government's policies?
totally unsuccessful, as have about 30 of my colleagues to date, but we will keep going and we will keep trying. I ask you, Parliamentary Secretary: if we do carry out our costings, everyone of them before the campaign begins, when is the Parliamentary Budget Office required to release the costings that it has determined in the period before the 33-day campaign? It is not that difficult. You have had that question for 2½ hours now and still have not provided an answer. I would be grateful for an answer to that question.

Secondly, we are told in the government's own explanatory memorandum to this bill that the MOU may also outline the grounds on which agencies can refuse access to information, which could include the same grounds that documents can be exempted from requests under the Freedom of Information Act 1982 and other relevant legislation. It goes on to say that the MOU would offer options for recourse by the officer should the requested information not be provided. This would seem that the Parliamentary Budget Office will be denied all information that would otherwise be able to be obtained by us under FOI. The same criteria that apply to FOI will apply to the restrictions applied on the Parliamentary Budget Office. I would ask the parliamentary secretary if that in fact is the case. Is that the case that the Parliamentary Budget Office, in dealing with the memoranda of understanding cast with up to 30 departments, can ask for and expect to get no more than what we could today request under FOI? (Time expired)

Mrs PRENTICE (Ryan) (21:49): Thank you, Mr Deputy Speaker, for the opportunity to contribute to this debate on the Parliamentary Budget Office and the member for North Sydney's amendment (2). As we all know, this was a policy first proposed by the coalition back in 2007. It is wonderful that the government has embraced this initiative and put forward this bill. But as it stands today it is nothing more than a toothless tiger, warm and fuzzy and designed to give you warm feelings, but that is about it. That is why the member for North Sydney has moved this amendment to give the Parliamentary Budget Office some power to gather information.

It surprises me that we have had interjections and objections from the member for Chifley and the member for Throsby because, as we know, a government's job is to make sure the opposition do not find out about information and do not get access to costings. That is their main goal in life. It is a bit like Agent 86's cone of silence in that they have their cone of secrecy.

The DEPUTY SPEAKER: Order! I apologise to the member for Ryan, but would those members and staff members milling around in the corridors please leave the chamber. The member for Ryan will then be able to be heard by all members who want to listen to her, which I assume is everyone. The member for Ryan.

Mrs PRENTICE: Thank you, Mr Deputy Speaker, I did take it as a cheer squad anyway. What we have here is an amendment proposing real power to the Parliamentary Budget Office. It is very interesting that the government members are objecting to this. It could be that they think they will never lose power. I can understand that perhaps some of the longer-serving members on the government side are not looking beyond the next term or two, but it surprises me that members like the member for Chifley and the member for Throsby are not looking a little more forward into the future. Maybe they think they know it all. Maybe they think they do not need assistance from the officers or from a future Parliamentary Budget Office to assist them
with costings going forward. But, if we are going to have transparent and democratic government, this is what we need: we need a Parliamentary Budget Officer who has the authority to access information and to provide that information without fear or favour to both the government and the opposition, because it is critical that we cost the promises.

I look at the member for Chifley, who is here in the chamber; he served with me on the inquiry into the National Broadband Network. Just think: if we had had proper costing of that proposal going into the election, maybe the government would have made some wise decisions and saved the Australian people several billion dollars. Maybe if we had had proper costings on pink batts we would not have wasted money as we have. If we had—

Mr Fitzgibbon: Mr Deputy Speaker, I rise on a point of order. The Speaker himself has made it quite clear: he had a reasonable expectation that, in this consideration in detail debate, members should confine themselves to the amendments before the House. I understand we are on amendment (2):

64F Information gathering powers and secrecy

(1) The Parliamentary Budget Officer has the powers and obligations set out in Schedule 2—

The DEPUTY SPEAKER (Hon. Peter Slipper): The Chief Government Whip will resume his seat—

Opposition members interjecting—

The DEPUTY SPEAKER: and honourable members on my left will remain completely silent. I call the member for Ryan, and I would counsel her to direct her attention to the particular provisions of the amendment the chamber is currently considering.

Mrs PRENTICE: Thank you, Mr Deputy Speaker, and, as you so rightly pointed out, if members on the other side had been listening, they would have understood that what I am trying to say is that, if we support this amendment, we can save the government from the poor and reckless financial management that they are inflicting on the Australian people today. I was merely giving examples of where we could have saved the Australian people and indeed our country from poor and reckless financial management such as of the pink batts, such as computers in schools, such as solar rebates—

Mr Fitzgibbon: Mr Deputy Speaker, I raise a point of order. We are in a very restricted and confined area of parliamentary debate now, Mr Deputy Speaker.

Mrs Bronwyn Bishop: Your contribution was a disgrace!

The DEPUTY SPEAKER: The member for Mackellar will remain silent.

Mr Fitzgibbon: The member has to concentrate on the amendments before the House, not go into some rhetorical flourish—

The DEPUTY SPEAKER: This is a very finite debate. Members will have to focus on the particular amendments being moved, and I would counsel the member for Ryan, whose time has now expired, that she should indeed do that. The question is that the amendment be agreed to. I now call the honourable member for Mayo.

Mr BRIGGS (Mayo) (21:54): Thank you, Mr Deputy Speaker, and it is nice to be back with you this evening.

The DEPUTY SPEAKER (Hon. Peter Slipper): It is nice to have you back—

Mr BRIGGS: Thank you, Mr Deputy Speaker.

The DEPUTY SPEAKER: for as long as you are able to stay here.
Mr BRIGGS: Thank you, Mr Deputy Speaker; I appreciate that. And I appreciate the interest the member for Hunter now has in the bill. In fact, he might stand up and answer some of the questions on which we have now been waiting for two hours for an answer from the Parliamentary Secretary to the Treasurer. These are important amendments, about ensuring that the Parliamentary Budget Office has enough power to get from government departments details of their budgetary outlays so that decisions can be made by oppositions and by independent members.

The member for Hunter—who of course was a former defence minister—knows how difficult it can be at times to get information from the public service. In his time as defence minister he had some well reported incidents with the defence department about blowouts in certain projects. The member for Hunter was well known to be critical of some of the decisions made by the defence department in some of their purchases. And I think this highlights the issues that we are raising.

The member for North Sydney, in his high-quality amendment to this bill, is trying to ensure that the Parliamentary Budget Office is armed well enough to be able to get information from the departments—when it is difficult for ministers, and former ministers, as the member for Hunter knows, to get the relevant information that they require, to make the decent policy decisions that we want to make in this place.

And all we are asking the Parliamentary Secretary to do is to give us some assurances. We are asking Parliamentary Secretary Bradbury to stand up in his place at the dispatch box and give us some assurances that engagements with agencies like Customs will let us find out about how boats operate off the northern shore in the border patrol—the detail of how they operate. We can visit and we can find out from their budgetary expenditure how they operate. Parliamentary Secretary, answer the questions from the member for Goldstein. They were asked about two hours ago. You must have the notes by now. You must have some information through on your phone. That is all the parliament requires. We require some answers.

The Deputy Speaker outlined very well that this is a process that we are engaged in in this House where we are debating an amendment that has been moved, rightly, by the member for North Sydney, improving this bill—a practice of this place, where we are engaging with the government about why these improvements should be adopted. We ask the Parliamentary Secretary for reasons why they should not be adopted, if he does not think they should be. And if they should be, then he can stand and just tell us that the government now agrees with them. That is an option for the Parliamentary Secretary as well: if he does not know the answer and he thinks these are good amendments, well, we encourage him to support them.

These are good amendments because they would give the Parliamentary Budget Office that power to get into the departments and get relevant information—the same power as the Auditor-General has—rather than a memorandum of understanding where we will not know what is in it. We will not know what carve-outs the departments have written for themselves, or what time frames will be required.

As we have already talked about in this debate—and I am reluctant to go back over old debate; I am conscious of the point that the member for Hunter made earlier—answers from this government to freedom of information requests are slow in coming. Member for Lyons, they are not necessarily
within the time frame allocated—the 28 days. In fact, some departments are quite outside their time frames.

