INTERNET
The Journals for the Senate are available at

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

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

SITTING DAYS—2012

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>7, 8, 9, 27, 28, 29</td>
</tr>
<tr>
<td>March</td>
<td>1, 13, 14, 15, 16, 19, 20, 21, 22</td>
</tr>
<tr>
<td>May</td>
<td>8, 9, 10</td>
</tr>
<tr>
<td>June</td>
<td>18, 19, 20, 21, 25, 26, 27, 28</td>
</tr>
<tr>
<td>August</td>
<td>14, 15, 16, 20, 21, 22, 23</td>
</tr>
<tr>
<td>September</td>
<td>10, 11, 12, 13, 17, 18, 19, 20</td>
</tr>
<tr>
<td>October</td>
<td>9, 10, 11, 29, 30, 31</td>
</tr>
<tr>
<td>November</td>
<td>1, 19, 20, 21, 22, 26, 27, 28, 29</td>
</tr>
</tbody>
</table>

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

- ADELAIDE 972AM
- BRISBANE 936AM
- CANBERRA 103.9FM
- DARWIN 102.5FM
- HOBART 747AM
- MELBOURNE 1026AM
- PERTH 585AM
- SYDNEY 630AM

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

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

Senate Office holders
President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Stephen Shane Parry
Temporary Chairs of Committees—Senators Judith Anne Adams, Christopher John Back,
Thomas Mark Bishop, Suzanne Kay Boyce, Douglas Niven Cameron, Patricia Margaret
Crossin, David Julian Fawcett, Mary Jo Fisher, Scott Ludlam, Gavin Mark Marshall, Claire
Mary Moore, Louise Clare Pratt, Ursula Mary Stephens and Mark Lionel Furner
Leader of the Government in the Senate—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Government in the Senate—Senator Hon. Stephen Michael Conroy
Leader of the Opposition in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Opposition in the Senate—Senator Hon. George Henry Brandis SC
Manager of Government Business in the Senate—Senator Hon. Joseph William Ludwig
Manager of Opposition Business in the Senate—Senator Mitchell Peter Fifield

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

Printed by authority of the Senate
<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Adams, Judith Anne</td>
<td>WA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Back, Christopher John</td>
<td>WA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Bernardi, Cory</td>
<td>SA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Bilyk, Catryna Louise</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Birmingham, Simon John</td>
<td>SA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Bishop, Thomas Mark</td>
<td>WA</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Boswell, Hon. Ronald Leslie Doyle</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>NATS</td>
</tr>
<tr>
<td>Boyce, Suzanne Kay</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Brandis, Hon. George Henry, SC</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Brown, Carol Louise</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Brown, Robert James</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>AG</td>
</tr>
<tr>
<td>Bushby, David Christopher</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Cameron, Douglas Niven</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Carr, Hon. Kim John</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Carr, Hon. Robert John (3)</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Cash, Michaelia Clare</td>
<td>WA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Colbeck, Hon. Richard Mansell</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Collins, Jacinta Mary Ann</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Conroy, Hon. Stephen Michael</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Cormann, Mathias Hubert Paul</td>
<td>WA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Crossin, Patricia Margaret (1)</td>
<td>NT</td>
<td></td>
<td>ALP</td>
</tr>
<tr>
<td>Di Natale, Richard</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Edwards, Sean</td>
<td>SA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Eggleston, Alan</td>
<td>WA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Evans, Hon. Christopher Vaughan</td>
<td>WA</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Farrell, Donald Edward</td>
<td>SA</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Faulkner, Hon. John Philip</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Fawcett, David Julian</td>
<td>SA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Feeney, David Ian</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Fierravanti-Wells, Concetta Anna</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Fifield, Mitchell Peter</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Fisher, Mary Jo</td>
<td>SA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Furner, Mark Lionel</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Gallacher, Alexander McEachian</td>
<td>SA</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Hanson-Young, Sarah Coral</td>
<td>SA</td>
<td>30.6.2014</td>
<td>AG</td>
</tr>
<tr>
<td>Heffernan, Hon. William Daniel</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Hogg, Hon. John Joseph</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Humphries, Gary John Joseph (1)</td>
<td>ACT</td>
<td></td>
<td>LP</td>
</tr>
<tr>
<td>Johnston, Hon. David Albert Lloyd</td>
<td>WA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Joyce, Barnaby Thomas Gerard</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>NATS</td>
</tr>
<tr>
<td>Kroger, Helen</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Ludlam, Scott</td>
<td>WA</td>
<td>30.6.2014</td>
<td>AG</td>
</tr>
<tr>
<td>Lundy, Kate Alexandra (1)</td>
<td>ACT</td>
<td></td>
<td>ALP</td>
</tr>
<tr>
<td>Macdonald, Hon. Ian Douglas</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Madigan, John Joseph</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>DLP</td>
</tr>
<tr>
<td>McEwen, Anne</td>
<td>SA</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>McKenzie, Bridget</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>NATS</td>
</tr>
<tr>
<td>Senator</td>
<td>State or Territory</td>
<td>Term expires</td>
<td>Party</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------------------</td>
<td>--------------</td>
<td>----------</td>
</tr>
<tr>
<td>McLucas, Hon. Jan Elizabeth</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Marshall, Gavin Mark</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Mason, Hon. Brett John</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Milne, Christine Anne</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Moore, Claire Mary</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Nash, Fiona Joy</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>NATS</td>
</tr>
<tr>
<td>Parry, Stephen Shane</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Payne, Marise Ann</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Polley, Helen Beatrice</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Pratt, Louise Clare</td>
<td>WA</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Rhiannon, Lee</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Ronaldson, Hon. Michael</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Ryan, Scott Michael</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Scullion, Hon. Nigel Gregory (1)</td>
<td>NT</td>
<td></td>
<td>CLP</td>
</tr>
<tr>
<td>Sherry, Hon. Nicholas John</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Siewert, Rachel Mary</td>
<td>WA</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Singh, Hon. Lisa Maria</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Sinodinos, Arthur (2)</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Stephens, Hon. Ursula Mary</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Sterle, Glenn</td>
<td>WA</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Thistlethwaite, Matthew</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Urquhart, Anne Elizabeth</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Waters, Larissa Joy</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Williams, John Reginald</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>NATS</td>
</tr>
<tr>
<td>Wright, Penelope Lesley</td>
<td>SA</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Wong, Hon. Penelope Ying Yen</td>
<td>SA</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Xenophon, Nicholas</td>
<td>SA</td>
<td>30.6.2014</td>
<td>IND</td>
</tr>
</tbody>
</table>

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

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

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

**PARTY ABBREVIATIONS**


**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing

Clerk of the House of Representatives—B Wright

Acting Secretary, Department of Parliamentary Services—R Grove
<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Minister</td>
<td>The Hon Julia Gillard MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on Digital Productivity</td>
<td>Senator the Hon Stephen Conroy</td>
</tr>
<tr>
<td>Minister for Social Inclusion</td>
<td>The Hon Mark Butler MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on Mental Health Reform</td>
<td>The Hon Mark Butler MP</td>
</tr>
<tr>
<td>Minister for the Public Service and Integrity</td>
<td>The Hon Gary Gray AO MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on the Centenary of ANZAC</td>
<td>The Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Cabinet Secretary</td>
<td>The Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>Senator the Hon Jan McLucas</td>
</tr>
<tr>
<td>Treasurer</td>
<td>The Hon Wayne Swan MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
<td></td>
</tr>
<tr>
<td>Minister for Financial Services and Superannuation</td>
<td>The Hon Bill Shorten MP</td>
</tr>
<tr>
<td>Assistant Treasurer</td>
<td>The Hon David Bradbury MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon Bernie Ripoll MP</td>
</tr>
<tr>
<td>Minister for Tertiary Education, Skills, Science and Research</td>
<td>Senator the Hon Chris Evans</td>
</tr>
<tr>
<td>(Leader of the Government in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Minister for Industry and Innovation</td>
<td>The Hon Greg Combet AM MP</td>
</tr>
<tr>
<td>Minister for Small Business</td>
<td>The Hon Brendan O'Connor MP</td>
</tr>
<tr>
<td>Minister Assisting for Industry and Innovation</td>
<td>Senator the Hon Kate Lundy</td>
</tr>
<tr>
<td>Parliamentary Secretary for Industry and Innovation</td>
<td>The Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Higher Education and Skills</td>
<td>The Hon Sharon Bird MP</td>
</tr>
<tr>
<td>Minister for Broadband, Communications and the Digital Economy</td>
<td>Senator the Hon Stephen Conroy</td>
</tr>
<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Minister for Regional Australia, Regional Development and Local Government</td>
<td>The Hon Simon Crean MP</td>
</tr>
<tr>
<td>Minister for the Arts</td>
<td>The Hon Simon Crean MP</td>
</tr>
<tr>
<td>Minister for Sport</td>
<td>Senator the Hon Kate Lundy</td>
</tr>
<tr>
<td>Minister for Defence</td>
<td>The Hon Stephen Smith MP</td>
</tr>
<tr>
<td>(Deputy Leader of the House)</td>
<td></td>
</tr>
<tr>
<td>Minister for Defence Materiel</td>
<td>The Hon Jason Clare MP</td>
</tr>
<tr>
<td>Minister for Veterans' Affairs</td>
<td>The Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Minister for Defence Science and Personnel</td>
<td>The Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Defence</td>
<td>The Hon Dr Mike Kelly AM MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Defence</td>
<td>Senator the Hon David Feeney</td>
</tr>
<tr>
<td>Minister for Immigration and Citizenship</td>
<td>The Hon Chris Bowen MP</td>
</tr>
<tr>
<td>Minister for Multicultural Affairs</td>
<td>Senator the Hon Kate Lundy</td>
</tr>
<tr>
<td>Minister for Infrastructure and Transport</td>
<td>The Hon Anthony Albanese MP</td>
</tr>
<tr>
<td>(Leader of the House)</td>
<td></td>
</tr>
<tr>
<td>Parliamentary Secretary for Infrastructure and Transport</td>
<td>The Hon Catherine King MP</td>
</tr>
<tr>
<td>Attorney-General</td>
<td>The Hon Nicola Roxon MP</td>
</tr>
<tr>
<td>Minister for Emergency Management</td>
<td>The Hon Nicola Roxon MP</td>
</tr>
<tr>
<td>Minister Assisting on Queensland Floods Recovery</td>
<td>Senator the Hon Joe Ludwig</td>
</tr>
<tr>
<td>Minister for Home Affairs</td>
<td>The Hon Jason Clare MP</td>
</tr>
<tr>
<td>Minister for Justice</td>
<td>The Hon Jason Clare MP</td>
</tr>
<tr>
<td>Title</td>
<td>Minister</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Minister for Families, Community Services and Indigenous Affairs</td>
<td>The Hon Jenny Macklin MP</td>
</tr>
<tr>
<td>Minister for Disability Reform</td>
<td>The Hon Jenny Macklin MP</td>
</tr>
<tr>
<td>Minister for Housing</td>
<td>The Hon Brendan O'Connor MP</td>
</tr>
<tr>
<td>Minister for Homelessness</td>
<td>The Hon Brendan O'Connor MP</td>
</tr>
<tr>
<td>Minister for Community Services</td>
<td>The Hon Julice Collins MP</td>
</tr>
<tr>
<td>Minister for the Status of Women</td>
<td>The Hon Julice Collins MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Disabilities and Carers</td>
<td>Senator the Hon Jan McLucas</td>
</tr>
<tr>
<td>Minister for Foreign Affairs</td>
<td>Senator the Hon Bob Carr</td>
</tr>
<tr>
<td>Parliamentary Secretary for Trade</td>
<td>The Hon Dr Craig Emerson MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>The Hon Justine Elliot MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Foreign Affairs</td>
<td>The Hon Richard Marles MP</td>
</tr>
<tr>
<td>Minister for Sustainability, Environment, Water, Population and</td>
<td>The Hon Tony Burke MP</td>
</tr>
<tr>
<td>Communities (Vice-President of the Executive Council)</td>
<td></td>
</tr>
<tr>
<td>Parliamentary Secretary for Sustainability and Urban Water</td>
<td>Senator the Hon Don Farrell</td>
</tr>
<tr>
<td>Minister for Finance and Deregulation</td>
<td>Senator the Hon Penny Wong</td>
</tr>
<tr>
<td>Special Minister of State</td>
<td>The Hon Gary Gray AO MP</td>
</tr>
<tr>
<td>Minister Assisting for Deregulation</td>
<td>The Hon David Bradbury MP</td>
</tr>
<tr>
<td>Minister for School Education, Early Childhood and Youth</td>
<td>The Hon Peter Garrett AM MP</td>
</tr>
<tr>
<td>Minister for Employment and Workplace Relations</td>
<td>The Hon Bill Shorten MP</td>
</tr>
<tr>
<td>Minister for Early Childhood and Childcare</td>
<td>The Hon Kate Ellis MP</td>
</tr>
<tr>
<td>Minister for Employment Participation</td>
<td>The Hon Kate Ellis MP</td>
</tr>
<tr>
<td>Minister for Indigenous Employment and Economic Development</td>
<td>The Hon Julice Collins MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for School Education and Workplace Relations</td>
<td>Senator the Hon Jacinta Collins</td>
</tr>
<tr>
<td>(Manager of Government Business in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Minister for Agriculture, Fisheries and Forestry</td>
<td>Senator the Hon Joe Ludwig</td>
</tr>
<tr>
<td>Parliamentary Secretary for Agriculture, Fisheries and Forestry</td>
<td>The Hon Sid Sidebottom MP</td>
</tr>
<tr>
<td>Minister for Resources and Energy</td>
<td>The Hon Martin Ferguson AM MP</td>
</tr>
<tr>
<td>Minister for Tourism</td>
<td>The Hon Martin Ferguson AM MP</td>
</tr>
<tr>
<td>Minister for Climate Change and Energy Efficiency</td>
<td>The Hon Greg Combet AM MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Climate Change and Energy Efficiency</td>
<td>The Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td>Minister for Health</td>
<td>The Hon Tanya Plibersek MP</td>
</tr>
<tr>
<td>Minister for Mental Health and Ageing</td>
<td>The Hon Mark Butler MP</td>
</tr>
<tr>
<td>Minister for Indigenous Health</td>
<td>The Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Health and Ageing</td>
<td>The Hon Catherine King MP</td>
</tr>
<tr>
<td>Minister for Human Services</td>
<td>Senator the Hon Kim Carr</td>
</tr>
<tr>
<td>Title</td>
<td>Shadow Minister</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td><strong>Leader of the Opposition</strong></td>
<td>The Hon Tony Abbott MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary Assisting the Leader of the Opposition</td>
<td>Senator Cory Bernardi</td>
</tr>
<tr>
<td><strong>Shadow Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Trade</strong></td>
<td></td>
</tr>
<tr>
<td>(Deputy Leader of the Opposition)</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for International Development Assistance</td>
<td>The Hon Teresa Gambaro MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Infrastructure and Transport</strong> (Leader of The Nationals)</td>
<td>The Hon Warren Truss MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Roads and Regional Transport</td>
<td>Mr Darren Chester MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Employment and Workplace Relations</strong></td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td>(Leader of the Opposition in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Employment Participation</td>
<td>The Hon Sussan Ley MP</td>
</tr>
<tr>
<td><strong>Shadow Attorney-General</strong></td>
<td>Senator the Hon George Brandis SC</td>
</tr>
<tr>
<td><strong>Shadow Minister for the Arts</strong></td>
<td></td>
</tr>
<tr>
<td>(Deputy Leader of the Opposition in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Justice, Customs and Border Protection</td>
<td>Mr Michael Keenan MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Shadow Attorney-General</td>
<td>Senator Gary Humphries</td>
</tr>
<tr>
<td><strong>Shadow Treasurer</strong></td>
<td>The Hon Joe Hockey MP</td>
</tr>
<tr>
<td>Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation</td>
<td>Senator Mathias Cormann</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Tax Reform</td>
<td>The Hon Tony Smith MP</td>
</tr>
<tr>
<td>(Deputy Chairman, Coalition Policy Development Committee)</td>
<td></td>
</tr>
<tr>
<td><strong>Shadow Minister for Education, Apprenticeships and Training</strong></td>
<td>The Hon Christopher Pyne MP</td>
</tr>
<tr>
<td>(Manager of Opposition Business in the House)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Childcare and Early Childhood Learning</td>
<td>The Hon Sussan Ley MP</td>
</tr>
<tr>
<td>Shadow Minister for Universities and Research</td>
<td>Senator the Hon Brett Mason</td>
</tr>
<tr>
<td>Shadow Minister for Youth and Sport</td>
<td>Mr Luke Hartsuyker MP</td>
</tr>
<tr>
<td>(Deputy Manager of Opposition Business in the House)</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Regional Education</td>
<td>Senator Fiona Nash</td>
</tr>
<tr>
<td><strong>Shadow Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td>(Deputy Leader of the Nationals)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Indigenous Development and Employment</td>
<td>Senator Marise Payne</td>
</tr>
<tr>
<td><strong>Shadow Minister for Regional Development, Local Government and Water</strong></td>
<td>Senator Barnaby Joyce</td>
</tr>
<tr>
<td>(Leader of the Nationals in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Regional Development</td>
<td>The Hon Bob Baldwin MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Northern and Remote Australia</td>
<td>Senator the Hon Ian Macdonald</td>
</tr>
<tr>
<td>Title</td>
<td>Shadow Minister</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Local Government</td>
<td>Mr Don Randall MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Murray-Darling Basin</td>
<td>Senator Simon Birmingham</td>
</tr>
<tr>
<td>Shadow Minister for Finance, Deregulation and Debt Reduction</td>
<td>The Hon Andrew Robb AO MP</td>
</tr>
<tr>
<td>Shadow Minister for Energy and Resources</td>
<td>The Hon Ian Macfarlane MP</td>
</tr>
<tr>
<td>Shadow Minister for Defence</td>
<td>The Hon Bob Baldwin MP</td>
</tr>
<tr>
<td>Shadow Minister for Defence Science, Technology and Personnel</td>
<td>Mr Stuart Robert MP</td>
</tr>
<tr>
<td>Shadow Minister for Veterans' Affairs and Shadow Minister, Assisting</td>
<td>Senator the Hon Michael Ronaldson</td>
</tr>
<tr>
<td>the Leader of the Opposition on the Centenary of ANZAC</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Defence Materiel</td>
<td>Senator Gary Humphries</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Defence Force and Defence</td>
<td>Senator the Hon Ian Macdonald</td>
</tr>
<tr>
<td>Support</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Communications and Broadband</td>
<td>The Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Shadow Minister for Regional Communications</td>
<td>Mr Luke Hartsuyker MP</td>
</tr>
<tr>
<td>Shadow Minister for Health and Ageing</td>
<td>The Hon Peter Dutton MP</td>
</tr>
<tr>
<td>Shadow Minister for Ageing</td>
<td>Senator Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td>Shadow Minister for Mental Health</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Primary Healthcare</td>
<td>Dr Andrew Southcott MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Regional Health</td>
<td>Dr Andrew Laming MP</td>
</tr>
<tr>
<td>Services and Indigenous Health</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Families, Housing and Human Services</td>
<td>The Hon Kevin Andrews MP</td>
</tr>
<tr>
<td>Shadow Minister for Seniors</td>
<td>The Hon Bronwyn Bishop MP</td>
</tr>
<tr>
<td>Shadow Minister for Disabilities, Carers and the Voluntary Sector</td>
<td>Senator Mitch Fifield</td>
</tr>
<tr>
<td>(Manager of Opposition Business in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Housing</td>
<td>Senator Marise Payne</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Supporting Families</td>
<td>Senator Cory Bernardi</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Status of Women</td>
<td>Senator Michaelia Cash</td>
</tr>
<tr>
<td>Shadow Minister for Climate Action, Environment and Heritage</td>
<td>The Hon Greg Hunt MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Environment</td>
<td>Senator Simon Birmingham</td>
</tr>
<tr>
<td>Shadow Minister for Productivity and Population</td>
<td>Mr Scott Morrison MP</td>
</tr>
<tr>
<td>Shadow Minister for Immigration and Citizenship</td>
<td>The Hon Teresa Gambaro MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Senator Michaelia Cash</td>
</tr>
<tr>
<td>Shadow Minister for Innovation, Industry and Science</td>
<td>Mrs Sophie Mirabella MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Innovation, Industry, and Science</td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
<tr>
<td>Shadow Minister for Agriculture and Food Security</td>
<td>The Hon John Cobb MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Fisheries and Forestry</td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
</tbody>
</table>
Shadow Minister for Small Business, Competition Policy and Consumer Affairs

The Hon Bruce Billson MP

Shadow Parliamentary Secretary for Small Business and Fair Competition

Senator Scott Ryan
CONTENTS

FRIDAY, 16 MARCH 2012

Chamber
BUSINESS—
  Leave of Absence .......................................................................................................................... 1985
COMMITTEES—
  Australian Commission for Law Enforcement Integrity Committee—
    Meeting ....................................................................................................................................... 1985
DOCUMENTS—
  Tabling ........................................................................................................................................ 1985
COMMITTEES—
  Membership ................................................................................................................................. 1985
BILLS—
  Minerals Resource Rent Tax Bill 2011—
  Minerals Resource Rent Tax (Imposition—General) Bill 2011—
  Minerals Resource Rent Tax (Imposition—Customs) Bill 2011—
  Minerals Resource Rent Tax (Imposition—Excise) Bill 2011—
  Petroleum Resource Rent Tax Assessment Amendment Bill 2011—
  Petroleum Resource Rent Tax (Imposition—General) Bill 2011—
  Petroleum Resource Rent Tax (Imposition—Customs) Bill 2011—
  Petroleum Resource Rent Tax (Imposition—Excise) Bill 2011—
  Tax Laws Amendment (Stronger, Fairer, Simpler and Other Measures) Bill 2011—
  Superannuation Guarantee (Administration) Amendment Bill 2011—
    Second Reading ......................................................................................................................... 1986
NOTICES—
  Presentation ................................................................................................................................. 2051
ADJOURNMENT—
  Sydney Coastrek .......................................................................................................................... 2052
  Nuclear Energy .............................................................................................................................. 2053
DOCUMENTS—
  Tabling ........................................................................................................................................ 2055
Friday, 16 March 2012

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 09:00, read prayers and made an acknowledgement of country.

BUSINESS

Leave of Absence

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (09:01): by leave—I move:

That leave of absence be granted to the following senators:

(a) Senator Bushby for today, for personal reasons; and

(b) Senators Birmingham, Cormann, Joyce and Sinodinos for today, on account of parliamentary business.

Question agreed to.

COMMITTEES

Australian Commission for Law Enforcement Integrity Committee

Meeting

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (09:01): by leave—I move:

That the order of the Senate agreed to on 15 March 2012 authorising the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity to hold a public meeting during the sitting of the Senate be varied by omitting "1.30 pm" and substituting "11 am".

Question agreed to.

DOCUMENTS

Tabling

The Clerk: Documents are tabled pursuant to statute. Details will be recorded in the Journals of the Senate and on the Dynamic Red.

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

COMMITTEES

Membership

The PRESIDENT (09:02): I have received letters from party leaders requesting changes in the membership of various committees.

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (09:02): by leave—I move:

That senators be discharged from and appointed to committees as follows:

Australian Commission for Law Enforcement Integrity—Joint Statutory Committee—

Discharged—Senator Macdonald
Appointed—Cash

Human Rights—Joint Statutory Committee—

Appointed—Senators Edwards and Humphries

Law Enforcement—Joint Statutory Committee—

Discharged—Senator Mason
Appointed—Senator Nash

National Broadband Network—Joint Standing Committee—

Discharged—Senator Stephens
Appointed—Senator Gallacher

Participating member: Senator Stephens

Regulations and Ordinances—Standing Committee—

Discharged—Senator Ronaldson
Appointed—Senator Colbeck

Scrutiny of Bills—Standing Committee—

Discharged—Senator Fifield
Appointed—Senator Macdonald.

Question agreed to.
Messages received from the House of Representatives informing the Senate of the appointment of Mr Jenkins, Ms Parke, Mr Kelvin Thomson, Mr Wyatt and Mr Tehan to the Parliamentary Joint Committee on Human Rights; the appointment of Mr Laurie Ferguson to the Joint Standing Committee on Treaties in place of Ms Bird; the appointment of Ms O'Neill to the Parliamentary Joint Committee on Corporations and Financial Services in place of Mr Ripoll; the appointment of Ms Hall to the Parliamentary Standing Committee on Public Works in place of Mr Ripoll; the appointment of Mr Mitchell to the Joint Standing Committee on the National Broadband Network in place of Mrs D'Ath; the appointment of Ms Brodtmann to the Joint Select Committee on Gambling Reform in place of Mr Champion; the appointment of Mr McClelland to the Joint Standing Committee on Foreign Affairs, Defence and Trade in place of Mr Byrne; and the appointment of Mr Rudd to the Parliamentary Joint Committee on Intelligence and Security in place of Mr Melham.

BILLS
Minerals Resource Rent Tax Bill 2011
Minerals Resource Rent Tax (Imposition—General) Bill 2011
Minerals Resource Rent Tax (Imposition—Customs) Bill 2011
Minerals Resource Rent Tax (Imposition—Excise) Bill 2011
Petroleum Resource Rent Tax Assessment Amendment Bill 2011

Petroleum Resource Rent Tax (Imposition—Customs) Bill 2011
Petroleum Resource Rent Tax (Imposition—Excise) Bill 2011
Tax Laws Amendment (Stronger, Fairer, Simpler and Other Measures) Bill 2011
Superannuation Guarantee (Administration) Amendment Bill 2011

Second Reading
Debate resumed on the motion:
That these bills be now read a second time.
to which the following amendment was moved:
At the end of the motion, add "but the Senate:
(a) notes that the Government has not complied with:
   (i) the order of the Senate made on 1 November 2011, ordering the production of information relating to the cost of all measures attached to the mining tax over the current forward estimates, and
   (ii) a number of other outstanding orders in relation to mining tax revenue estimates and related assumptions; and
(b) declines to consider the bill further until:
   (i) the Government publicly releases all information it holds relating to:
      (A) the commodity price and production volume assumptions it has used in respect of its mining tax revenue estimates,
      (B) the updated estimates of the cost of all measures associated with the mining tax over the forward estimates,
      (C) the cost estimate of its commitment to credit all state and territory royalties against the resource rent tax liabilities, and
      (D) the cost estimate of the upfront tax deductions able to be claimed by mining projects subject to the Minerals Resource Rent Tax on the basis of the market valuation method, and
The Senate has passed a resolution that
the bills may be listed for debate

Senator BERNARDI (South Australia) (09:03): The coalition opposes the government's minerals resource rent tax, not least of all because the tax is divisive, it is complex and it is actually fiscally irresponsible. It is clearly not in the interests of this nation. Indeed, it is just another example of this government pushing its own misguided ideological views onto the whole country.

Just look at the Treasurer, Mr Swan, and his attack on a few wealthy Australians. The politics of envy within the Labor Party are alive and well. His bitter words against those who have actually made a success of their lives and helped to create success for this country, who have generated jobs for tens of thousands of Australians and billions of dollars worth of wealth for this country, are just appalling. It is the mark of a small man, with a small mind, leading a small party.

When those in government are addressing their remarks about this bill they will tell you that this mining tax will lower the company tax rate. Well, good on them for saying that, but it means little when at the same time as lowering the company tax rate Labor will be burdening business after business with tax after tax after tax. A tax cut based on an even larger tax increase is not a cut at all, it is simply a con. And the Labor Party have been conning the Australian people through their smoke-and-mirrors acts, their three-card monte and their cheap hypnotist tricks—as their newest member likes to talk about—for far too long.