We say we want some answers from the Parliamentary Secretary about why the amendments the member for North Sydney is moving are not improving the bill, or for the Parliamentary Secretary to give some assurances to the House that what we are seeking from these amendments can be done now through the memorandum of understanding. We do not believe that they can be. We believe that the departments will be able to write their own carve-outs. We will not know what the requirements are in these amendments. We do not think this is an appropriate way to go forward on what is meant to be a truly independent and non-partisan Parliamentary Budget Office which can add to the strength of our public policy debate in this place—if it is empowered properly with the required strength of tools so that it can do its job properly, get the information from departments and ensure that we know what comes from the departments is right. Then we can increase the strength of our policy development processes so that, when we seek to win government at the next election and we highlight a series of policies, we know that the information we are getting from the departments is reliable, timely and will add to our policy processes. I know all members of this side of the House want this amendment, and I want the Parliamentary Secretary to tell us why we should not. (Time expired)

Mr HOCKEY (North Sydney) (22:00): To be very clear about this amendment: this amendment seeks to remove subsections 64F(1), 64F(2), 64F(3) and 64F(4). It seeks to remove those sections and insert a new section 64F, which provides greater powers to obtain information. One of the reasons why this is a stitch up—and the Independents and others need to be aware of it—is, as I pointed out during the discussion of the last amendment, the only information that can be used by the Parliamentary Budget Office is that provided by the Treasurer outside of an election time; and during an election it is PEFO—Pre-election Fiscal Outlook—which is the only information that belongs to the Treasury and the minister for finance. When we ask how the new PBO will get behind the economic and fiscal forecasts of the government in order to understand what the assumptions are behind the individual fiscal initiatives—be it a pink batts initiative, be it a school hall initiative or be it expenditure on defence—the Parliamentary Budget Office is going to have to identify what the assumptions are in order to understand whether the fiscal contribution of the policy is accurate. The question is: how much power will the PBO have to get behind the officially published numbers? As revealed in its submission to the Joint Select Committee on the Parliamentary Budget Office, the Treasury said:

Provisions would need to be made to allow agencies to refuse requests on the same grounds that documents can be exempted under the FOI Act and for the review of those decisions. This would include commercially valuable information

I accept that commercially valuable information needs to be protected, but they say:

… information produced for the purpose of deliberative processes or the national economy…

Well, what is the budget? What are the budget papers? What are the economic and fiscal outlook figures? They are for the national economy. Here Treasury in its own submission is saying, 'Hang on, that's exactly the sort of data we should not reveal to the Parliamentary Budget Office'—our basic assumptions that go to the heart of the budget papers themselves. They are saying,
'We need extensive powers to refuse to provide additional information to the Parliamentary Budget Office.' What does the government say? It says, 'Okay, we accept that; we don't want to go behind our numbers. We don't want the parliament's independent budgetary office to go behind the numbers that belong to the Treasurer, so we'll have a memorandum of understanding.'

This new Parliamentary Budget Office is expected somehow to enter into individual memorandums of understanding with 197 government bodies, 19 portfolios, 147 Commonwealth authorities, 83 agencies, 64 Commonwealth authorities and 27 Commonwealth companies. The Parliamentary Budget Office is going to spend the next decade entering into memorandums of understanding with individual government agencies in order to comply with the requirements of this legislation. What a complete and utter joke.

The Independents have given up on the debate. It is all a little too hard for them. They were here for amendment (1) and they participated actively. When we were starting to turn them, the House adjourned and they had to go away and get a bit of a stiffener. They were stiffened up by the government and then they came back and said, 'No, no we're not going to accept recommendation No. 1 that the PBO should be in the business of—'(Extension of time granted) On amendment (1), just as the member for Lyne started to give a little bit of that open, transparent member for Lyne that we recall from the first few days after the last election—just when we had that glimpse—we realised that it was an eclipse. It was a darkened eclipse and he went back to being a yes-man for the government. No surprise there. But on this initiative, where we are giving the PBO the powers of the Auditor-General to get behind the numbers and where we are giving the PBO the power to protect—enhanced protection, in fact—the information given to them by agencies, and where we are giving the PBO the power to get the assumptions, the modelling, the inputs in relation to decisions of the government so that comparable work can be undertaken for the benefit of members and senators, what happens? The government says, 'No, no, we don't want that transparency. We're going to send them off to enter into memorandums of understanding with 197 government bodies, 19 portfolios, 147 Commonwealth authorities, 83 agencies, 64 Commonwealth authorities and 27 Commonwealth companies. It is quite a mammoth task; that is quite a sea of MOUs, at least three years of work. And, by the time they get to the bottom of that, they might—just maybe—have the right to request general information of a department or an agency or an authority. In making that request, they may well then be able to obtain a no—'No, we can't give you that information.' For the very same reasons that stonewalling exists at estimates committee hearings, it exists for FOIs. We know what that is about; we have seen it before. That is why we are moving this amendment.

This amendment is about transparency. This amendment is about accountability. This amendment is about actually getting to the bottom of the numbers, so that we do not have another pink batts blow-out, another school hall blow-out, another blow-out of tens of billions of dollars in the National Broadband Network; so that we do not have to suffer the rather insufferable blow-outs in defence procurement, or the situation where the government is caught out sending $900 stimulus cheques to people who are dead or who are overseas. In fact, the Prime Minister of New Zealand said to me, 'Thank God for that stimulus from the world's greatest Treasurer—because, I tell you what, it did wonders for tourism to New Zealand.' People
were taking the $900 cheque, which was meant to stimulate the Australian economy, and they were going to New Zealand. It is a shame they did not hold the World Cup at that moment; they would have doubled their audience.

But, of course, there is the world's greatest Treasurer; he does not make mistakes. He is not one to blow the budget—$154 billion in deficit and yet to have his first budget surplus. I thought there was only one Bradbury in this parliament, but Steven Bradbury is the Treasurer—coming skating through after everyone else has fallen over. There are two Bradburys in this House. How wonderful!

Mr Robb: One could talk under wet cement.

Mr HOCKEY: That's right; and one is deathly silent.

Mr Husic: Mr Deputy Speaker, on a point of order the Speaker was quite particular earlier, indicating the need to make sure that comments are directly relevant to the amendment.

The DEPUTY SPEAKER (Hon. Peter Slipper): The member will resume his seat. I am the chair at the moment and I am well aware of what the Speaker has said. I agree with his ruling. This is a finite and closed debate. I call the member for North Sydney, who will confine himself to the amendment before the chamber.

Mr HOCKEY: I just say to the House: we need to know what information is behind government decisions, in order to make this a truly independent PBO, and, without these measures and this amendment, it cannot be done. (Time expired)

Mr VAN MANEN (Forde) (22:10): Going back to the bill, the purpose of the Parliamentary Budget Office is 'to inform the parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals'. How on earth can that objective be achieved if the members of the PBO have to go on bended knee to the plethora of government departments, companies et cetera to get the information they need to be able to give that advice?

The whole purpose of this amendment is to open up the accessibility of information, to make it possible for the officers of the Parliamentary Budget Office to achieve the purpose that is set out in this bill. It is almost like, as the member for Dunkley said earlier, the PBO has been nobbled. I think the owners of Fine Cotton would be blushing at the job this government has done in nobbling the PBO.

Key areas that these amendments are seeking to address are: to strengthen the functions of the PBO; to improve the information gathering powers and secrecy and—most of all, given the debate that has been going on for the last few hours—restoring confidentiality to the costing of policies. And that benefits both sides and the Independents and gives an opportunity to assess the analysis from the PBO so that we can go back and work on those policies before they are released publicly.

I do not understand the difficulty the government has with this amendment; unless, as has been pointed out by a number of members, they have something to hide. What could they possibly have to hide? Let's have a look at a long list: pink batts, school halls, home insulation, small technology credits, AWRA—the list goes on.

Mr Hockey: Set-top boxes.

Mr VAN MANEN: The list goes on and on. We could spend all night just on the list.

These arrangements purely and simply have been made to benefit the government, the departments and their agencies. They are
not for the benefit of the parliament or the Australian people by giving proper access to all sides of the House to the actual information underlying assumptions that are being made. It is time for this government to honour its commitment to openness, honesty and transparency; and, for the Independents, whose absence is testament to their interest in this debate, to let the sun shine in under the new paradigm.