The only genuine tax cut is a tax cut that is funded through expenditure restraint—words that this government will never heed.

Senator Ludwig: Haven't you got any new material?

Senator BERNARDI: Senator Ludwig says: haven't I got any new material? We know that the Labor Party is out of material. That is why they had to truck in a new foreign minister from a retirement home!

This is a disgrace. This government is completely bereft of any policy. The coalition has demonstrated this repeatedly. It was demonstrated at the last election, and it was demonstrated when we were in government, that we can deliver tax cuts based on modest and prudent expenditure cuts. The coalition will always manage taxpayers' funds much more wisely than the chirping classes on the other side. The politics of envy are alive and well. As long as they can stay in their cosy ministerial offices they will sell out the interests of the Australian people. They will sell out the interests of political principle in this country as long as they can cling to the reins of power.

We on the coalition benches oppose Labor's mining tax because it is bad economics. It is bad economics to single out a single sector with extra taxes as a penalty for being successful. Through company taxes and state government royalties, I might add, Australia's mining companies already pay double taxation. This tax will mean that successful Australian mining companies will face triple taxation because the mining tax does not replace any of these taxes.

I want to talk briefly about the taxation regime in respect of minerals. This government will say that this tax will give a fairer deal to all Australians. We know that that is poppycock. They say that the mineral resources belong to all Australians. That is nonsense, too. The mineral resource belongs to the states. And the states can charge whatever rate they like for the extraction of those minerals.

Senator Wong: That's right: put the states ahead of people. That's a good idea!

Senator BERNARDI: Senator Wong clearly does not like it. After being moved
from the climate change portfolio, she is struggling in the finance portfolio. I understand that you do not like the fact that states have rights. They created the Commonwealth, Senator Wong; the Commonwealth did not create them. Perhaps you should remember that, as you are supposed to be representing the interests of your state in this parliament. My point is this: the states own the minerals. They can charge the royalties that they need for the extraction—the one-time use—of those minerals. Indeed, that is what they are doing.

The problem that we have is that this government is not content to let the states earn money through one of their major revenue sources. They think that centralising power and sucking up the money to Canberra is somehow going to provide a better result for the Australian people. Clearly, it is not. You only have to look at the track record of this government and the mismanagement of taxpayer resources by this government to understand that they are not fit to hold the Treasury benches.

There is going to be a big impact on the mining sector. The great big new super tax on Australia's mining tax is going to cost Australians significantly through lost investment and lost jobs. In the theoretical world that some textbook economic gurus inhabit—and I recall Mr Henry saying this—the tax could range up to 99 per cent of profits and people would still invest. The theory may sound good but it is not practical, because there is a finite amount of money in the world and there are opportunity costs. If investors are going to be taxed more to develop mines in this country then they will look at alternative projects in Brazil, Africa or Papua New Guinea. One stockbroking firm recently wrote that the sovereign risk was less in Papua New Guinea than it was in Australia. That is a sad indictment by a professional analysis on this government's economic track record.

Labor will also tell Australians that this mining tax is going to fund an increase in compulsory superannuation. I happen to support Australians saving for their own retirement. This government continues to tinker with superannuation and to make it almost unattractive for many people, because there is no certainty and people cannot rely on it. But let us put paid to this abject lie. This mining tax will not fund an increase in superannuation. Businesses will be paying for any increase in compulsory superannuation contributions for their employees. That cost will be borne by businesses—including the mining companies, might I add, many of whom employ tens of thousands of Australians. That would be a fourth level of additional taxation of these mining companies.

The other point that needs to be highlighted to the Australian people is that Labor's mining tax has an accompanying $4 billion black hole. And it continues to grow. While this will come as no surprise to those of us who have observed the lack of financial management skills in the Labor Party—particularly over the last four years—the Gillard mining tax will actually leave the budget worse off. Can you believe that? They are imposing another tax, a new tax, that will leave the budget worse off. Over the medium to long term it will worsen the current structural deficit.

To provide a bit of history to this, over the year since the mining tax was announced revenue estimates have jumped from $12 billion for the 'resource super profits tax', as it was then, to $24 billion, for the 'resource super profits tax with revised commodity price assumptions', dropped to $10.5 billion post a special deal that was done after taking into account further revised commodity price
assumptions and then dropped to $7.4 billion after they took into account some exchange rate changes. Now it is at $7.7 billion after further exchange rate changes. Just two days ago in this place in question time we were told by the minister for finance that she did not have a crystal ball. They forecasted these sorts of changes and these sorts of revenues and yet they could not even keep those forecasts coherent and straightforward for a period of 12 months. What a bunch of clowns; what a circus this government is. PT Barnum had nothing on this lot. They are operating on the premise that you can fool some of the people all of the time and all of the people some of the time. Clearly, the 31 per cent of people who vote for the Labor Party can be fooled all of the time.

Treasury projections for the minerals resource rent tax revenue to 2020 released under FOI indicate that Treasury expects revenue to reduce over time as commodity prices come back to more normal levels after an international supply response to the current record highs. And we are starting to see this moderation in commodity prices already. The cost of the measures that the government has attached to the MRRT will continue to grow strongly over time. So they have one little bit of capital to fund an ongoing recurring expenditure. My colleague and friend Senator Cormann has said that this proposed increase in compulsory superannuation is expected to cost the budget $3.6 billion in the year that it is fully phased in. In the same year, Treasury projections of MRRT revenue is $3 billion—another $600 million black hole. While the MRRT will help the government create the illusion—along the lines of PT Barnum—of an early surplus in 2012-13, it will leave the budget worse off from the subsequent year and in every year after that.

A Senate inquiry into the mining tax has conservatively estimated that over the next decade the net cost to the budget will be $20 billion. This is a new tax that is going to discourage investment and employment and leave the national budget $20 billion worse off. You would not design something like this for an episode of Yes, Minister or The Hollow Men. Unfortunately, we are experiencing real life versions of those two parodies at work in our national parliament. I want to return to the issue of the states. This tax effectively makes the federal budget hostage to the decisions of the state and territory governments if they decide to increase royalties on iron ore and coal—as indeed they can because they own the iron ore and coal. Western Australia, New South Wales, South Australia and Tasmania have already increased these royalties. It will lead to a hit on the federal budget to the tune of about $3 billion. That is the figure so far and it could increase in the future, and Queensland has clearly reserved its right to do this in the future. I want to point out that none of the states whose interests it is this house's responsibility to protect were part of Julia Gillard's mining tax deal. Serious resource taxation reform, if there is to be some, requires engagement with the federal, state and territory governments and Labor simply did not care enough to do this.

This mining tax came about by a flawed process because initially the RSPT, as it was called, was announced without consultation with anybody. There was no consultation with industry and the state and territory governments were not consulted despite serious implications, including the constitutionality of it, for their own source revenue. The Henry recommendation about taxation reform had been for a national profit based resource rent tax to replace state and territory royalties and said the Australian government should negotiate the federal-state financial relations implications of such a move. That did not happen. Labor did not
pursue genuine tax reform in this area or any other area. It just came up with an ad hoc workaround supplying some ideas that seemed to make everything more complex and actually had a negative impact on the budget bottom line.

Of course, the negotiations were secret. The MRRT and the expanded profit resource rent tax were negotiated exclusively in secret between the Prime Minister, the Treasurer and the resources minister—without any officials apparently—representing the government and the managing directors of the three biggest mining companies: BHP, Rio Tinto and Xstrata. They would be the same three extremely wealthy individuals that the Treasurer seems to so dislike, the people who actually make money, run companies, employ people in this country and invest in this country. Where is the arbitrary limit on who is too wealthy and who is not? Is it okay for a billionaire running a public company to engage with the Treasurer but not okay for a billionaire or another wealthy person who runs a private company and puts their own money on the line to engage in public debate in this country? It is a joke, as this government indeed is.

The government excluded all the competitors of the big three from the negotiation process in designing a tax which further entrenched the dominant position of the big three, making it harder for the small- and mid-tier mining ventures to compete with them. That is an appalling indictment of the priorities of this government. There has been no consultation with any of the state or territory governments about the implications of the mining tax for them. That is despite the fact that resource royalties represent 20 per cent of the Western Australian state government revenue, nine per cent of the Queensland state government revenue and six per cent of the New South Wales state government revenue. In my own state of South Australia, the expanded Roxby Downs mine is somehow expected to contribute upwards of 20 per cent of gross state product in the future. These things can all be jeopardised by this approach by this government.

I get sick of saying it—I really do, and I am sure the Australian people are tired of having to listen to it—but this is yet another example of the government's policy mismanagement. The Australian people have unfortunately seen this bungling time and time again. It does not mean we should just stand by and let it all happen and say, 'Oh, well, we'll fix it at the next election.' We have to stand up and speak against it and campaign against it now because I believe the Labor Party do not understand fully—or perhaps they do, and that is even scarier—the implications of what they are doing to this country.

The coalition will do all it can to highlight the problems with this tax because it is not in the best interests of this nation. It is unfair. It gives unfair competitive advantage to the big three companies, who were allowed to actually design this mining tax. The big three miners, as I mentioned earlier, will receive a significant tax shield through the introduction of a market valuation system to calculate application deductions. This is not available to small- and mid-tier companies. Smaller miners will also be subject to increased compliance burdens, another pet love of the Labor Party. They will also pay MRRT sooner or continue to pay the royalties on production. This is despite what the Henry taxation review recommended in support for smaller mining ventures to help the start-ups grow and prosper and to keep mining ventures in the decline phase alive longer.

Due to Labor's mining tax, small- and mid-tier mining ventures will pay a higher
effective tax rate under the Gillard MRRT than the big three, who were given exclusive access to negotiations with the government. Of course, this is divisive. It has put the big three miners against the rest. What adverse effect will this have on the future of this industry, which has given so much to Australia and driven so much of our prosperity? Dr Henry confirmed that 65 per cent of mining tax revenue will come from iron ore production in Western Australia. It is mind-boggling that this one tax will raise 65 per cent of its revenue from one state economy, about $25 billion out of the $38.5 billion in revenue over the next decade. Remember that there is going to be a $20 billion cost to the federal government as a price for pursuing this ideological obsession with higher taxes.

Labor will try to tell Australians any manner of things, such as they are establishing a regional infrastructure fund, but can we really believe they have any interest in regional Australia after what they have done? Labor's mining tax is a knife in the heart of the driver of much of the prosperity in regional and remote Australia given that there are so many mines there. Labor's words of support for regional Australia ring hollow, and those people living in rural and remote areas are too smart to fall for the words of such hollow men and women.

In conclusion, for over four years this government has spent taxpayers' money like a kid in a candy store, splashing around the cash with little thought of the consequences, either short term or long term, and now they are desperately scrambling to get back on track. But they are so far off the track that there is no hope for them to restore this country to the path it was hitherto on. The policies they have put forward to achieve their goals are poorly thought out, irresponsible and damaging to our own domestic industry. Add to this Labor's mismanagement, their lack of consultation and transparency, their inability to speak coherently and consistently about the national interest, and we have a veritable policy disaster for this country.

This government, its Prime Minister and ministers, needs to spend less time in secret backroom deals plotting who is going to be the next Prime Minister or how it can drag people out of retirement to replenish its ministerial stocks. It needs to stop plotting ways to destroy our economy and each other. It needs to spend more time working for the interests of Australians doing what needs to be done to secure our financial prosperity and our future. The Australian nation needs a government that is prepared to do that. The Australian nation, the Australian people, deserve a government that is prepared to do that. The entire country needs an election so they can elect a government who is prepared to do that.

Senator MADIGAN (Victoria) (09:23): I must admit that I have had a lot of trouble dealing with the repercussions and complexities of this tax. The reason I had little trouble with the carbon tax is simple. I believed it was a flawed and questionable premise. On that basis I had no problem opposing that tax and will have no problem calling on whatever government is in power after the next election to repeal that tax for the sake of all Australians. However, we are here today to debate the mining tax in the limited time we have been allocated.

I support the statements made by others in this chamber that the guillotining of this and other debates is simply undemocratic. There is absolutely no reason why this collection of bills should be rushed through. We have bills that travel through the Senate in the blink of an eye—and rightly, because they are not controversial and are supported mainly by all
here. They are not insignificant bills. They are bills that demonstrate the similarities we have and the similarities of belief in the Australian community. We think as one on many things and determine unanimously to demonstrate that again and again with non-controversial bills. That is all the more reason why we should debate controversial bills to the fullest extent, giving everyone their say and thereby representing the voices of all Australians. No better example could be given than this the mining tax. I oppose the practice of guillotining and will do so no matter who is in government.

The mining tax is fraught with dangers. The Democratic Labor Party are not fundamentally or philosophically opposed to the basis for this tax. We believe the property, assets, resources, minerals et cetera belong to the people and, as such, the states of the Commonwealth. We hear people say that it belongs to the Crown—and we can debate what the true meaning of that is until the cows come home. We must all agree that, in any decisions we make, the welfare of the people of Australia comes first. In hindsight, maybe the MRRT is a good idea. It might provide a very necessary backup for those super funds that may be lost to bad investments. If it is not just about putting the budget into surplus, if it is about making mining companies pay a fair share of tax, then wouldn't it be better to do it through tighter controls on income tax regulations? If you cannot get companies to comply with the current income tax regulations or, if they spend more money on finding loopholes in the tax laws, then surely the same thing will happen with any new tax. If you say that you can make sure there are no loopholes in this new tax, you are simply trying to con yourself and others. If you cannot get them to comply with the current tax laws, then they will not comply with the new tax laws.

New taxes do not make multinational corporations more community minded.

Consulting with the three biggest miners whilst virtually ignoring the vast majority in the mining industry is simply putting money before people, and that was never the Labor way. This tax is something a Labor Party can introduce and, if done fairly and used wisely, it can be a great thing for this country. But the methods used to introduce this were decidedly un-Labor. I question whether, in effect, we are contributing to producing another duopoly. Are we going to encourage Australian miners, Australian industry owned in this country, whilst at the same time encouraging foreign investment in our industries? Since the day I came to the Senate I have stated clearly that there is no level playing field in manufacturing, no level playing field in farming, no level playing field in our overseas trade and no level playing field in the mining industry—and I say it once again.