All we are interested in is having proper access to the information so that we can have proper, effective costings of our policies done, so that the opposition—or the Independents or even the government—can have costings released at a time when the relevant party sees fit to release those costings for their own policy purposes. The PBO is there to prepare costings and policies submitted by members and senators, but the opposition lacks access to the underlying assumptions. The assumptions underlying the carbon tax are a classic case in point. The government still has not released its modelling—some of its modelling has been done at $20 a tonne and some at $23 a tonne, but we have no idea what modelling says about $139 a tonne or $131 a tonne. Another purpose of the Parliamentary Budget Office is to allow those things to be properly assessed. That way everybody in this House will have proper access to a wide range of information, including external sources of information that are independent of the government. That will mean that the policy-making and decision-making processes of this House are enhanced, and the people who will benefit most from that are the Australian public. I commend this amendment to the House.

Mr BUCHHOLZ (Wright) (22:15): This second amendment to the bill goes to the heart of transparency; it goes to the heart of this government's capacity to be truthful not only with the opposition but also with the Australian electorate. It goes to the heart of this opposition's ability to project its costings models from the same point that the government does. There is no greater injustice to the electorate than an opposition putting up its costing models with assumptions that are different to the assumptions that have been made by the government.

Mr Bradbury: You're arguing our point.

Mr BUCHHOLZ: No; but it is wonderful to hear from our parliamentary secretary friend. If you are going to have a chat, get on your feet and start answering the 15 questions that were asked of you by my colleagues earlier tonight and last night. I draw attention to the fact that the parliamentary secretary has all of a sudden found a voice against the wishes of the Manager of Government Business, who came in and instructed him last night not to say anything on this bill.

I feel like the solicitor in the movie The Castle when he says 'it's just the vibe'. But this amendment goes to more than 'the vibe'; it goes to the strength of the parliament and the right of the public to know. We want answers, and we want to have faith in a system that is able to provide the opposition and the government with answers that are given on the same footing. We cannot get them here—there is a degree of arrogance being shown by the government in not engaging in the debate, not answering questions and not providing the opposition with the opportunity to contribute to the debate.

I refer your attention to section 64F of the bill. It talks about 'arrangements for obtaining information from Commonwealth bodies'. Subsection (3) of section 64F says, 'The Parliamentary Budget Officer must ensure that an arrangement made under subsection (1) is made publicly available.'
That is another issue—confidentiality. Who knows what will happen when you put a costings model up? You might be out there having a shot, or you might be out there trying to work out what your costing forecast is going to be. But you put your costings model up to be tested and it comes back and does not happen to be consistent with where you thought it was going to be, and it is on a webpage—it is out there in the public—and you are basically handing the government a bat to bash you around the head with.

It was the coalition that introduced a charter of budget honesty. The party that is in opposition now saw fit to introduce transparency into the government and into this parliament in such a manner. The shadow treasurer mentioned the number of government bodies, agencies and departments that would go to creating an absolute bureaucratic nightmare in which there would be so many memorandums of understanding. The point was made by the member for Goldstein that it could take up to three years for those processes to happen if we were going to have a truly transparent government.

This amendment is truly about nothing but transparency. Why are we at this time of the night still debating this amendment? We are doing it because we do not trust the government. In other debates during the week we have heard about the 500 business houses that are going to be taxed under the carbon tax. But to date—

Mr McCormack: Who are they?

Mr BUCHHOLZ: That is my very point. Members on this side of the House are asking, 'Who are they—who are the 500?' That is exactly my point—they will not tell us. When you have a debate and you do not have transparency, it is very hard to come to a conclusion. (Time expired)

Mr McCormack (Riverina) (22:20): This amendment ensures that the Parliamentary Budget Office has enough powers to get from government departments the necessary information to ensure accountability and transparency. We in this House should all hold accountability and transparency in the highest regard. If there are two things that I get asked regularly about when I talk to constituents in the Riverina they are accountability and transparency—that is, why this government will not show any accountability or transparency.

I question why the Parliamentary Secretary to the Treasurer will not come to the dispatch box and answer the questions that have been put him tonight. I suspect it is because the government has gagged him. I suspect the government is not keen to have anyone talk too much at all in this House because of its haste to push through the Clean Energy Bill 2011, known across Australia as simply the carbon tax—the carbon tax the Prime Minister said we would not have as a nation under any government she led. I suspect that is why tonight we were to have 16 speakers, all of them from the coalition, debating the carbon tax until the adjournment at 9.30.

Mr Fitzgibbon: Mr Deputy Speaker, I rise on a point of order. I ask you to bring the member back to the amendments before the House.

The DEPUTY SPEAKER (Hon. Peter Slipper): The member would be aware that we are focusing on a particularly narrow amendment. He will direct his remarks to the provisions of the amendment before the chair.

Mr McCormack: Thank you, Mr Deputy Speaker. I just wanted to know why the government was not providing any
speakers on the legislation when it is of such national importance.

The government was quick to remind us all today in question time about doing things in the national interest. What could be more in the national interest than accountability and transparency to avoid the budgetary sins of the past—the blow-outs, the overruns and the rorts? This amendment ensures that the Parliamentary Budget Office will have enough powers to ensure that they get the information from government departments to avoid the blow-outs, the overruns and the rorts. We think of the Green Loans—

Mr Fitzgibbon: Mr Deputy Speaker, on a point of order, I put it to you that it is highly disorderly for the member to be accusing governments of any political persuasion in this country of being guilty of rorts.

The DEPUTY SPEAKER: The member for Riverina is skating on thin ice. He will observe the standing orders and confine his remarks to the very narrow provisions of the amendment moved by the honourable member for North Sydney.

Mr McCormack: I will not use the word ‘rorts’; I will just refer to the blow-outs and the overruns that this government has been so guilty of in its four years—overruns and blow-outs but not rorts that have led us to a $200 billion deficit which is going up by the day.

People out there in the electorates that we on the coalition side represent are wondering why there is no accountability or transparency. These amendments that have been put forward by the member for North Sydney seek to achieve that. The amendment seeks to remove one subsection and insert a new section, 64F, to provide greater powers of information and the ability to glean that information. The Independent member for Lyne, whom we have heard talk so often about letting the sunshine into this place, about the new paradigm and about openness in the budgetary process, is surely in favour of what the member for North Sydney is proposing. This amendment is important and it is in the national interest. It seeks to provide that accountability and transparency that is so desperately lacking in this government.

I cannot understand why this government would refuse to allow these amendments given the fact that we need to get information from government departments to ensure that there is accountability and transparency in everything that this place seeks to achieve so that we avoid the blow-outs and the overruns—not the rorts but the blow-outs and overruns—that this government has been so guilty of in its four years.

This government was left with a huge surplus which has been wasted because we have not had accountability and transparency. This amendment seeks to put in place that accountability and transparency that is so obviously lacking from this government. I urge that this amendment be put and passed so that we can get accountability and openness.

Mr Fletcher (Bradfield) (22:26): I rise to make some further remarks on the heavy, important and substantive question before the House, which is: which of the two alternative regimes ought best be adopted to give effect to the optimal operation of the Parliamentary Budget Office? We have two alternative proposals. The first is that embodied in proposed section 64F contained in the bill moved by the Parliamentary Secretary to the Treasurer.

In passing, may I commend the parliamentary secretary on the mastery of the Socratic method, he is demonstrating as he listens with all-knowing, all-seeing patience
to the various submissions which are being put. I have a simple confidence; I have a simple faith; I have a simple trust—I believe that the parliamentary secretary is open to reason, persuasion and a consideration and an independent, fair-minded weighing up of the evidence. I am confident that the parliamentary secretary is not going to disappoint me or this House as he weighs up the heavy question before him of whether he ought to stick to the earnest but rather limited form of proposed section 64F of the bill that he has put before the House or whether he is going to join with the opposition in adopting the broader, more expansive, more empowering version of proposed section 64F which we have put before the House out of a fair-minded and disinterested concern to ensure that the Parliamentary Budget Office operates with the maximum degree of efficacy, independent advice and capacity to discharge its heavy obligations.

I do not say that this is an easy question to weigh up. I do not say that these matters are straightforward. I do not say that these matters admit an easy or an instant answer. But what I do say is that, while these questions may be heavy and while the burden may be a difficult one, I have confidence that the parliamentary secretary at the end of this period of near Delphic silence will rise and impress us all with his capacity for fair-minded weighing up of the different positions which have been put to the House this evening. The position that I want to put this evening for consideration by the parliamentary secretary, by the government and by all fair-minded members of this House—joined as we are with a concern to ensure that the Parliamentary Budget Office will operate with maximum efficacy—is simply this: section 64F in the bill that has been put before the House this evening by the government, through the office of the parliamentary secretary, is inadequate. It is manifestly inadequate in order to allow the Parliamentary Budget Office to discharge the heavy responsibilities that we are all seeking in a fair-minded way and to allow it to discharge its obligations in an effective manner.