This tax can be a good tax. It can bring benefits to this country and, most importantly, to the Australian people. Like all taxes it can only do so if it is imposed honestly, fairly and evenly and if the proceeds are used wisely and specifically for the benefit of the Australian people. If this is just about getting the budget into surplus or adding to superannuation funds then you can save yourself quite a few billion dollars by stopping the funding of those incredible white elephants that are breeding across the country faster than rabbits—wind turbines.

On the issue of superannuation I fail to see how this tax can be used to top up private super funds when, as I understand it, only an employer or an employee can contribute to those funds. I assume that the further change to the superannuation legislation is the offering, but we will have to wait before commenting further. With my serious
concerns about where this money is going to, how it is going to be raised and the effect it is going to have on our smaller miners, I will be voting against this tax at the present time but would look forward to the government relooking at what they are doing and addressing all of those concerns of our smaller miners.

Senator CAMERON (New South Wales) (09:30): I rise with great pleasure to support the Minerals Resource Rent Tax Bill 2011. I have been fortunate, or unfortunate, to have been involved in a number of inquiries into the Minerals Resource Rent Tax Bill, and I have had Senator Cormann chair some of those hearings that I have been involved in.

Senator Fifield: You've enjoyed it!

Senator CAMERON: I have always enjoyed it. I always enjoy the whole process of inquiries. I love them. But what we have to do here is get back to some reality. What is this about? It is simply about saying that our mineral resources in this country, on some estimations, will be gone in 80 years time. All the reasonably accessible iron ore will be gone in 80 years time, and we are in the middle of a boom, so we need to make sure that we get a fair share for all Australians as a result of this boom.

What are we trying to do? We are trying to deal with some of the proposals that were undertaken by the Henry review. The Henry review outlined the argument for introducing a resource rent tax. The Henry review argued that Australia is underpricing its resources. Just think about it. They will be gone in 80 years time, but we are underpricing them. Dr Henry went on to say that the current taxation arrangements 'fail to collect a sufficient return for the community because they are unresponsive to changes in profits'. A resource rent tax is based on the concept of an economic rent. An economic rent is the excess of the return to the enterprise—in this case the mining company—above the amount that is required to sustain the current use of the resource. The Henry review observed:

In most other sectors of the economy, the existence of economic rents would attract new firms, increasing supply and decreasing prices and reducing the value of the rent. However, economic rents can persist in the resource sector because of the finite supply of non-renewable resources. These rents are referred to as resource rent.

There is a massive policy case for the MRRT. We have at the moment an abundance of natural resources, which are assets that belong to all Australians, including Australians not yet born. When selling these assets that are not renewable, we have to treat the sale as a balance sheet transaction—that is, selling an asset rather than merely a source of income that can go on forever to finance recurrent spending. If we as a community undercharge for the right to exploit these resources, the wealth of current and future generations is eroded.

There is a strong policy case for governments to take a very keen interest in obtaining the best price they can for assets they sell on behalf of the Australian community. This is something the Howard government failed to do. For 11½ years they failed to do it. They relied on royalties at the state level, and the royalties levied by the states have not kept pace with the increase in asset value of the resources on which the royalties are levied. Royalties tax volume, not profit. They therefore tax on the same basis a highly profitable mine and a marginal mine that, in the early years of its operation, may not receive optimum marginal returns despite high volumes of mine output. Volume based royalties can exclude new entrants to the industry that do not have the cash flows early in the life of the enterprise to make volume based royalty payments, and
volume based royalties are economically inefficient. Even the Minerals Council have conceded that point. Moving from taxing mobile capital towards less mobile tax bases such as mineral resources is entirely consistent with sound economic theory and recent work of the OECD and IMF on the application of economic principles to tax policy.

I have listened to some on the other side in their contributions, and they say this is some socialist plot; it is going to bring down the mining industry. But, in reality, what the IMF—the International Monetary Fund—is saying is: 'This is what you should do.' In fact, the IMF say we should make it wider. So the arguments that this is some socialist plot designed to unfairly attack the mining industry have absolutely no credibility. But, when it comes to credibility and the coalition, they are strangers anyway.

So what are the benefits that we seek to achieve by making sure we do something that the coalition just refused to do? As part of the mining resource rent tax package, the government will introduce legislation aimed at boosting retirement savings for working people. What could be more important than that? These measures include a phased increase to the superannuation guarantee charge from nine per cent to 12 per cent, the abolition of the age limit associated with the superannuation guarantee contributions and the low-income superannuation contribution to help increase the superannuation balance of low-income earners. It is okay for us to sit here and look at superannuation, especially those parliamentarians who have been here for some time and have the benefits of one of the most generous superannuation schemes in the country, but for an ordinary worker retiring at the age of 65 with a few tens of thousands of dollars in superannuation it is a very different option. Those workers do not have the luxury of sitting back and saying, 'Well, you shouldn't increase the superannuation guarantee charge.' It is absolutely essential to the future security of Australian workers that this superannuation proposal is passed, and fundamental to that is making sure that the mining industry pays its fair share.

Australia's retirement income policy faces long-term challenges. The period many Australians will spend in retirement is getting progressively longer as life expectancy increases. The ratio of working-age people to people of retirement age is estimated to decline from five to one in 2010 to 2.7 to one by 2050. And there is a clear gender gap when it comes to the adequacy of retirement savings. Latest APRA data show that women retire with an average super balance of $112,000 while for men the average is $198,000—and that is to see them through probably 15 or maybe 20 or more years after retirement. It is not a lot of money. That is why it is so important that we actually deliver this reform package that the coalition is opposing.

Again, this is not some socialist plot. I will quote from John Quiggin's submission to the Senate Economics Committee inquiry into the Minerals Resource Rent Tax Bill. John Quiggin is an Australian Research Council Federation Fellow. He is from the School of Economics and the School of Political Science and International Studies at the University of Queensland—a highly respected economist. He says:

The case for a Minerals Resource Rent Tax in Australia has three main elements

(i) Mineral resources belong to the people of Australia, and we are entitled to an adequate return on this non-renewable asset.

Senator Williams interjecting—

Senator CAMERON: Senator Williams, you inject yourself into this debate, but you should have just waited a few seconds and
you would have heard what the professor says, not the National Party. He said current state royalty regimes have failed to deliver such a return. His submission goes on to say:

(ii) Taxes on rents (that is, returns to the exploitation of fixed assets) are more efficient and less distorting of economic activity than other taxes.

And it is not only Professor Quiggin who sees this; it is also the IMF, the OECD and the Minerals Council of Australia. The only people who refuse to see this—purely for base political reasons—are the coalition, because they want to reject everything. They want to say no to everything. They want to stop Australians getting a decent retirement, because they are hidebound to the multibillionaires in the mining industry.

The third point Professor Quiggin raises is:

(iii) A tax on the mineral sector, with revenue used to finance a reduction in the general rate of company tax, will be economically beneficial in Australia's current circumstances.

Here we are with a massive case of Dutch disease, the dollar through the roof and industry struggling in areas across the country because of the effect of the mining industry. Here is one lever that can give some relief to general industry in this country—and what do the coalition say? They say, 'No, you can't have it, because we must make sure that we look after the big end of town in the shape of Gina Rinehart, Twiggy Forrest and Clive Palmer.' That is the reality of where we are.

I said earlier that the IMF said we should expand the mining tax. On 8 October 2011 it was reported in the newspaper:

The International Monetary Fund says Australia's economy is 'enviable' but that it should expand its mining tax.

In its annual report the IMF said there were few weaknesses in the Australian economy.

Australia "was one of the few advanced economies to avoid a recession in recent years, reflecting its strong position at the onset of the crisis and a supportive macro policy response," the IMF said.

Again, is this the destruction of the mining industry? Of course it isn't. To see why there has been such a push back by the mining industry you do not have to go further than to have a look at comments by Perseus Mining's Managing Director Mark Calderwood. On 15 March it was reported in the Sydney Morning Herald:

Canberra created a "disease" when the government launched a new tax on mining profits, and that disease had spread around the world, according to a prominent goldmining executive.

Perseus Mining managing director Mark Calderwood's comments follow Indonesia's recent rule change on mine ownership and his own company's battles with rising taxes in Ghana.

So there you have it. Ghana understands that it has to get a fair share for its resources. Indonesia understands that it has to get a fair share for its resources. And what do the mining companies say? They call it a disease. Poor Indonesia and poor Ghana want to look after their own people, their economy and their society. And how do the mining executives describe their attempts to get a fair share out of their mineral resources? They call it a disease—and that is being pushed by the opposition in relation to its views on this MRRT.

Mr Calderwood goes on to say that other nations 'see that's where a government is getting away with it'—and he is talking about Australia—and 'so it's hard to resist it'. The article goes on:

Ghana is reliant on funding from the World Bank and International Monetary Fund, and Mr Calderwood said he could only assume those organisations were sympathetic to bigger taxes on miners.
Well, why wouldn't they be? These countries are supported by the IMF and the World Bank. They have an opportunity to get some economic growth. And what do the mining companies say? They say, 'No, you can't get that.' And that is the position supported by the coalition. It is not just Indonesia that is raising its mining tax. Namibia is raising its taxes, Ghana is raising its taxes and Zambia is being pushed back by the mining companies and is trying to get a fair go.

It gives me some angst to hear some of the arguments that are being put up on this. Mr David Flanagan, the Managing Director of Atlas Iron, appeared before the Senate inquiry on Wednesday, 22 February and basically—I will paraphrase—he said, 'Atlas Iron is a small fairly company struggling to survive, and, if you put in this minerals resource rent tax, then we are going to be in all sorts of trouble. We are not going to survive. You are going to make it so difficult for us.' He went on to say:

We started this company in December 2004. I was the only employee.

He was the only employee, but they were a $9 million company—not a bad start: one employee and a company worth $9 million! He said:

Now we employ a total of about 500 people. We have a $3 billion company. We have 29,000 shareholders, roughly 28,000 are Australian. Basically about 24,000 or 25,000 are what you would call mums and dads. Our business started in the Pilbara.

But the reality is that this company is not a mum and dad company; it is a $3 billion multinational. They came to the Senate inquiry and said, 'Here are all the problems we have. We're going to have real problems'; so I asked the question of Mr Flanagan: 'Did you raise any of these issues at your AGM in 2011? Have you told the Stock Exchange that you are in so much trouble with these issues?' Mr Flanagan went round and round the mulberry bush. He tried to avoid the question. He was as evasive as you could possibly be. But he had to concede that, no, they had not told the shareholders at the recent AGM that there were any problems with the minerals resource rent tax. In fact, the minerals resource rent tax did not even get a mention at the Atlas Iron 2011 AGM; that is how much a threat it was to this company. They come out, go public and argue that they are a small mum and dad company. Their 50 biggest shareholders are some of the 50 biggest corporations around the world. They come out and say, 'We've got all these problems' and it is absolute propaganda. It is absolute nonsense. It is about trying to seek a rent from the Australian public.

This was not done just with the MRRT. I will take you now to what was argued in another inquiry I was involved in with the Head of Resource Development and Operational Excellence for Anglo American Metallurgical Coal, Nick Barlow. He said:

… we do not support the federal government's proposed carbon pricing mechanism in its current form. The proposed carbon pricing mechanism will severely impact Anglo American. The value of our four planned new mines would be significantly reduced, putting at risk $4 billion of investment, more than 3,200 jobs and $5.7 billion of ongoing royalty payments to state governments.

You hear all this repeated on the other side of the chamber. This was on Thursday, 1 September. Again, I asked, 'Have you told the London or South African stock exchanges that you have got all these problems in Australia?' They said, 'We don't know.' I asked, 'Can you advise us?' and they said they would take it on notice. They came back and said, 'No, we have not advised institutional investors there is a problem in Australia. We have not advised the Stock Exchange there is a problem in Australia',

CHAMBER
but they come into a Senate economics committee and they financially support a campaign against the tax on the basis that this will destroy their business. It is an absolute fraud! On 1 September 2011 they were saying these things and then, on 6 December 2011, the headline on Anglo American's website was 'Anglo American approves 5 Mtpa Grosvenor metallurgical coal project in Queensland', a $1.7 billion investment.

It is so much nonsense. There are so many lies being told about this minerals resource rent tax and the carbon price. The minerals industry in this country is booming and the Australian public deserves a fair share. Stop looking after your political backers and start putting the national interest before your political interests. Look after Australia.

(Time expired)

Senator CASH (Western Australia) (09:50): I rise to participate in the debate on the Minerals Resource Rent Tax Bill 2011 and associated bills. Only an incompetent Labor government could come up with a tax that not only will destroy the most productive industry in Australia—Senator Wong: That's not what the Minerals Council says!

Senator CASH: but on its own figures will actually leave the budget position worse off.

The ACTING DEPUTY PRESIDENT (Senator Back): Order! Senator Cash is entitled to be heard in silence and she will be.

Senator CASH: On the Treasurer's own figures it will leave the budget position worse off by $4 billion. Let us give a big round of applause to the incompetent Labor government. Before the tax is even implemented, the Australian economy is actually going to be worse off on their own figures. Can you believe it? They going to impose a tax that will leave the country worse off. Why do we say that? Because, on Treasurer Swan's own analysis of this grossly flawed package, in typical socialist Labor government style the Labor government have committed more than they are actually going to raise by way of revenue from this tax. It is anticipated they will spend in excess of $3 billion more than the revenue they will get from the mining companies. But, on top of that, they have failed to factor in the increase in the royalties coming out of New South Wales, which has announced it will be increasing royalties on coal by $1 billion. So already, before the tax has commenced the Australian economy is behind. This socialist Labor government cannot help itself. When they are not criticising the most productive people in Australia—people who employ average Australians to ensure that they have jobs; people who pay tax so that the government coffers are full; people who, unlike those on the other side, contribute to the economic prosperity of this country—the Labor government are defending their own mates who are the most unproductive people in Australia. When it is not ripping off the Australian taxpayer to fill the black holes that it has created since we left them a $22 billion surplus in 2007, it is proposing to kill the one industry that should be attracting investment into this country, expanding its markets in this country and building new international links.

The reality for Australians is that a smart government actually backs its strongest economy; it does not take steps to destroy it. Yet, what do we have under the Labor government? We have the imposition of yet another great big new tax that will destroy industry growth. And if you destroy industry growth the natural flow-on effect is that you destroy jobs in this country.
To put these bills into perspective we need to look at their history. Soon after the Rudd government was elected in 2011, despite Mr Rudd telling the Australian people time and time again, like a broken record—it was as the new foreign minister said; hypnotising the Australian people into a false sense of belief—that he was an economic conservative, it became patently clear to all of us, and the figures over the last four years have proved it, that the Rudd government was to become one of the biggest spending and highest taxing governments in Australia’s history.

So what did they need to do? They needed to work out a way in which they could cover up the mess that they were slowly creating. So the former Rudd government announced a tax review. They would review the taxation structure in Australia. The crass political objective of the review which became known as the Henry tax review was to extract more tax from the Australian taxpayer and from corporate Australia. That is exactly what the Labor government did. Despite there being 138 recommendations in the Henry tax review, what did we get from the socialist Labor government? They did not have the guts for full-bodied tax reform because that would be tough. That would be a challenge that they were unable to rise to meet. So, in typical Labor style, instead of full-blown tax reform they opted for the easy answer: a blatant tax grab from corporate Australia.

Senator Williams interjecting—

Senator CASH: Senator Williams, that is exactly my next point. The Labor government introduced the proposed resource super profits tax, a tax which heralded the destruction of Australia’s resources sector rather than streamlining and refining the current tax system. Following the proposal of this tax the mining sector quite rightly rallied against it. And as Senator Williams said, the Labor Party realised they had a problem. So what did they do? They chose the easy option: 'We will just politically execute the current Prime Minister of Australia. We will just get rid of the architect of the problem.' That is exactly what they did. They politically executed the man who has now got the word 'former' so many times before his name that it is embarrassing: former Prime Minister Rudd, former foreign minister Rudd and now merely the member for Griffith.

The installation of Prime Minister Gillard saw an announcement by the current government that they would negotiate with the mining industry over the imposition of this type of tax. Negotiate they did. But the only problem for the mining industry was that when the Gillard government says it is going to negotiate, it negotiates in typical style. It negotiated not with the mining industry but with the three big players in the mining industry, who, I might say, are very happy with the outcome of this proposed legislation: BHP Billiton, Rio Tinto and Xstrata. They negotiated with the three big mining companies and came up with a deal. They completely excluded the other 320 big mining companies within every state and territory.

The result is what we have before us today: the minerals resource rent tax. Like Acting Deputy President Back, I come from WA, which has the biggest mining industry of all the Australian states and territories. Quite rightly, like the majority of Western Australians, we hold the mining and resources sector quite dear. We understand what it contributes not only to Western Australia but to the rest of Australia in terms of economic prosperity. And we have very genuine concerns about the impact of this grossly flawed tax on the great resources industry in our state.
Clearly, those on the other side of the chamber do not understand the very basics when it comes to Australia's mining industry. I wonder how many of those on the other side of the chamber have been up to the north of Western Australia at midnight and seen a mining operation, which goes on 24/7, actually functioning. They do not have an appreciation of exactly how this industry works.

The Deputy Leader of the Opposition in her speech on this issue related that she had attended an Australia-Central Africa trade forum in Sydney. Ministers and representatives from Central African governments—the Cameroon, Chad, Congo and Gabon—were present. She said that she was somewhat taken aback when they announced that they were in Australia to promote investment in their own countries, because as Australia was now a sovereign risk Central Africa was a more attractive option. As the Deputy Leader of the Opposition said, they knew the details of Labor's mining tax chapter and verse.

Many will recall that last year in Perth we hosted CHOGM, the Commonwealth Heads of Government Meeting. As the chief executive officer of South African goldminer, AngloGold Ashanti, Mark Cutifani, said at one of the meetings:

… we have Australia as one of the top sovereign risk countries in the world and places where government policy has demonstrated failure in terms of taxation policy and its inconsistency in policy.

That is hardly a singing endorsement of this legislation.

It is in the Australian people's interest to expand—not restrict—our mineral exports so that the resulting economic benefits can be used to continue to raise the standard of living for Australians and to provide a secure economy for the future generations. This tax grab on mining projects raises the issue of sovereign risk and will adversely affect future investment decisions in the mining industry, particularly in Western Australia. As the Premier of Western Australia observed in his keynote address to the Commonwealth Business Forum—and I am going to read this into the Hansard:

… from my 20 years involvement in politics and around the resources industry, I have never come across such an inept proposal as this. The tax is discriminatory; it's bureaucratic; it's cumbersome. It falls heavily on Western Australia; 65 per cent of the revenue will be collected from this State. It is discouraging investment in certain sectors, particularly in the magnetite iron ore sector where costs are relatively higher. And it is causing great nervousness and uncertainty in other sectors, which wonder, when will I be taxed? And if you're in the gold industry or the uranium industry I can appreciate how nervous you might be. Bob Brown, after all, is advocating just that.

But without doubt the most significant consequence of this proposal, this new tax on mining, is what it has done to Australia's reputation in world markets. I spend more time as Premier of this State in Asia than I do in Canberra, and I'll continue to do so. And I met with business leaders, steel mills, trading houses in Japan, state-owned enterprises, political leadership in China, and so on. And I can say for the last 12 months virtually every meeting I have held, been at, has started with a complaint, usually quietly expressed, about the proposed Mineral Resource Rent Tax. It is offending our most important trading partners and investors. It is adding risk to their investment—it is causing a reassessment. And I am dismayed that for the first time in those 20 years our friends, our trading partners, are using the term sovereign risk in an Australian context. I do my best, as an Australian, to try and explain, to try and ameliorate some of their negative consequences. But this is highly damaging. I mean if ever a country kicked an own goal it was Australia on this proposal.

The applause that the Premier of Western Australia received was deafening.
Western Australia is one of the world's most diversified mining regions, and is the economic powerhouse that drives development throughout Australia. If Western Australia is prosperous, the rest of Australia is prosperous. If Western Australia suffers, the rest of Australia will suffer. In WA there are more than 75,000 direct employees and contractors in mining employment. If the economic multiplier is applied to mining expenditure it is obvious that this results in huge numbers of indirect employment and a huge increase in aggregate demand, resulting in both economic and social benefits not only to Western Australia but to the Australian nation. Clearly, the introduction of the minerals resource rent tax will have an adverse effect on mining employment and, indirectly, on other employment in Western Australia and therefore on the Australian economy.

The mining industry is also underpinned by continued growth in both exploration and investment. Without both exploration and investment the mining industry will decline. Exploration is the lifeblood that finds new mineral deposits and it provides the catalyst to unlock Western Australia's mineral wealth. Again, the imposition of the minerals resource rent tax is likely to have a significant adverse effect on exploration in Western Australia, and this will be to the detriment of the state and the nation.

The other issue that the government has failed to take properly into account in presenting this flawed legislation to the Senate is the impact of state royalties on the revenue that is allegedly going to be derived from this tax. In 2009 the WA government received more than $2.5 billion in royalties from mineral and petroleum producers in Western Australia, of which about $1.5 billion was from mining. It is critical that the government understands that if it introduces the minerals resource rent tax Western Australia will not forgo its constitutional right to impose a royalty on mining operations in Western Australia, because that is the right way to do it. That is what the Constitution says. Any minerals resource rent tax imposed by the Labor government will be in addition to royalties that are imposed by the respective states.

Western Australia is well aware of the contempt that the former Rudd government and the current Gillard Labor government have for it as a state. My comments are well timed because Western Australia has just received a slap in the face from the Commonwealth Grants Commission following its recommendation that almost $600 million be slashed from WA's GST share from 2013 to 2014. The Commonwealth Grants Commission 2012 update has reduced WA's share of the GST to a mere 55c in the dollar when the overall national GST is actually growing. You can see why Western Australia and why Western Australians have very genuine concerns about the impact of the MRRT on our economy. Why? Because over 65 per cent of this tax will be derived from the great state of Western Australia. The mining tax will have dire consequences for Australia's most successful industry sector with significant flow-on effects right across the Australian economy. This tax is economic vandalism and it is economic lunacy from a government that has proven over the last four years that it does not have a clue when it comes to economic management and that it is hell bent on destroying its strongest performer in the Australian economy.

We talk about a two-speed economy. When this legislation goes through next week, we may as well start talking about a stalled economy because this mining tax will reduce the international competitiveness of our mining sector and will reduce the incentive for further investment. When will
those on the other side, who for some very strange reason are intent on practising socialism in the great nation of Australia, realise that hampering Australia’s comparative advantage in resources is hardly a recipe for the continued economic prosperity of this country? When you have a two-speed economy, it is incumbent on the government to focus on speeding up the slow lane, not slowing down the fast lane. You do not reduce the fast lane to the lowest possible position that you can.

As I said at the commencement of my speech, Labor is hell bent on killing the one industry in Australia that should be attracting major investment, that should be looking at expanding its markets, that should be building new international links. If the resources sector in Australia is going gang busters, that is fantastic news. I will always celebrate the success of productive economies in Australia, unlike the Labor Party, which only ever wants to pull them down. A smart government will back its strongest economy. It will actually go in to bat for those people in Australia who are productive, for those people in Australia who employ people, for those people in Australia who pay tax, for those people in Australia who actually, unlike those on the other side, contribute to the national economic prosperity. I remind those opposite: you cannot legislate the poor into prosperity by legislating the wealthy out of prosperity. (Time expired)

Senator WATERS (Queensland) (10:10): I rise to contribute the debate on the Minerals Resource Rent Tax Bill 2011 and associated bills. I want to speak particularly of the real cost of this mining boom, especially in my home state of Queensland. At the heart of the mining tax debate is: how much should Australia be getting in return for our non-renewable resources? In order to answer that question, we need to get to the heart of what we are trading off. What is the cost of this boom to our environment, our rural and urban communities, our agricultural production and to other vital sectors of the economy like tourism, education and manufacturing? What are those impacts? How are they suffering from the impacts of this boom? The fact is that the mining boom has led to a huge appreciation of the Australian dollar. It has pushed up interest rates and it has led to significant labour shortages both in certain regions and of certain skills. Those impacts are resulting in really tough times for a number of key industries and quite a lot of Queensland communities.

On tourism, some recent analysis by the Australia Institute showed that in gorgeous Far North Queensland international tourist numbers slumped from 868,303 down to 648,959 in the past five years. That is a 25 per cent drop and is a huge blow to the many small family owned businesses in my home state. There are several reasons for that, but one strong influence is the high dollar. On manufacturing, the Australia Institute’s research also found that Queensland’s manufacturing sector is really suffering with the number of people employed in that sector falling by 6½ per cent last year. The Queensland government Office of Economic and Statistical Research has itself had to conclude that the mining boom is far from good news for everyone. It said:

Weak employment growth may be experienced in occupations in trade exposed manufacturing industries.

In statements during Senate estimates just a few weeks ago, Treasury officials admitted that, in this economic and employment climate, mining was not creating jobs but was actually sucking jobs from other industries. On a recent trip to Gladstone, the taxi driver told me that not only could his company not get enough taxi drivers but they
could not get enough mechanics to service their vehicles. This is clearly affecting the fabric of the community as well as weakening its economic robustness through narrowing the economic base—I am going to talk more about the social impacts in a moment. I want to cite one particularly apposite example. The economic impact statement commissioned by Clive Palmer's Waratah Coal for its proposed China First mine in the Galilee Basin in Central Queensland said, using its own figures, that the consequence of approving that massive mine, a 40 megaton-a-year coalmine, would be that 3,000 jobs would be lost across Queensland and Australia in manufacturing, agriculture and tourism—this is from the company's own economic impact statement. That is the equivalent of about $1.25 billion of manufacturing activity. Of course, it is not just that mine proposed in the Galilee, but more on that later.

The impacts on our international education sector are also pronounced. International education is our biggest export service sector and is taking a hit with significant drops in student numbers, which are at least in part due to the very high dollar. A number of our great education institutions in Queensland are facing real financial hardship as a result. Let us be clear here: while the mining industry is currently a relatively small but important sector, its contribution is all too often overstated and its costs are frequently overlooked.

I want to touch briefly on the social impacts of the boom as it rolls out across Queensland before I come to the huge environmental impacts of this industry. The example that most Queenslanders are experiencing is a huge rise in housing costs. In evidence given to the House of Representatives fly-in fly-out inquiry last month, the Isaac Regional Council advised that in Moranbah police staff, medical staff and even council staff are now likely to be fly-in fly-out employees. Even McDonald's was considering fly-in fly-out staff. The local medical centre had been forced to use sixth year medical students to stand in for doctors because of the inability to recruit in a region where the rents had hit $3,000 a week. I am sure the houses are not really that nice.

On a flight to Gladstone, I was chatting with the fellow next to me whose brother was one of the local policemen in Gladstone. He said his brother was having to sleep on the floor in somebody else's one-bedroom apartment because he could not afford the rent anymore in Gladstone. Chatting with the hotelier in Gladstone, I found the mining companies have booked out all the hotels, so there is actually nowhere for tourists to stay—I only got a room because there was a cancellation—even if they are not scared off by the high dollar or the huge ecological crisis in the harbour, which I will come back to. Likewise in Mackay, hotel prices are through the roof and that is impacting on tourism. So it is great for the hoteliers, not so great for the other industries, and not so great for the folk who want to live in those communities and are finding it desperately unaffordable, which many young families are.