I put this to the House: if the Parliamentary Budget Office is to operate with efficiency and efficacy, in a way which gives force to the great hopes that all of us share for it, it is essential that it is given the broader powers that are contained in section 64F as proposed in amendment (2) of the excellent set of amendments put before the House by the member for North Sydney. That is the proposition that I put to the House this evening. We have two alternative versions of 64F. One is manifestly superior. I am confident the parliamentary secretary will recognise that in due course. (Time expired)

Question put:
That the amendment (Mr Hockey’s) be agreed to.

The House divided. [22:36]

(Ayes .................67
Noes .................69
Majority ............2

AYES
Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Cobb, JK
Crook, AJ
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Keenan, M
Laming, A

ANDREWS, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Coulton, M (teller)
Entsch, WG
Forrest, JA
Gambaro, T
Griggs, NL
Hartsuyker, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
AYES

Macfarlane, IE  Marino, NB
Markus, LE  Matheson, RG
McCormack, MF  Mirabella, S
Morrison, SJ  Neville, PC
O'Dowd, KD  O'Dwyer, KM
Prentice, J  Pyne, CM
Ramsey, RE  Randall, DJ
Robb, AJ  Robert, SR
Roy, WB  Ruddock, PM
Scott, BC  Secker, PD (teller)
Simpkins, LXL  Slipper, PN
Smith, ADH  Southcott, AJ
Stone, SN  Tehan, DT
Truss, WE  Tudge, AE
Turnbull, MB  Van Manen, AJ
Vasta, RX  Washer, MJ
Wyatt, KG

NOES

Adams, DGH  Albanese, AN
Bandt, AP  Bird, SL
Bowen, CE  Bradbury, DJ
Brodtmann, G  Burke, AE
Burke, AS  Butler, MC
Byrne, AM  Champion, ND
Cheeseman, DL  Clare, JD
Collins, JM  Combet, GI
Crean, SF  Danby, M
D'Ath, YM  Dreyfus, MA
Elliot, MJ  Ellis, KM
Emerson, CA  Ferguson, LTD
Fitzgibbon, JA  Garrett, PR
Georganas, S  Gibbons, SW
Gray, G  Grierson, SJ
Griffin, AP  Hall, JG (teller)
Hayes, CP  Husie, EN (teller)
Jones, SP  Kelly, MJ
King, CF  Leigh, AK
Livermore, KF  Lyons, GR
Macklin, JL  Marles, RD
McClelland, RB  Melham, D
Mitchell, RG  Murphy, JP
Neumann, SK  Oakeshott, RJM
O'Connor, BPJ  O'Neil, DM
Owens, J  Park, M
Perrett, GD  Plierske, TJ
Ripoll, BF  Rishworth, AL
Rowland, MA  Saffin, JA
Shorten, WR  Sidebottom, PS
Smith, SF  Smyth, L
Snowdon, WE  Swan, WM
Thomson, CR  Vamvakou, M

NOES

Wilkie, AD  Windsor, AHC
Zappia, A

PAIRS

Abbott, AJ  Gillard, JE
Ciobo, SM  Thomson, KJ
Dutton, PC  Roxon, NL
Moylan, JE  Ferguson, MJ
Schultz, AJ  Rudd, KM
Somlyay, AM  Symon, MS

Question negatived.

Mr HOCKEY (North Sydney) (22:41): by leave—I move opposition amendments (3), (4) and (5):

(3) Schedule 1, item 16, page 9 (line 22), omit ";
and".

(4) Schedule 1, item 16, page 9 (lines 23 to 25), omit paragraph 64H(3)(d).

(5) Schedule 1, item 16, page 9 (lines 26 and 27), omit the note.

These amendments relate to the information-gathering powers and secrecy requirements of the Parliamentary Budget Office. Schedule 1, item 16, paragraph 64H(3)(d) provides that a request by a senator or an MP for the costing of policies outside the caretaker period may include a direction to treat the request as confidential. That is, it is required that the senator or MP notify the Parliamentary Budget Office that the information that they are providing to the PBO is confidential. This is the wrong way around. Senators and MPs need to be assured that their interactions with the PBO will be confidential at all times unless they specifically direct otherwise. That is our view. It should be entirely the prerogative of senators and MPs whether any aspect of their interaction with the PBO is made public. I move that paragraph 64H(3)(d) be omitted.

In schedule 1, item 16, subsection 64H, the note refers to subsection 64V(2) for confidentiality obligations relating to those
requests. This note will be redundant following the omission of 64H(3)(d) and I am moving that this note be omitted. Obviously, in schedule 1, item 16, page 9, line 22, the word 'and' is redundant following the two prior omissions and I move it be omitted. These omissions will be replaced with stronger confidentiality provisions under a new schedule 2, which I will come to in a moment.

From our perspective, the question is whether MPs can, in fact, make submissions which are automatically treated as confidential by the PBO. Under the current bill before the House, which the Independents are strongly supporting, this is not going to be the case.

Question put.

The House divided. [22:48]

(The Speaker—Mr Harry Jenkins)

Ayes.................68
Noes................70
Majority..............2

AYES

Alexander, JG
Andrews, KJ
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Cobb, JK
Crook, AJ
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Katter, RC
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Neville, PC
O'Dwyer, KM
Pyne, CM

Randall, DJ
Robert, SR
Ruddock, PM
Secker, PD (teller)
Slipper, PN
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ

NOES

Adams, DGH
Band, AP
Bowen, CE
Brodmann, G
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
D'Ath, YM
Elliot, MJ
Emerson, CA
Fitzgibbon, JA
Georganas, S
Gray, G
Griffin, AP
Hayes, CP
Jenkins, HA
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O'Neill, DM
Parke, M
Pilcher, TJ
Rishworth, AL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Vamvakou, M
Windsor, AHC

PAIRS

Abbott, AJ
Ciobo, SM

AYES

Robb, AJ
Roy, WB
Scott, BC
Simpkins, LXL
Smith, ADH
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG

NOES

Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AE
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Garrett, PR
Gibbons, SW
Grierson, SJ
Hall, JG (teller)
Husie, EN (teller)
Jones, SP
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O'Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Shorten, WR
Smith, SF
Snowdon, WE
Thomson, CR
Wilkie, AD
Zappia, A

PAIRS

Abbott, AJ
Ciobo, SM

Gillard, JE
Thomson, KJ
Mr HOCKEY (North Sydney) (22:52): by leave—I move opposition amendments (6) and (7) standing in my name:

(6) Schedule 1, item 16, page 10 (lines 10 and 11), omit "publicly announced".

(7) Schedule 1, item 16, page 10 (line 25), omit "publicly announced".

These amendments relate to requests for costings and the requirement for public announcement. Schedule 1, item 16, subsection 64J(2) provides that during the caretaker period an authorised member of a parliamentary party may request the PBO to prepare a costing of a publicly announced policy of the parliamentary party. I daresay that this is the most contentious of the issues in the Parliamentary Budget Office bill.

Schedule 1, item 16, subsection 64J(5) provides that during the caretaker period, an Independent member may request the PBO to prepare a costing of a publicly announced policy of the parliamentary party. I daresay that this is the most contentious of the issues in the Parliamentary Budget Office bill.

The SPEAKER: Order! I do not wish to interrupt the member for North Sydney, but if members are remaining in the chamber they should do so silently. The member for North Sydney has the call and he should be heard in silence.

Mr HOCKEY: These provisions restrict the facility for requesting the PBO to cost policies during the caretaker period. It allows costings to be prepared only for policies which have been publicly announced. This means that a Parliamentary Budget Office is no different from the Charter of Budget Honesty provisions, the ones that the Labor Party railed against in 1996 and supported amendments to in 1996. Now they are voting against those amendments. If they go into opposition, they will be crying foul about this. I say to the members of the Labor Party, this is your chance. Should you go into opposition you will be begging for this amendment. And you know what: if we are in government, we just might not give it to you. How about that? The world's greatest Treasurer will not be here so he will not be worrying about it. Who will be the Treasurer? The member for Melbourne Ports will be the Treasurer and he will be begging for this amendment, and he will not get it.