It is incredible. The median house price in the Isaac Regional Council area is $80,000 higher than prices in Brisbane, and Brisbane's prices are fairly unaffordable anyway. So the mining boom creates huge cost-of-living issues for communities across the state. It is pushing up house prices. It is sucking workers out of basic services and hence it is really degrading the amenity and the economic diversity of the community.

I come to an issue very close to my heart. That is the huge environmental impacts of the mining boom. I took a flight over the Galilee Basin just a few weeks ago with
Senator Bob Brown and saw the sites of those proposed mega coalmines. They will be the biggest coalmines on the planet if they are approved. I thought it was particularly depressing that, if those mines are approved in the Galilee Basin, their carbon emissions will wipe out the benefits of the carbon price three times over. It is absolutely shocking.

One particularly beautiful spot that we flew over was Bimblebox Nature Refuge, an 8,000 hectare privately owned conservation estate which has massive biodiversity values and was recognised as such through funds from the federal government contributed to its purchase a few years ago. Clive Palmer wants to turn half of Bimblebox Nature Refuge into an open-cut coalmine and the other half into a longwall coalmine. This is the last remaining wilderness in that area and it is soon to become a coalmine.

On that same trip Senator Brown and I also flew over the Great Barrier Reef. You can really see not just how beautiful the reef is—as we all know—but also the water quality impact of all of those huge dredging programs for new ports. Those new ports are predominantly for coal seam gas but they are also for coal. It is not just in Gladstone Harbour, where we spent a lot of our time, but also in ports up and down the coast. Huge destruction has been wrought on our reef from dredging for new ports to export coal and coal seam gas. We have seen the largest ever dredging programs slated for this World Heritage area, bigger than it has ever faced before—112 million cubic metres of dredging is either approved or planned for the Great Barrier Reef. That is 65 Melbourne Cricket Ground's worth. That is an awful lot of seabed to be dug out of a World Heritage area. Also concerning is that much of that dredge spoil will then be dumped back into the World Heritage area in offshore dumping sites. I found it a little ironic, and it certainly left a very bad taste in my mouth, that the environment minister is proposing to levy a fund for companies to dump that dredge spoil back onto the World Heritage area and yet the government has squibbed on a decent mining tax. It is very wrong that we are now seeking to make money off turning the reef into a rubbish dump and yet the government did not hold firm on the original RSPT.

There are the shipping impacts that will come from this huge export boom of our fossil fuel industries, not to mention the huge climate impacts. On average we have had a shipping incident every year in the Great Barrier Reef. If we have a quadrupling or even a six times increase in shipping—as some projections forecast, depending on what gets approved and what does not—we could see huge increases in shipping accidents. They will not all be near misses. We are not as well prepared for those shipping incidents as we need to be and they are completely avoidable.

Those are the huge marine impacts of this mining boom, but there are massive land impacts as well. In my home state of Queensland, where we have precious little good-quality agricultural land, some of our best food producing land is in the Darling Downs and it is currently being eaten up by massive coalmine proposals and by the rash of coal seam gas wells rolling out across the state, with the sanction of both the state and federal governments on both sides of politics. This is a serious concern when you cannot eat coal and you cannot drink gas: we have alternatives for energy but no alternatives for food and water, not to mention the social impacts. I have been spending quite a lot of time with those rural communities who are really scared about the environmental impacts of these industries and really worried that this will be the death of their communities, that their kids will not have the opportunities that they have had to
nurture and grow food on that land and love it and pass it on to their kids.

We have seen an absolute rash of coal and coal seam gas in the last five to 10 years in Queensland. Of course, coal seam gas is going to roll out across the whole country. We have the environmental impacts, which I have outlined, huge impacts on our long-term water supplies. The CSIRO and the National Water Commission are both saying we do not understand the long-term impacts on aquifers from coal seam gas, so why on earth we are rushing down the path without having full information is beyond me. We have those huge environmental impacts, we have the massive social upheaval that that it is bringing to our regional communities and we have the impacts of the multispeed economy. So the Greens are supporting the minerals resource rent tax. We believe that, with those massive impacts of the boom, if the government is going to continue to sanction that boom then we must at least get something back for the community whose resources they are. I think it is a great shame that most of the profits from the boom go offshore; about 80 per cent of our mining companies are foreign owned. So it is about time the Australian public got some money back for having to suffer all of those adverse impacts that I have just spoken of.

The Greens are, of course, backing the original resource super profits tax. We think that would have returned a much fairer share of the proceeds of this boom to the Australian public. In fact, on Treasury figures it would have returned an extra $100 billion over 10 years. Just think of what that money could fund. That could fund vastly improved healthcare services. It could fund the rollout of Denticare, bringing dental care into Medicare so that that most expensive medical item, which drops off many people’s budgets—it certainly used to drop off mine, although I am now in a more fortunate position—is more accessible to everyone, because if we do not fix up dental care then of course our general health degrades. In education, that could be a real kick start to the $5 billion recommended by the Gonski review. And, of course, there is NDIS. We need to start properly addressing the needs of disabled folk in Australia. Last but not least, we would like to see high-speed rail rolled out all the way up to Brisbane, connecting it to Sydney, Melbourne and Canberra, and to fund the future infrastructure that will see more accessible public transport and better climate outcomes.

So we would have loved to see that original RSPT. Of course, we do not have the opportunity to vote on that here in this chamber, but we have the package that we have and we will be supporting it. We would like to see gold and uranium included, though, along with other rare earths and minerals. We need to get the most out of this boom and we need to make sure that our future generations can benefit from it as well, which is of course why the Greens have proposed a sovereign wealth fund to spread that equity over future generations.

One last point I would like to make is the sheer ridiculousness of the Commonwealth agreeing to provide a rebate for companies when the states increase royalties. That just seems to me to be a money-go-round and to undermine the whole point of the tax. Lastly, of course, we are supporting the tax cuts for small business. We think that is long overdue and we are really proud to be the champions of small business. In fact, we would like a five per cent tax cut for small business, not just a one per cent cut, and we are open to changing the definition of ‘small business’ to cover more businesses. But we just do not think that the one per cent tax cut is needed for big business—for the big banks and mining companies. Ironically, that one per cent tax cut would save the big miners like
Rio and BHP hundreds of millions of dollars per year, which would likely offset the impacts of the MRRT in the first place. It does not make much sense to me.

So we will be supporting the mining tax. We would like to see it improved. It is important that the benefits of the boom are shared more equitably to try to overcome some of those huge costs that we are facing. As a Queensland senator, coming from a state where much of this mining boom is happening and where much of the environmental and social damage is happening, I say that it is important that we get as much benefit flowing from this industry as we can. But I really strongly believe that Australians need to understand more the costs of this boom. We talk a lot about the benefits. It is important that we start to talk about the costs as well—the costs to other industries, to our environment and to communities—so that we can make better decisions about these resources. These minerals are only dug up once. Let us make sure that our children respect the choices of this generation and this parliament.

Senator POLLEY (Tasmania—Deputy Government Whip in the Senate) (10:25): It is with delight that I rise today to speak in support of the Minerals Resource Rent Tax Bill 2011 and related bills. Let us be very clear: the natural resources in Australia belong to Australia—that is, to all Australians. However, this is not an attitude shared by everyone. If you listen to the words of Lord Christopher Monckton, the great climate change sceptic, talking to leaders of the Australian mining industry in a private meeting last year, this is clearly not a view shared by everyone. I would just like to quote from some of the discussions that were held:

Frankly whatever you do at street level, which is what you're talking about here, is not going to have much of an impact compared with capturing an entire news media.

He continued:

And it seems to me that devoting some time … to encouraging those we know who are super rich to invest in perhaps … establishing a new satellite TV channel—it's not an expensive thing …

He went on:

I would like to suggest a modest free market solution to the problem we've identified … which is that we don't have a TV channel of our own. I would be … happy to work with people … to put together a business plan for such a thing if the idea would be generally supported and then we'll see if we can get someone to be an angel funder.

Did those at this private meeting agree? You bet they did. You do not have be Albert Einstein to work out what they were thinking. It seems to fit in with the commentary from our Treasurer, Wayne Swan.

Let me say this again: the natural resources in Australia belong to Australia, and all Australians should benefit from the mining boom, not just the mates of the coalition. The coalition want to give back the mining resource rent tax to Gina Rinehart, recently declared by Forbes to be the 29th richest person in the world. To the coalition, it does not matter what happens to Australians or who will benefit from the mining resource rent tax as long as they look after their mates. The Gillard Labor government is not going to allow this opportunity for all Australians to benefit from the mining boom to be lost. We are not going to repeat the actions, or more precisely the lack of action, of the Howard government that frittered away the first mining boom. From 2000 to 2010 the average iron ore price increased fourfold, from $28 per tonne to almost $120 per tonne. Export earnings from mineral and energy resources are forecast to reach a staggering $218 billion in 2011-12, a 20 per cent nominal increase from 2010-11. Treasury
estimates are that the MRRT will raise $11.1 billion over the first three years, which we will reinvest in our economy through lifting the superannuation guarantee, through a tax break for small business and through investing in a Regional Infrastructure Development Fund.

Fidelity Worldwide Investment are a significant shareholder in BHP Billiton, Rio Tinto and Newcrest, and they do not share the coalition's view. In fact, their global equities manager, Amit Lodha, said:

… the policy intent of the mining tax … is the right one for Australia … the mining profits tax will give a much-needed boost to innovation in local industries.

He went on to say:

The intent of the mining tax or any excess share taken from the mining industry was right … in that you take money from a sector that is doing very well and invest into technology, R&D … innovation.

Then we have the OECD's 2010 economic survey of Australia, which says:

The proposed mineral resource rent tax (MRRT) on coal and iron ore operations along with the extensions of the petroleum resource rent tax are justified on both equity and efficiency grounds. This resource rent tax is more efficient than the current royalties system as it raises taxation of finite and immobile resources. This will improve efficiency in the resource sector.

Or there is Saul Eslake, program director at the Grattan Institute, who said:

… the principle—

of resource rent taxation—

namely, that the return to the Australian people from the exploitation of mineral and energy resources should be based on the profits derived from the extraction and sale of those resources, rather than on the volume of resource production—is one that I (and most other economists) strongly support.

Philip Daniel, deputy head of the IMF's tax policy division, said the mining tax was a 'significantly worthwhile reform' that should be copied by other mineral rich nations. He went on to say that it will strengthen Australia's public finances while leaving a large share of resource profits in private hands.

The ACTING DEPUTY PRESIDENT (Senator Stephens): Excuse me, Senator Polley. Senator Edwards, if you want to have a loud conversation could you please do it outside.

Senator POLLEY: Thank you, Madam Acting Deputy President. I know those people opposite do not agree with this legislation but they might actually learn something if they listened to other speakers. As Ken Henry concluded in Australia's Future Tax System Review:

The community, through the Australian and State governments, owns rights to Australia's non-renewable resources and should seek an appropriate return from allowing private firms to exploit these resources.

Current charging arrangements failed to collect a sufficient return for the community because they are responsive to changes in profits. Further, the current arrangements distort investment and production decisions, thereby lowering the community's return from its resources.

… … …

A rent-based tax would, over time, earn for the community a greater return from the use of its resources while still attracting private investment.

I will turn now to the benefits for small business which we support and those opposite are going to vote against. From 2012-13, up to 2.7 million Australian small businesses will be able to instantly write off any asset worth up to $6,500 as a tax break to help with cash flow and to cut paperwork. This is up from $1,000. Small businesses will also be able to write off other assets, apart from buildings, in a single depreciation pool at a rate of 30 per cent. From 2012-13 small businesses will also be able to instantly
write off up to the first $5,000 on the purchase of a motor vehicle, including utes and vans. Further, approximately 720,000 small business companies could benefit from the reduction in the company tax rate to 29 per cent from 2012-13. These are real benefits going directly to small businesses.

The government are also looking to assist workers through this legislation. As part of the Clean Energy Future package we will be tripling the tax-free threshold from $6,000 to $18,200, which will deliver tax cuts of at least $300 to around 60 per cent of our taxpayers. About 8.4 million Australians will benefit from the increase in the superannuation guarantee from nine per cent to 12 per cent in 2013-14. I think Senator Sherry last night more than adequately put on the public record the benefits of superannuation and the history that Labor governments have of supporting Australian workers with the superannuation. Someone on full-time average weekly earnings who is 30 years of age will now be around $108,000 better off at retirement.

Around 10 million taxpayers in Australia have benefited from the government's three rounds of tax cuts. Changes have included a person with $50,000 of income paying $1,750 less tax in 2011-12 compared to when we came to office. That is 18 per cent less tax. A person with $80,000 of income will be paying $1,400 less tax in 2011-12, including the flood levy which is $150 for them, so they are better off than when we came into office. And if we look at the benefits through investment in infrastructure, there will be $6 billion for local roads, rail and ports as part of the government's Regional Infrastructure Fund.

I do not see what the problem is. Most economists do not see what the problem is. Of course, that does not include those opposite. As we know, the coalition's economic 'three stooges' cannot see the benefits of this tax. But the Gillard Labor government is governing for all Australians, not just those that are already privileged in our community. I commend this package of bills to the Senate.

Senator EGGLESTON (Western Australia) (10:35): The Minerals Resource Rent Tax Bill 2011 is a very important bill with very grave consequences and I have some important points to make in criticising it. The government's proposed minerals resource rent tax, or mining tax as it has become known, is like a pinata: no matter where you stand, it is pretty easy to take a swipe at, and that is because it has so many faults. And, for good reason, there will be no sweet return for the Australian people, despite what the government would have us believe. This version of the mining tax has been conceived in secrecy as the result of a deal between the three big mining companies BHP, Rio and Xstrata. What cosy company the government keeps, one might say.

Senator Conroy interjecting—

Senator Mason interjecting—

The ACTING DEPUTY PRESIDENT (Senator Stephens): Order! Senator Eggleston, you have the call.

Senator EGGLESTON: According to one newspaper report, Xstrata's representatives—

Senator Conroy interjecting—

Senator EGGLESTON: If I might have a little space, Madam Acting Deputy President?