This requires policies to be publicly announced before they have been costed. Let me be very clear about this. The only new information that belongs to the Treasury and the Department of Finance that is published and used by the PBO—published by those departments and used by the PBO—is the pre-election fiscal outlook. So if the Independents have a policy that they take to the Parliamentary Budget Office outside an election period and get it costed, should they choose to send it back to the Parliamentary Budget Office on the basis that it has new data in the pre-election fiscal outlook, their numbers will be published and wrong. So they will now discover the true impact of this decision. It means that the numbers will inevitably be wrong because the numbers the Parliamentary Budget Office uses before the election will inevitably be incorrect after the election is called because of the time difference between MYEFO and the budget itself. So that is great work. It means that no matter what policies go to the PBO, after the election is called the numbers will be incorrect when based against previous work of the Parliamentary Budget Office. So brilliant is this bill as it stands!

The dilemma is significant. So to address this issue, I moved that the words 'publicly announced' should be omitted from subsection 64J(2) and 64J(5). This will allow
a parliamentary party or an Independent member to submit policies to the PBO for costing before they have been publicly announced. It will provide a discretion to include or not include a policy in the suite of election policies and will allow the full budgetary impact to be assessed prior to the announcement, and with the PEFO numbers that belong to the Treasury rather than the obsolete numbers which now the Independents, with the Labor Party, are tying this to.

Mr ROBB (Goldstein) (22:58): The whole purpose of this bill is that there be an independent authority which does the costings for both sides of politics in an election period. We want to see honest and open and transparent policy calculations during an election period. There are many questions which these particular amendments raise. We have already asked five or six quite deliberate questions. The parliamentary secretary was silenced by the Leader of the House last night. The parliamentary secretary through many hours of debate has been mute, except for his snide remarks to his colleagues, because he has been silenced by the Leader of the House.

We need to know with regard to these provisions whether the government's policies will be costed by the Parliamentary Budget Office during the caretaker period. That is question No. 8 that the parliamentary secretary has yet to answer. Will they?

Mr Bradbury interjecting—

Mr ROBB: You are here to provide answers to questions. That is the nature of this session.

The SPEAKER: Order! The member for Goldstein will address his remarks through the chair. He will ignore the interjections, and the parliamentary secretary will not interject.

Mr ROBB: In this provision of the bill, as soon as we release or announce any policy for submission to the Parliamentary Budget Office, those costings are automatically released. If we have a situation where we have two policies to consider, this provision requires the costings of both of those alternatives to be released without us having the opportunity to make a decision about which policy we would prefer.

We face a situation where we are denied, during the caretaker period, the opportunity to have costed various alternative policies that we might be considering. The costings have to be automatically released. In other words, this provision of the Parliamentary Budget Office bill means that the provisions during the caretaker period will be absolutely no different to those we experienced during the last election. They will be no different to that which we experienced under the Charter of Budget Honesty. What we will have is another dogfight for 33 days, instead of a debate about the policy. This is what the government have intended by the way in which they have corrupted the intention of this bill. We looked for honesty, transparency and integrity.

Mr Pyne: Mr Speaker, I rise on a point of order.

Honourable members interjecting—

The SPEAKER: I thank the House for silence on both sides. The member for Sturt will resume his seat. I will not be lectured by anybody when both sides of the chamber are in uproar. I have attempted to give an indication that the member for Goldstein has the call. He should be heard in silence by both sides.

Mr ROBB: The point I was seeking to make—which was a prelude to more questions which I suspect will again not be answered—is that the way this bill has now been structured and misrepresented from the
original intent means that there will be no difference in the caretaker period from what we experienced last time, which was an almighty dogfight and a politicisation of the process of costings by the government of the day. We have seen a bill which has now been— (Time expired)

Mr Pyne: Mr Speaker, I seek to make a point of order. You have asked the chamber to come to quietude so that the member for Goldstein can continue his remarks. There are members sitting outside their usual seats who are heckling and jeering the member for Goldstein. I know that this is a late hour—it is five minutes past 11—but the member for Goldstein is making a very important point. So I do not want to lecture you, but—

The SPEAKER: The member for Sturt will resume his seat. Members who wish to conference can do so outside; if they have made a decision to remain in the chamber they will do so quietly. There are approximately 130 of you out of your places; you could be done as a job lot.

Government members interjecting—

Mr ROBB: If you all keep your mouths shut then we might get something done.

Government members interjecting—

The SPEAKER: Order! I would suggest that those members who cannot listen in silence leave the chamber and come back at some stage. The member for Goldstein has the call.

Mr ROBB: I think some others have too! I am nearly as mute as the parliamentary secretary opposite me! We have spent several hours here tonight asking a lot of legitimate and serious questions, none of which have been answered because the Leader of the House came down here last night and said to the parliamentary secretary, 'This is not question time; you do not have to answer any questions.'

The MOU offers options for recourse by the officer should the requested information not be provided.' In regard to this provision in the bill, if the Parliamentary Budget Office requires information and it is not covered by the memorandum of understanding, I would like to know from the parliamentary secretary, firstly, is there a requirement for the Parliamentary Budget Office to carry out an FOI? How will that apply when the period of grace is 28 days within a 33-day period of the caretaker provisions?

Mr Bradbury: You've got the wrong amendment.

Mr ROBB: This is the right amendment.

The SPEAKER: The parliamentary secretary is not assisting. The member for Goldstein has the call.

Mr ROBB: I would like to know: during this caretaker period, what opportunity does the Parliamentary Budget Office have to seek additional information without the provision of an FOI? Secondly, if there are options for recourse, what are those options for recourse? The bill is silent, vague, open ended and discretionary in regard to that recourse item, which means again we will face politicisation of this process. Last time we were subjected to the politicisation of this process, so much so that the secretaries of departments were brought in and used by this government to politicise the process and to in fact mislead the Independents in this House, who subsequently took a decision to go with the Labor Party to form government—much of that predicated on the misuse of the Charter of Budget Honesty. As a consequence, we requested this bill some years ago.

This bill has been prepared by the government under duress. They have now misrepresented in almost every provision of this bill the original intent of this bill. This
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bill will again lead to a dogfight over the 33
days of the campaign, where there will be
nothing more or nothing less than
accusations going from both sides of politics
about the costings, the veracity of the
costings and the inability of the
Parliamentary Budget Office to acquire
information and about our inability to keep
material confidential until we wish to release
it.

This is an appalling situation where the
government has totally bastardised this bill
to the point where it cannot be trusted. There
is no trust associated with this bill. That is
the problem with this situation. There will be
no trust. You can pass this bill tonight—you
can get this through—but there will be no
trust. As a consequence, when we come to
the next election and the issue of costings is
presented, there will be no trust on either
side of politics. There will be another
dogfight. Policies will not be discussed
according to their merits. We will see
another debacle, which means that
government could hinge on the result of the
politicisation of this process of costing—this
process that should be above politics.

We should be able to have confidence in
an authority that does the costing for both
sides of politics independently so that we can
put that aside and debate the merits of the
policies. But here tonight we have a man
who has been silenced for hours—who has
made an absolute spectacle of himself
because of the orders of the Leader of the
House. (Time expired)

The SPEAKER: Before calling the
member for Mackellar, I advise that Aldo
Giurgola, as the architect, had lobbies
provided in this building—and just outside
the chamber. I suggest that those members
who cannot contain themselves should make
use of those lobbies. Those who are
interested in the debate should remain here
and do so silently.

Mrs BRONWYN BISHOP (Mackellar)
(23:10): I rise to support the remarks made
by the member for Goldstein, who had to
make his original remarks under the most
appallingly disorderly House I have seen for
some time. This amendment that we are
debating here relates to the requests for
costings of policies during the caretaker
period and is particularly important to
oppositions. Under our system, the
government always knows when the election
will be called. The government can plan in
advance how to use the Parliamentary
Budget Office. It can have the advantage. Its
costings may not be disclosed. But the
opposition never knows when the
government will call the election.
Accordingly, it is always in a position where
it may wish to use such an office, a
parliamentary budget office, during the
caretaker period.

This is precisely the sort of facility we
need and yet this section of the bill as drafted
by the government means that all that
information which the opposition would put
forward to the Parliamentary Budget Office
would be disclosed publicly, and once again
we would be placed at the same disadvantage
as when Treasury were used to brief the
Independents when they were to make their
decision about who would form this
government. So the amendment moved by
the shadow Treasurer is very important and
needs to be passed.