The ACTING DEPUTY PRESIDENT: Yes. Minister Conroy, you need to refrain.

Senator EGGLESTON: According to one newspaper report, Xstrata's representatives even came along to the multibillion dollar deal negotiating table with
Danish pastries. One can only say, 'How sweet!'

**Senator Conroy:** What about the hors d'oeuvres on Gina's plane?

**Senator EGGLESTON:** I was not there.

*Senator Conroy interjecting—*

**Senator EGGLESTON:** You had representatives there, but we did not. As Andrew Forrest of the Fortescue Metals Group has said: 'It is amusing that Don Argus—the former chairman of BHP—'chaired the so-called independent committee' that developed the plan for the MRRT. This plan clearly benefits the three big companies while disadvantaging the smaller miners—a point which I will expand on later in my speech. FMG is one of the world's largest producers of iron ore. In its first full year of production, FMG mined and railed more than 27 million tonnes of iron ore to customers in China. Mr Forrest is on the public record as saying, however, that FMG would not have got started if the MRRT had been in place at the time that it began operations. This statement should ring alarm bells in the office of every Labor member and senator, in my opinion.

The MRRT bill imposes an effective 22.5 per cent tax on the above-normal profits earned by mining of taxable resources. Proposed section 20-5 of the MRRT bill describes a taxable resource as iron ore, coal or anything produced from a process that results in iron ore or coal being consumed or destroyed without extraction, and coal seam gas extracted as a necessary incident of mining coal. Simply stated, under the MRRT the federal government will take a share of both the profits and the risks earned by the iron ore and coal industries. As shadow Treasurer, Mr Hockey, said earlier this month, it is nothing short of economic vandalism for the government to be imposing its new mining tax as well as a carbon tax. Both stand to decimate business activity and destroy jobs, ripping the heart out of the Australian economy and leaving in its wake a trail of bankrupt businesses and struggling families.

In addition, the question has to be asked as to when the Labor government's budget position will dictate that this tax will be expanded to other minerals, such as gold, nickel, bauxite, tin and copper. That is a very interesting question, indeed. Iron ore and coal are just the beginning, one must presume.

Western Australia is the economic powerhouse of the Australian economy, both figuratively and literally. WA annually produces more than $57 billion worth of iron ore alone and, as such, WA is the state most poised to feel the brunt of the mining tax. Senator Cameron in his speech questioned the right of states to impose royalties for minerals. The states, of course, charge royalties as the price of selling the minerals, which they own constitutionally, to the mining companies. The states have every right to do this because Australia is a federation of sovereign states—a fact which Senator Cameron seems to not comprehend. Perhaps he imagines that Australia is like the United Kingdom, with a single central government, or it has been in the past, which has an overriding right to impose laws on everything that moves and exists within the United Kingdom. But that is not the case in Australia and the rights of the states under the Constitution must be respected, especially in this House. The federal government rightfully taxes the profits of the mining companies, as company tax. So the states have a right to charge royalties and the federal government has a right to charge company tax on the profits the mining companies make from processing the minerals, under company law.
Let us take a look at the impact of this tax. Smaller and emerging mining companies will be hit hardest by the unfairly designed and ill-conceived tax. As a result, mining investment will undoubtedly continue to move offshore to countries with taxation regimes more in tune with the globally competitive marketplace of the 21st century. Already capital is moving in very large volumes to Africa and South America. During questioning at the recent Senate economics committee hearing into the mining tax legislation in February, representatives from the Association of Mining and Exploration Companies, or AMEC, which is an industry body for smaller Australian mining companies, said the design of the tax created a bias which favours the three large companies who negotiated this mining deal in secret. AMEC chief executive, Simon Bennison, said the tax represented an injustice against emerging companies, who would pay a higher effective tax rate of four to six per cent above the larger companies, such as BHP and Rio. Quite frankly, I find that to be outrageous.

Small and emerging companies are a very important sector of the mining industry because it is these smaller companies who go out and find new mineral deposits and develop into bigger enterprises which continue to put Australian mining on the map. FMG, of course, is a perfect example of this, as is Atlas Iron. As I have said, Twiggy Forrest is on the record as stating that, if this tax had existed when his company was started only a few years ago, FMG would never have got off the ground, and that is something which I believe should concern us all. The mining industry needs to have the energy and enterprise of new players so as not to remain static. But, as I said, as it stands these new smaller companies will be deliberately and differentially hit by this new tax. It will force them to pay a higher tax rate, which is in effect discrimination in the industry and is clearly counter-productive to encouraging new project developments. As Andrew Forrest has said, and I quote him again, 'The people who are just starting out will be slammed by this new tax,' and he asks, 'How is this fair?' It is a very good question.

His point has been reinforced by an independent study undertaken by the University of Western Australia which shows that the mining tax is not competitively neutral between an emerging miner and mature minors. Dr Pietro Guj, a Perth research professor in the Centre for Exploration Targeting at UWA wrote, in part:

Financial modelling of the iron ore mine development example provided by the Commonwealth in their MRRT legislation Exposure Draft and Explanatory Material, indicates that there may be significant differences between the Net MRRT and consequently the total level of taxation (corporate income tax + Net MRRT + Royalties) paid by projects which existed before 2 May 2010 (when the MRRT was first announced) and those that will start after the introduction of the MRRT on 1 July 2012. The significance of this cannot be overstated in terms of its effect of discouraging new players in the mining industry.

Research has also pointed out that part of the tax's design allows a mature miner to claim large starting base allowances as a tax shield for some 25 years after the introduction of the MRRT. This is clearly very unfair and unjust when one considers the position of the smaller miners. The government seems to have forgotten the fact that BHP and Rio have deducted the capital outlay for their projects once already and received stamp duty discounts. Now they are getting another bite at the financial pie thanks to our wondrous Treasurer, Wayne Swan, and the Prime Minister, Julia Gillard,
both obviously very good friends of very big business.

It is far from a level playing field, and the question must be asked: what message is the government sending to new and potential investors? Is the Gillard government stifling competition and promoting monopolies in the mining industry? That is the question that needs to be asked, but somehow I do not think that we will receive an honest answer.

The government needs only look at the impact that even talk of the tax has had on the investment sector in Australia. As I said, an increasing proportion of new funds raised in Australia are flowing offshore to mineral projects in Africa, South America, Canada and other jurisdictions. In fact, it is said that the head office of most of the new miners in Africa—in West Africa in particular—are actually located in West Perth. That tells a story of its own. In a media release issued in November last year AMEC said that its members were already experiencing problems raising capital for projects in Australia. The CEO of AMEC said that many small and emerging miners were:

... looking to transfer their work to overseas jurisdictions that are also resource rich, but which have less taxation-hostile environments than Australia.

AMEC provided the House of Representatives inquiry with a graph showing the steady decline in capital raising for Australian mining projects since 2009, and another demonstrating a significant increase in capital raising for international projects such as in Africa, Canada and South America. The massive flow of capital offshore for exploration and mining has been ignored in the committee's majority report, but it exists nevertheless and the government should think about the implications of the fact that so much capital is going offshore when considering the revenue they hope to generate from the mining tax.

One of the naiveties of the Gillard government is not to understand that the international nature of mining investments is that capital can be transferred around the world at will. An article in the *Australian* just this week revealed that Australia's global share of the capital raised for mining projects has sunk from 21 per cent to 15 per cent since 2008 as countries such as Russia, India, China and so on attract tens of billions of dollars in additional funding, much of which could have come to Australia. This tax is already making Australia uncompetitive in the international arena, while the proposed economic revenue-raising benefits that the Gillard government has cited continue to remain uncertain at best. Like the Prime Minister's tenure, the modelling is somewhat flaky.

Just last week it was quoted in an article in the *Australian* that an Indian power and steel tycoon, Naveen Jindal, had issued a warning that the proposed mining tax could, 'dampen enthusiasm' among international investors for Australia. The week before that, another Indian investor, Gautam Adani, cautioned that the imposition of the mining tax on large coal and iron producers 'could upset the whole of the Australian economy'. Even Treasury admitted during questioning at the mining tax inquiry that it is, at best, a highly volatile revenue source which could potentially be downward trending.

One has to think about the implications of the tax raising less revenue in terms of the government's grandiose claims of what it will be able to do with that revenue. Last year, for example, there was an almost 30 per cent drop in the price of iron ore. If this continues in 2012-13, the alleged revenue the government has us believe the tax will generate will be short of one or two zeros, at
the very least. So it is not an unreasonable prospect, given the scale of new Chinese and other funded developments in Africa, that the focus of iron ore mining in particular will shift away from the hostile environment which has been created in Australia by this new mining tax and go to Africa. And the returns to this government will be far, far less than they anticipate, basically because of their naivety in failing to understand the international nature of the mining industry and the fact that investment can be transferred at will around the world, and that is what is happening.

In July 2010 we were told the tax would raise $10.5 billion over the first two years, but that figure has been altered several times since then. All of this means the supposed benefits for superannuation, a reduction in company tax and the elimination of the deficit are in doubt.

Honourable senators interjecting—

The ACTING DEPUTY PRESIDENT: Order! Senators, as you know, shouting across the chamber is disorderly. Please allow Senator Eggleston to complete his contribution.

Senator EGGLESTON: The government's alleged approach to tax reform is built on three key elements: to make the economy stronger and the tax system fairer and simpler. The mining tax fails at every turn. It is nothing more than a short-term tax grab that is ill-conceived, discriminatory, punitive and complex. In the interests of average Australians, members of the Australian community as a whole, the Senate should reject this tax.

Senator THISTLETHWAITE (New South Wales) (10:55): All along the coastline of New South Wales at the moment, ships are lining our shores waiting to pick up their cargo. You see it every day from our beaches. Surfers and beachgoers in the waves seem almost unaware of the ships in line waiting to access the loaders at Port Kembla or Newcastle. These ships are coming to our shores to pick up some of New South Wales's most valuable assets—non-renewable assets—to take them to the rest of the world to markets to be sold and never to be seen again.

The companies that mine the minerals of New South Wales and export them overseas are some of the most profitable companies in Australia and the world. These minerals are our nation's minerals. They are an asset that cannot be replaced. They are a good that is owned by the people of Australia. They are a product whose sale should benefit the nation as a whole. I ask those opposite to stop and think for a moment about how we could make the most of this situation of our non-renewable assets being sold on international markets for superprofits. I ask: how can we make some of the most profitable companies on the planet, who take our non-renewable resources and turn them into giant profits, pay their fair share for the benefit of all Australians? The answer is in the form of the Minerals Resource Rent Tax Bill 2011 and related bills that are before the Senate at the moment—bills that unfortunately are opposed by those opposite.

The minerals resource rent tax and the extension of the petroleum resource rent tax will help create a sustainable economy beyond the mining boom and support investment in infrastructure and in industries to grow jobs in our economy in the future. The revenue from these reforms will assist businesses, particularly small businesses, who are outside the bounds of the mining boom fast lane at the moment, to fund new infrastructure across our nation to drive productivity and growth. The proceeds of the mining tax will enable increased superannuation for Australian workers, delivering
investment back into Australian companies and Australian jobs.

The way the scheme will work is that the minerals resource rent tax will apply to new and existing iron ore and coal projects, and superprofits will be taxed at a rate of 30 per cent. But there will be an extraction allowance, which will reduce the effective rate of that tax to 22½ per cent. The MRRT will tax profits on large miners only—large miners who make profits in excess of $75 million. We are not talking about small start-up miners or struggling miners, who may not be making superprofits. We are talking about companies who make in excess of $75 million in profit.

The tax is efficient. It applies directly to the resource and excludes the value-add of any end product. The existing projects are protected through a partial tax shield in the form of a starting base allowance, recognising existing investments that have already been paid for by these mining companies in particular areas. For new projects there is a protection, with miners able to immediately write off capital investment and immediately deduct expenses. So no MRRT, no mining tax, will be payable until the project has made enough profit to pay off its upfront investment. Losses on all projects will be carried forward at the government long-term bond rate plus seven per cent and for income tax purposes the minerals resource rent tax is fully deductible. The MRRT also provides a full credit for state royalties.

In all respects this is a fair tax. It is a fair tax to ensure that, given the superprofits of the mining boom being won by large multinational companies, they pay their fair share and some of those resources are diverted back for the benefit of all Australians. These reforms mean that mines such as Bulga, which produces around 8.3 million tonnes of coal per year, and Beltana, which produces about 6.8 million tonnes of coal per year for Xstrata—a Swiss-owned company with its headquarters in Zug—will contribute to a major new tax break for Australia’s 2.7 million small businesses as well as a cut in the company tax rate for all businesses, with small businesses getting a one-year head start. The reforms will mean that the Blackwater coalmine, which produces around 14 million tonnes of coal per year, and Goonyella Riverside, which can produce around 14 million tonnes of coal per year for BHP Billiton and Mitsubishi—in a partnership known as BMA—will contribute to a boost in superannuation for 8.4 million Australian workers which will increase the nation’s savings pool to $500 billion by 2035. This is a major reform. It means that, at the end of their life as a worker, the average Australian 30-year-old worker on average earnings will retire with an extra $108,000 in their superannuation savings.

These reforms also mean that the Hail Creek mine, which produces around eight million tonnes of coal per year, and the Clermont mine, which produces around 12.2 million tonnes of coking coal per year for Rio Tinto, will contribute to critical investment in roads, bridges and other infrastructure, particularly in some of those mining regions which are struggling to cope with the boom in population and excess capacity. It all means that these and other great mining projects that operate across the country will contribute to a much-needed extra superannuation contribution for 3.6 million low-income earners, worth a total of $900 million each year. It means that more than 1.1 million people in New South Wales who are currently entitled to superannuation will receive this contribution to add to their super.