The Independents were ably briefed by Mr
Henry, who subsequently left the Treasury
and has now been appointed to the Office of
the Prime Minister. The parliamentary
secretary, Mr Dreyfus, in the consideration
detail stages of the appropriation bills,
explained that, although the salary for Mr
Henry had been set at $528,000 a year and
would be on a pro-rata basis for his part-time service, the fact of the matter is that the terms will not be made until later this year.

The SPEAKER: The member for Mackellar is straying way beyond the motion before the chair.

Mrs BRONWYN BISHOP: I make those points as being directly relevant to the this period of caretaker government where we as an opposition would wish to utilise the services of the Parliamentary Budget Office because we cannot trust Treasury. The coat-tails of the Treasury are connected to this proposed parliamentary budget office as the government sees it.

It is quite shocking that we have been debating this for many hours. The shadow minister for finance has asked many direct and pertinent questions of the parliamentary secretary who has been placed in change of the carriage of this legislation. He was told he may not speak and therefore none of the questions have been answered. This is yet another example of the duplicity of this government with everything they bring into this House. And, unfortunately, they are being aided and abetted by the Independents, who were the beneficiaries of the fallacious briefing on the so-called black hole of the budget costings of the opposition prior to the last election.

In fact, Mr Windsor, straight after that briefing, went on Lateline and announced that the Treasury had told him that the so-called black hole was between $7 billion and $11 billion. Even Tony Jones had the grace to say, 'That's a $4 billion difference. Can't they be more accurate than that?' He was flummoxed; he could not answer. But it was good enough—he accepted it—and they went with the government. This amendment is vital to having an independent source of costing—one where we are not subject to having a politicised Treasury manipulate figures and present a case which is fallacious. There was no $11 billion hole. It simply did not exist. I have outlined in this parliament on two occasions, on two separate interventions, why it simply was not true.

We cannot have this situation where, again and again, the opposition are placed in the position of not being able to have a truly independent system of costing their policies. That is why this amendment is important. The government knows when the election will be called; the opposition does not. The caretaker period is vital to its being a valid exercise.

Question put:
That the amendments (Mr Hockey's) be agreed to.

The House divided [23:19]
(The Speaker—Mr Harry Jenkins)

Ayes ..............................67
Noes ..............................70
Majority......................3

AYES
Alexander, JG
Andrews, KL
Andrews, KJ
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Cobb, JK
Crook, AJ
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ

Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Coulton, M (teller)
Entsch, WG
Forrest, JA
Gambaro, T
Griggs, NL
Hartseyker, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Neville, PC
O'Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Mr HOCKEY (North Sydney) (23:23): by leave—I move opposition amendments (8), (10) and (11) together:

(8) Schedule 1, item 16, page 11 (line 20) to page 12 (line 31), omit sections 64L and 64LA, substitute:

64L Public release of policy costings

(1) The Parliamentary Budget Officer must publicly release a policy costing if requested to do so by:

(a) if the costing was requested under subsection 64H(2)—the Senator or Member who made the request; or

(b) if the costing was requested under subsection 64J(2)—an authorised member of the Parliamentary party that made the request; or

(c) if the costing was requested under subsection 64J(5)—the independent member who made the request.

(2) The Parliamentary Budget Officer must not otherwise publicly release a policy costing.

64LA Public release of responses to other requests by Senators or Members

(1) The Parliamentary Budget Officer must publicly release a response to a request under paragraph 64E(1)(c) if requested to do so by the Senator or Member who made the request.

(2) The Parliamentary Budget Officer must not otherwise publicly release a response to a request under paragraph 64E(1)(c).

64LB Public release of submissions and other work

The Parliamentary Budget Officer must ensure that the following are made publicly available:

(a) requests by Parliamentary committees referred to in paragraph 64E(1)(d), and the submissions prepared in response to those requests;
(b) the results of any work done in the performance of the functions of the Parliamentary Budget Officer under paragraph 64E(1)(e).

(10) Schedule 1, item 16, page 15 (line 27) to page 16 (line 14), omit section 64U.

(11) Schedule 1, item 16, page 16 (line 15) to page 17 (line 6), omit section 64V.

Leave granted.

Mr HOCKEY: These amendments relate to the public release of costings, responses and submissions. Schedule 1, item 16, sections 64L and 64L(a) of the current bill provide that requests for costings made to the PBO during the caretaker period and before polling day—and the costings themselves—must be publicly released as soon as practicable. I move to omit these sections and to substitute new sections 64L, 64L(a) and 64L(b).

The new section 64L provides that costing requests and the costings themselves can only be released by the PBO if it is requested to do so by the relevant senator or member or by an authorised member of a parliamentary party. The new section 64L(a) provides that responses to other non-costing requests can only be released by the Parliamentary Budget Office if it is requested to do so by the relevant senator or member. The new section 64L(b) provides that the Parliamentary Budget Officer must publicly release both requests by parliamentary committees and its standard reports done in performance of its functions.

These amendments clarify what information can be publicly released by the PBO in the normal course of its duties and what information cannot be released without the explicit direction of the relevant member or senator. The key point is that, whatever the policy might be, it is the copyright of the member that submits it to the Parliamentary Budget Office. That member owns the policy initiative; therefore, if it is sent to the Parliamentary Budget Office, the Parliamentary Budget Office does not have automatic authority to release the policy or its assumptions.

Although the Parliamentary Budget Office has to treat information provided by a department secretly and cannot release information provided by a department without the express approval of the department, the bill as it stands says that the Parliamentary Budget Office can release whatever it wants that belongs to member of parliament. That is a great idea that you are guys are supporting again—just release that information without the approval of the person who is the author of the policy initiative! We will wait and see how this all comes out. What I am doing is allowing the PBO to get on with its job of publishing independent analysis of the budget cycle while at the same time ensuring that information belonging to an MP is treated as confidential.

With these amendments I am also moving that PBO employers be required to observe requests for confidentiality relating to the budget or for policy costings outside the caretaker period. So what I am saying is that these confidentiality provisions of the bill as it stands do not relate to policy costing requests made during the caretaker period. This section is made redundant by the new 64L and 64L(a), and I move that 64V be omitted.

Question put.

The House divided [23:31]

(The Speaker—Mr Harry Jenkins)

Ayes .................67
Noes ....................69
Majority...............2

AYES

Alexander, JG
Andrews, KJ
Andrews, KL
Billson, BF
Baldwin, RC
Bishop, BK

CHAMBER
AYES
Bishop, JI
Broadbent, RE
Chester, D
Cobb, JK
Crock, AJ
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Scott, BC
Simpkins, LXL
Smith, ADH
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG
Briggs, JE
Buchholz, S
Christensen, GR
Coulton, M (teller)
Entsch, WG
Forrest, JA
Gambaro, T
Griggs, NL
Hartsuyker, L
Hockey, JB
Irongs, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Neville, PC
O'Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Secker, PD (teller)
Slipper, PN
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ

NOES
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O’Connor, B PJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Shorten, WR
Smith, SF
Snowdon, WE
Thomson, CR
Willie, AD
Zappia, A
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O’Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Vamvakinas, M
Windsor, AHC

PAIRS
Abbott, AJ
Ciobo, SM
Dutton, PC
Moylan, JE
Somlyay, AM
Gillard, JE
Thomson, KJ
Roxon, NL
Ferguson, MJ
Symon, MS

Question negatived.
Mr HOCKEY (North Sydney) (23:35): I move opposition amendment (9) circulated in my name:

(9) Schedule 1, item 16, page 13 (lines 1 to 7), omit section 64M, substitute:

64M Disclosure of personal information

A requirement to publish under this Division does not authorise the disclosure of personal information (within the meaning of the Privacy Act 1988) without the consent of the individual concerned.

This amendment relates to information-gathering powers and secrecy. In particular, I move to omit proposed section 64M and substitute a new 64M. This provides that a requirement to publicly release information does not authorise the disclosure of personal information without the consent of the individual concerned. This will protect the privacy of individuals. It is possible that, in meeting requests for information or policy
costings or in the performance of its other duties, the PBO will be required to access information of a personal nature. It is important that the rights of individuals to maintain the confidentiality of their private details be protected.

Question put.

The House divided. [23:41]

(The Speaker—Mr Harry Jenkins)

Ayes.................67
Noes...................69
Majority...............2

AYES

Billson, BF         Bishop, JK        Bishop, DJ        Bishop, DJ        Bishop, DJ        Bishop, DJ
Broadbent, RE       Buchholz, S       Buchholz, S       Buchholz, S       Buchholz, S       Buchholz, S
Chester, D          Christensen, GR    Christensen, GR    Christensen, GR    Christensen, GR    Christensen, GR
Cobb, JK            Coulton, M (teller) Coulton, M (teller) Coulton, M (teller) Coulton, M (teller) Coulton, M (teller)
Crook, AJ           Entsch, WJ         Entsch, WJ         Entsch, WJ         Entsch, WJ         Entsch, WJ
Fletcher, PW        Forrest, JA        Forrest, JA        Forrest, JA        Forrest, JA        Forrest, JA
Frydenberg, JA      Garibaro, T       Garibaro, T       Garibaro, T       Garibaro, T       Garibaro, T
Gash, J             Griggs, NL         Griggs, NL         Griggs, NL         Griggs, NL         Griggs, NL
Haase, BW           Hartley, L         Hartley, L         Hartley, L         Hartley, L         Hartley, L
Hawke, AG           Hockey, JB         Hockey, JB         Hockey, JB         Hockey, JB         Hockey, JB
Hunt, GA            Irons, SJ          Irons, SJ          Irons, SJ          Irons, SJ          Irons, SJ
Jensen, DG          Kelly, C           Kelly, C           Kelly, C           Kelly, C           Kelly, C
Keenan, M           Kelly, ET          Kelly, ET          Kelly, ET          Kelly, ET          Kelly, ET
Laming, A           Ley, SP            Ley, SP            Ley, SP            Ley, SP            Ley, SP
Macfarlane, JE      Marino, NB         Marino, NB         Marino, NB         Marino, NB         Marino, NB
Markus, LE          Matheson, RG       Matheson, RG       Matheson, RG       Matheson, RG       Matheson, RG
McCormack, MF       Mirabella, S       Mirabella, S       Mirabella, S       Mirabella, S       Mirabella, S
Morrison, SJ        Neville, PC        Neville, PC        Neville, PC        Neville, PC        Neville, PC
O'Dowd, KD          O'Dwyer, KM        O'Dwyer, KM        O'Dwyer, KM        O'Dwyer, KM        O'Dwyer, KM
Prentice, J         Pyne, CM           Pyne, CM           Pyne, CM           Pyne, CM           Pyne, CM
Ramsey, RE          Randall, DJ        Randall, DJ        Randall, DJ        Randall, DJ        Randall, DJ
Roy, WB             Ruddock, PM        Ruddock, PM        Ruddock, PM        Ruddock, PM        Ruddock, PM
Scott, BC           Secker, PD (teller) Secker, PD (teller) Secker, PD (teller) Secker, PD (teller) Secker, PD (teller)
Simpkins, LXL       Slipper, PN        Slipper, PN        Slipper, PN        Slipper, PN        Slipper, PN
Stone, SN           Tehan, DT          Tehan, DT          Tehan, DT          Tehan, DT          Tehan, DT
Truss, WE           Tudge, AE          Tudge, AE          Tudge, AE          Tudge, AE          Tudge, AE
Vasta, RX           Washer, MJ          Washer, MJ          Washer, MJ          Washer, MJ          Washer, MJ
Wyatt, KG

NOES

Adams, DGH          Bandt, AP          Bandt, AP          Bandt, AP          Bandt, AP          Bandt, AP
Bowen, CE           Broadmann, G       Broadmann, G       Broadmann, G       Broadmann, G       Broadmann, G
Burke, AS           Byrne, AM          Byrne, AM          Byrne, AM          Byrne, AM          Byrne, AM
Cheeseeman, DL      Collins, JM        Collins, JM        Collins, JM        Collins, JM        Collins, JM
Crean, SF           D'Arcy, YJ         D'Arcy, YJ         D'Arcy, YJ         D'Arcy, YJ         D'Arcy, YJ
Elliot, MJ          Emerson, CA        Emerson, CA        Emerson, CA        Emerson, CA        Emerson, CA
Fitzgibbon, JA      Georganas, S       Georganas, S       Georganas, S       Georganas, S       Georganas, S
Gray, G             Griffin, AP         Griffin, AP        Griffin, AP        Griffin, AP        Griffin, AP
Hayes, CP           Jones, SP           Jones, SP          Jones, SP          Jones, SP          Jones, SP
King, CF            Livermore, KJ       Livermore, KJ       Livermore, KJ       Livermore, KJ       Livermore, KJ
Macklin, JL         McClelland, RB      McClelland, RB      McClelland, RB      McClelland, RB      McClelland, RB
Mitchell, RG        Neumann, SK        Neumann, SK        Neumann, SK        Neumann, SK        Neumann, SK
O'Connor, BPJ       Owens, J           Owens, J           Owens, J           Owens, J           Owens, J
Perrett, GD         Ripoll, BF          Ripoll, BF         Ripoll, BF         Ripoll, BF         Ripoll, BF
Rowland, MA         Shorten, WR        Shorten, WR        Shorten, WR        Shorten, WR        Shorten, WR
Smith, SF           Snowdon, WE        Snowdon, WE        Snowdon, WE        Snowdon, WE        Snowdon, WE
Thomson, CR         Wilkie, AD          Wilkie, AD          Wilkie, AD          Wilkie, AD          Wilkie, AD
Zappia, A

PAIRS

Ciobo, SM           Thomson, KJ        Thomson, KJ        Thomson, KJ        Thomson, KJ        Thomson, KJ
Dutton, PC          Ferguson, RJ         Ferguson, RJ         Ferguson, RJ         Ferguson, RJ         Ferguson, RJ
Moylan, JE          Rudd, KM           Rudd, KM           Rudd, KM           Rudd, KM           Rudd, KM
Schultz, AJ          Symon, MS          Symon, MS           Symon, MS           Symon, MS           Symon, MS
Somlyay, AM

Question negatived.

Mr HOCKEY (North Sydney) (23:45): I move opposition amendment (12):

(12) Schedule 1, page 20 (after line 20), at the end of the Schedule, add:
19 At the end of the Act
Add:

Schedule 2—Information gathering powers and secrecy
Note: See section 64F.

1 Relationship of information gathering powers with other laws
The operation of clause 3:
(a) is limited by laws of the Commonwealth (whether made before or after the commencement of this Act) relating to the powers, privileges and immunities of:
(i) each House of the Parliament; and
(ii) the members of each House of the Parliament; and
(iii) the committees of each House of the Parliament and joint committees of both Houses of the Parliament; but
(b) is not limited by any other law (whether made before or after the commencement of this Act), except to the extent that the other law expressly excludes the operation of clause 3.

2 Purpose for which information gathering powers may be used
The powers under clause 3 may be used for the purpose of, or in connection with, a function given to the Parliamentary Budget Officer by this Act.

3 Power of Parliamentary Budget Officer to obtain information
(1) The Parliamentary Budget Officer may, by written notice, direct an employee of an Agency to do all or any of the following:
(a) provide the Parliamentary Budget Officer with any information that the Parliamentary Budget Officer requires;
(b) attend and give evidence before the Parliamentary Budget Officer or an authorised officer;
(c) produce to the Parliamentary Budget Officer any documents in the custody or under the control of the employee.

Note: A proceeding under paragraph (1)(b) is a judicial proceeding for the purposes of Part III of the Crimes Act 1914. The Crimes Act prohibits certain conduct in relation to judicial proceedings.

(2) The Parliamentary Budget Officer may direct as follows:
(a) that information or answers to questions be given either orally or in writing (as the Parliamentary Budget Officer requires);
(b) that information or answers to questions be verified or given on oath or affirmation.

The oath or affirmation is an oath or affirmation that the information or evidence the person will give will be true, and may be administered by the Parliamentary Budget Officer or by an authorised officer.

(3) An employee of an Agency commits an offence if:
(a) the employee is given a direction under this clause; and
(b) the employee does not comply with the direction.
Penalty: 30 penalty units.

(4) A determination under section 71 may prescribe scales of expenses to be allowed to persons who are required to attend under this clause.

(5) In this clause:
Agency has the same meaning as in the Financial Management and Accountability Act 1997.

authorised officer means a person who:
(a) is an official within the meaning of the Financial Management and Accountability Act 1997; and
(b) is authorised by the Parliamentary Budget Officer, in writing, to exercise powers or perform functions under this clause.

4 Confidentiality of information
(1) A person commits an offence if:
(a) the person discloses information; and

(b) the information was obtained by the person in the course of performing a function of the Parliamentary Budget Officer given by this Act or any other Act; and

(c) the information is disclosed otherwise than in the course of performing a function given to
the Parliamentary Budget Officer by this Act or another Act.

Penalty: Imprisonment for 2 years.

(2) Subclause (1) does not prevent the Parliamentary Budget Officer from disclosing particular information to the Commissioner of the Australian Federal Police if the Parliamentary Budget Officer is of the opinion that the disclosure is in the public interest.

5 Sensitive information not to be disclosed

(1) The Parliamentary Budget Officer must not include particular information in a policy costing, response or submission, or in any document publicly released by the Parliamentary Budget Officer, if:

(a) the Parliamentary Budget Officer is of the opinion that disclosure of the information would be contrary to the public interest for any of the reasons set out in subclause (2); or

(b) the Attorney-General has issued a certificate to the Parliamentary Budget Officer stating that, in the opinion of the Attorney-General, disclosure of the information would be contrary to the public interest for any of the reasons set out in subclause (2).

(2) The reasons are the following:

(a) it would prejudice the security, defence or international relations of the Commonwealth;

(b) it would involve the disclosure of deliberations or decisions of the Cabinet or of a Committee of the Cabinet;

(c) it would prejudice relations between the Commonwealth and a State;

(d) it would divulge any information or matter that was communicated in confidence by the Commonwealth to a State, or by a State to the Commonwealth;

(e) it would unfairly prejudice the commercial interests of any body or person;

(f) any other reason that could form the basis for a claim by the Crown in right of the Commonwealth in a judicial proceeding that the information should not be disclosed.

(3) The Parliamentary Budget Officer cannot be required, and is not permitted, to disclose publicly or to:

(a) a House of the Parliament; or
(b) a member of a House of the Parliament; or
(c) a committee of a House of the Parliament or a joint committee of both Houses of the Parliament;

information that subclause (1) prohibits being included in a policy costing, response or submission, or in any document publicly released by the Parliamentary Budget Officer.

(4) In this clause:

State includes a self-governing Territory.

This is the seventh set of amendments debated before this House in a debate that has taken some hours. In many ways, this is in fact the most important of the amendments. This gives the Parliamentary Budget Office the same powers as the Auditor-General to obtain information from government departments that will suit the needs of members and senators in this place.

Let me be very clear: under the government's own Parliamentary Budget Office bill, the only information that can be obtained by the Parliamentary Budget Office for the purposes of fiscal estimates and economic forecasts is the information that is released by the Treasurer, not the Treasury, in the budget outcomes, in MYEFO and in other scheduled Charter of Budget Honesty publications other than the pre-election fiscal outlook, which is the sole document that is going to fuel the needs of the Parliamentary Budget Office that in fact comes from an independent department—the only one!

So the Parliamentary Budget Office's sole source of economic information is published information. There is no independence about it: none. And this government, together with the Independents, thinks that is a great idea. The Canadian budget office has just moved from this set-up of being restricted to published treasurer or minister for finance information that of being able to obtain independent information, and that the
American congressional office already can obtain independent information and make economic and fiscal forecasts independent of their own equivalent of the Department of Finance and Deregulation. No, this government, with the complicity of the Independents, has now decided that the PBO will be so restricted that it is simply going to be a post box for the government of the day.

So you have called it Let It Be. In addition, the great brainwave of the government combined with the Independents is that the only information that can be obtained from other departments has to be based on a memorandum of understanding between the Parliamentary Budget Office and that department. A memorandum of understanding! The Treasury put in a submission to the parliamentary committee and said that the benchmark for the release of information should in fact be tighter than the FOI provisions. And this is the Parliamentary Budget Office. The Treasury wants the Parliamentary Budget Office to be so restricted in its information-gathering powers that it is actually easier for the Parliamentary Budget Office to FOI government departments than to obtain it from them. But no, this is an independent Parliamentary Budget Office established by the Labor Party and the Independents, and this body is going to be so independent that it is going to rely solely on the Treasurer’s own figures and then after that it has to enter into a memorandum of understanding with hundreds of government departments and agencies—literally—and Commonwealth companies. And those memoranda of understanding need to be negotiated before the next election. What a joke.

This is the most symbolic example of a group of Independents who are complicitly walking in the footsteps of an incompetent Labor government. We make no apologies. We want a truly independent parliamentary budget office. We want one that stands up for the members. We want a parliamentary budget office independent of the government. We want a parliamentary budget office that serves the needs of members and senators, no matter what political party they come from. We want a parliamentary budget office that serves the needs of the people of Australia and not the needs of the Labor Party and the Independents.

Question put.

The House divided. [23:54]

(The Speaker—Mr Harry Jenkins)

Ayes .................67
Noes ..................69
Majority ..............2

AYES

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Cobb, JK
Crook, AJ
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Keean, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Scott, BC
Simpkins, LXL
Smith, ADH
Stone, SN
Truss, WE
Turnbull, MB

Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Coulton, M (teller)
Entsch, WG
Forrest, JA
Gambaro, T
Griggs, NL
Hartsuyker, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Neville, PC
O'Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Socker, PD (teller)
Slipper, PN
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ

CHAMBER
The SPEAKER: The question now is that this bill be agreed to.

Question put.

The House divided [23:59]

(The Speaker—Mr Harry Jenkins)

<table>
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<th>AYES</th>
<th>NOES</th>
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**PAIRS**

<table>
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<tr>
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<td>Somlyay, AM</td>
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Question negatived.
Tuesday, 20 September 2011   HOUSE OF REPRESENTATIVES  10939

Mr GARRETT: to present a Bill for an Act to amend the Social Security Act 1991, and for related purposes.

Mr GARRETT: to present a Bill for an Act to amend the Higher Education Support Act 2003, and for related purposes.

Mr SHORTEN: to present a Bill for an Act to amend the law relating to consumer credit and corporations, and for related purposes.

Mr BOWEN: to present a Bill for an Act to amend the law relating to migration, and for other purposes.

Mr CREAN: to present a Bill for an Act to amend the Offshore Petroleum and Greenhouse Gas Storage Act 2006, and for other purposes.

Ms LEY: to move:
That this House:
(1) notes that:
(a) in the 2010 11 Budget, the Gillard Government has not considered the implications of removing Commonwealth funding for Occasional Care Child Care; and
(b) the consequence of ceasing this funding has caused Australian families real hardship as they struggle to find alternative sources of child care;
(2) acknowledges that:
(a) there are no other Commonwealth funded forms of child care to fill this void; and
(b) withdrawal of this funding has resulted in job losses in the industry; and
(3) calls on the Government to reinstate Commonwealth funding for Occasional Care Child Care.

Mrs GRIGGS: to move:
That this House:
(1) acknowledges 19 February 1942 as the day Darwin was bombed and marks the first time Australia was militarily attacked by enemy forces;
(2) reflects upon the significant loss of life of Australian Defence personnel and civilians during the attacks and casualties of the bombings;

(3) recognises that the attack remained a secret for many years and that even today, many Australians are unaware of the bombing of Darwin and the significant damage and loss of life which resulted; and

(4) calls for 19 February of each year to be Gazetted as 'Bombing of Darwin Day' and be named a Day of National Significance by the Governor-General.

**Dr LEIGH:** to move:

That this House:

(1) recognises that:

(a) the Australian incarceration rate has risen from 117 prisoners per 100 000 adults in 1991 to 172 prisoners per 100 000 adults in 2010;

(b) since the Indigenous Deaths in Custody Report was released in 1991, the Indigenous incarceration rate has risen from 1739 prisoners per 100 000 adults to 2303 prisoners per 100 000 adults; and

(c) an increasing number of Australian children have a parent behind bars; and

(2) encourages governments at all levels to pursue innovative policies to reduce crime and incarceration rates, including:

(a) investing in early intervention programs to deter young people from crime;

(b) where appropriate, considering alternatives to incarceration such as weekend detention, periodic detention, restorative justice and drug courts;

(c) employing smart policing strategies, such as using real-time crime statistics to identify and target crime hotspots;

(d) establishing in-prison education, training and rehabilitation programs aimed at reducing recidivism and improving family relationships for prisoners with children; and

(e) implementing randomised policy trials (akin to the 1999 NSW Drug Court randomised trial) to rigorously evaluate the impact of criminal justice interventions.