The gradual increase in superannuation from nine to 12 per cent will, of course, be
phased in. From 1 July 2013 super will rise by one quarter of a per cent. From 1 July 2014 the second increase, of a quarter of a per cent, will take effect, with further rises in each year until 2019, when the superannuation guarantee reaches 12 per cent. So it is a phased-in approach with a long lead time, allowing employers to plan for their future. And, of course, employers can factor in the additional costs over a long period of time. Small businesses will get some relief, however, because they will be able to offset small labour cost increases by the instant asset write-off initiative on any single asset up to the value of $6,500. So let us look at this for a moment. Any business with a turnover of less than $2 million can now buy new computers, new machinery, new furniture or new tools for their job up to the value of $6,500 and depreciate it immediately in the first year as a result of these reforms, providing much-needed relief for those operating in the sectors of our economy that are not seeing the gains of the mining boom. There is no limit on the instant asset write-off initiative for small businesses.

The government will also be allocating revenues from the MRRT to great regional infrastructure projects through a regional infrastructure fund which will be worth $6 billion. It means that infrastructure, the great forgotten word under the former Howard government, will be built in places like Western Australia, such as the Gateway WA project. Infrastructure projects such as the Scone level crossing on the New England Highway will be given a fair hearing under these reforms. This is critical investment. This is putting back into mining communities when so much has been taken out, particularly at times when a lot of these communities have been struggling, when residents have been struggling with the cost of higher rents and when residents have been struggling with their roads and with inadequate investment in infrastructure. These reforms are a chance for Australian communities to be built and for the prosperity of the mining boom to pave the way for future generations when the boom times come to an end.

So here we have a tax that taxes the superprofits of our mining companies above a level of $75 million per year, a tax whose revenue will be used to boost the retirement incomes of Australians, to reduce the company tax rate for small businesses in particular in this country, to fund the instant asset write-off to ensure that small businesses get some relief for purchases of machinery and equipment in their first year, and to build important rural and regional infrastructure. We are spreading the benefits of the mining boom, not squandering the benefits of the mining boom. It is an initiative through which all Australians will benefit.

Unfortunately, the view of those opposite is to oppose these reforms. They are opposing them on a number of interesting grounds, but I do wish to draw to the attention of the Senate the grounds which Senator Mason put in his opposition to these reforms yesterday. I have a lot of respect for Senator Mason, particularly for the passion with which he deals with his portfolio of education, but on this particular issue Senator Mason is way off the mark. In his speech on this legislation, Senator Mason referred to none other than American journalist Rush Limbaugh. Senator Mason said in his speech yesterday:

As American journalist Rush Limbaugh famously said, no country in world history has taxed itself into prosperity …

Those were Senator Mason’s words yesterday. I must say I had never heard of Mr Limbaugh. I did not know who he was, and I would guess that most Australians, particularly those sitting in the gallery, might not know who Mr Limbaugh is. So we did a
bit of research. Mr Limbaugh is a conservative radio talk show host in the United States. He has an interesting record, I must say, when it comes to social issues. He is particularly under fire in the US at the moment for his comments regarding a young woman who gave evidence to a congressional hearing regarding contraception in America. This is what Rush Limbaugh said:

What does it say about the college co-ed Sandra Fluke, who goes before a congressional committee and essentially says that she must be paid to have sex, what does that make her? It makes her a slut, right? It makes her a prostitute. She wants to be paid to have sex. She's having so much sex she can't afford the contraception. She wants you and me and the taxpayers to pay her to have sex. What does that make us? We're the pimps.

But that was not enough for Mr Limbaugh—that was not enough for him, no.

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT (Senator Moore): Order! I remind Senator Back and senators on all sides of the house that it is important that you refrain from yelling across the chamber. This is not a time for discussion.

Senator THISTLETHWAITE: In the wake of those comments, Mr Limbaugh was of course criticised in numerous quarters. So what was his comeback? Was there an apology? No. Was there some contrition? No. His comeback was:

Okay, she's not a slut. She's round-heelied.

This is the type of person that coalition senators are relying on to justify their arguments against the minerals resource rent tax. They are scraping the bottom of the barrel for serious arguments about policy on this issue and the reason is that they know that this reform is important to Australia and it will see the benefits of the mining boom spread across the country. They are not exactly the type of people whom we should be promoting as experts on taxation policy in this Senate.

In my view, these changes are long overdue. Minerals prices began to climb in the late 1990s and early in the new century. The previous government had seven years of booming resources prices and did nothing about it. This country is the biggest exporter in the world of bauxite, alumina, rutile and tantalum; the second biggest exporter in the world of lead, ilmenite, zircon and lithium; the third biggest exporter in the world of iron ore, uranium and zinc; and in the top five producers in the world of black coal, gold, manganese, nickel, aluminium, brown coal, diamonds, silver and copper. Any country that can roll off a list like that must ensure that the wealth that is generated from the extraordinary earth we have inherited that lies beneath our feet is used not just to ease the burden on this generation but to build for the next generation—and that is what these reforms will do. The revenue from these reforms will ensure that those ships that are lined along the coast of New South Wales as we speak do not just load up in Newcastle or Port Kembla and sail off into the distance with our nation's wealth in tow but put back into our economy for the benefit of working Australians, for the benefit of small businesses, for the benefit of rural and regional communities and for the benefit of our children's future.

Senator BACK (Western Australia) (11:12): I rise to violently and vehemently oppose the proposed minerals resource rent tax legislation and the proposed petroleum resource rent tax legislation as amended. I do so because the legislation is built on the four pillars of envy, greed, contempt and ignorance. One will see, of course, when the coalition is back in government that the foundations upon which those four pillars stand are as weak as they can be, they will collapse and this legislation will be reversed.
I start with envy. The only bright thing that Senator Thistlethwaite made reference to was the fact that the assets along the New South Wales coast in the ships that are going to take them away are 'New South Wales assets'. The other thing that he seems to know little about—and perhaps we should arrange for him to visit Western Australia so he can have a look at the big minerals projects—is that, with the billions of dollars of investment that goes into the risk, the exploration and the exporting of those products, a $75 million profit, Senator Thistlethwaite, through you, Madam Acting Deputy President, is not a high figure. Why do I say envy is the first of these pillars? Because it is setting state against state. My own state of Western Australia will pay 65 per cent of this proposed mining resource rent tax, on top, of course, of the carbon tax, which is going to hurt Western Australia as the largest state with the largest transport challenges of them all. But why would this worry a Labor government, when they hold only three seats in Western Australia—Fremantle, Brand and Perth—all of them declared by the Australian Electoral Commission now to be marginal?

I assure you that if an election were held today it would be unlikely that even Ms Parkes in the seat of Fremantle would retain her seat. There goes Mr Stephen Smith—and he richly deserves to go as a result of his comments against the Australian military—and there goes the member for Brand as well. So it does not surprise me that the Labor government is attacking the state of Western Australia. But it is also attacking Queensland. Queensland is about to go to an election. It was said in this House yesterday that the Hawke-Keating government left a legacy after 13 years of $96 billion to be repaid by about 20 million people. I understand that the state of Queensland on its own under Labor now has a state debt of some $80 billion. When I was a student in Queensland, Madam Acting Deputy President Moore—and it is some years ago—your state had no net debt. You did not charge any state excise on fuel and you had all these benefits right throughout regional Queensland. What happened in Queensland? The answer is one word: the answer is Labor, and one can only hope that by next Sunday week that will have changed.

When I speak of envy I look at the ridiculous attack by the Treasurer and Deputy Prime Minister of this country, that of Mr Wayne Swan attacking people like Forrest, Rinehart and the others who generate wealth in this country. Why would he attack Mr Forrest from Fortescue Minerals Group? Let me give you a summary of this. The company had made no profit. So how can it be paying a tax when it has made no profit? This is the man whose company was built mainly on overseas investors—not Australian investors, so no risk to the Australian community and no risk to the Australian government. And yet Wayne Swan, for reasons I suppose of irrelevance—the poor man, he is now so far out of the equation that he now has relevance deprivation syndrome, and we know who he was kowtowing to: the union movement—attacks Mr Forrest and his company, Fortescue, which, incidentally, will pay $1 billion in tax and royalties this year and will pay $2 billion in royalties and tax next year. There was no risk or investment by the Australian government, and this man has created more than 1,000 meaningful jobs for Indigenous people. Why would the Deputy Prime Minister of this country attack him?

I have had questions asked of me overseas recently, in Rio de Janeiro, in Singapore and in Norway. They asked: 'What is your government doing? Aren't these the wealth creators of your country?'
Senator Di Natale interjecting—

Senator BACK: Norway, Senator Di Natale—the Norwegians about whom you spoke a minute ago. They are nonplussed about what is happening in this country. I do not understand why the Deputy Prime Minister would put that message out and I call on him to retract it.

My second pillar as to why this legislation should not go ahead is that of greed. Under our Constitution—and the last time I checked we do still have one—the minerals are the assets of the states, and the royalties upon which those minerals are charged are state revenues. I heard yesterday Senator Pratt, a Western Australian senator—not sent from an electorate but sent from the parliament of our state, and one who was in the Western Australian state parliament—making the comment that the state government has been inefficient and derelict in its management. Well, heavens above! If Western Australia is derelict I would hate to wonder what is happening to Tasmania at this particular moment.

But why would she do that, coming from that party? I will just use the one word—Inpex—to embarrass the then state Labor government of Western Australia under then Premier Carpenter and then Treasurer, Mr Ripper. Inpex, if you recall, is a project that is now going to the Northern Territory. It is an LNG project way off the north-west coast of Western Australia. And why, do we think, it is now going 1,000 kilometres on a long subsea pipeline to the Northern Territory? Because Messrs Carpenter and Ripper thought there were too many environmental aspects. So, hello? What did the Japanese do?

Senator Crossin interjecting—

Senator BACK: I join you, Senator Crossin. I am pleased to see that this is being shared, but let me share with you the environmental stupidity of the then Carpenter and Ripper government. They decided it was actually too dangerous environmentally to extrude the gas and bring it onshore in Western Australia, so the Japanese—long-trusted partners of Western Australia—have made a decision using Western Australian iron ore with Western Australian gas or Queensland coal in their furnaces to produce a pipeline 1,000 kilometres long over some of the most difficult seabeds in the world. So if there are environmental challenges, Senator Pratt should absolutely hang her head in shame that she would criticise the Western Australian government. She should be in here on this side fighting this legislation because it is so poor.

Do we think for one minute that this legislation is going to stop at iron ore and coal? We know that the Leader of the Greens political party, Senator Brown, has already said he wants it to be applied to gold and to uranium and, no doubt, to the range of other minerals that Senator Thistlethwaite just read out for us. Do we think it is going to stop at coal and iron ore? I happen to have a branch office in the city of Kalgoorlie in the electorate of O'Connor, for the purpose, hopefully, of winning O'Connor back for the Liberal Party and therefore the coalition. You can understand the concern in the goldfields of WA about this particular tax on top of the carbon tax. Only recently did we have a Labor senator in this place—a Tasmanian Labor senator—going on about the cost of the carbon tax because it is not going to affect trucks under three tonnes of weight. I do not know what she knows about Western Australia but I can assure you, Madam Acting Deputy President, that there are not too many trucks that convey freight from the coast to the goldfields that are three tonnes. Most of the tyres would weigh three tonnes or more. So we are now going to be
faced not just with a carbon tax but also with a mining resource rent tax.

I will share for one moment, if I may, about the emergence of the magnetite iron ore industry in my home state. People would be familiar with haematite which, basically, is the iron ore of the Pilbara which requires to be mined, to be crushed, to be put on a train, to be put on a ship and sold. Magnetite, on the other hand, is an entirely different beast. It requires intensive value adding and enormous use of power to crush the magnetite down into talcum powder, hydrate it with water and usually pump it, desiccate it and then treat it. Then away it goes on the ship. The implication here is that the cost of the electricity with the added cost of the carbon dioxide tax will probably make this uneconomic. We already have a Chinese project at Cape Preston, south of Karratha in the Pilbara, nearing completion and the Chinese are asking, 'Where are the ground rules of this country that we come into this project without there being a carbon tax, without there being a mining resource rent tax?' They sought exemption. Did they get exemption? No, of course they did not.

I had the opportunity on Australia Day to fly to Yakabindie Station north of Kalgoorlie to see the amount of mining activity going on which will now be placed at risk. Nobody can understand why people would do this. I speak of contempt as one of the pillars of this legislation. Premier Barnett spoke recently of the failure of Ms Gillard, Mr Swan and Mr Ferguson to negotiate with the states and territories when, behind closed doors, they negotiated with three large multinational multiproduct companies and did a deal which is blessed in heaven for those three companies. As background, the Chinese and Japanese now regard Mr Barnett as the foreign affairs voice of Australia because they do not understand what goes on here in Canberra. Mr Barnett, not himself an inexperienced Premier, said:

... it was the most extraordinary example of political naivety I have ever seen, and that was the assumption ... that the States would have over sovereignty or ownership of their minerals, or if not that, that the States would allow the Commonwealth to tax the mining industry and the States would be happy to get a cheque from Canberra. They had assumed that would be the case without bothering to ask myself or Anna Bligh or anyone else. Just for anyone who follows politics, I don't think I've ever seen anything quite so stupid as that.

They are pretty powerful words from the Premier of the state that is the powerhouse of this nation.

He went on to talk about intimidation in that same meeting. When these people were not getting their own way, federal ministers Wayne Swan and Martin Ferguson actually threatened Western Australia that the federal government would withdraw funding for projects, including that which Senator Thistlethwaite spoke about—that is, the roads around the Perth airport. Interesting, isn't it, that it happens to be a Commonwealth asset and Commonwealth property?

Why has this negotiation with the three major multinational multiproduct companies, done in secret behind closed doors—the facts of which have never been made available to the Australian people—not been the subject of investigation by the Australian Competition and Consumer Commission? On the ACCC’s website this morning it said:

The ACCC promotes competition and fair trade in the market place to benefit consumers, businesses and the community. It also regulates national infrastructure services. Its primary responsibility is to ensure that individuals and businesses comply with the Commonwealth competition, fair trading and consumer protection laws.

I am quoting from the ACCC's own website. Time does not permit me to reiterate
comments made in full recently by the chairman of the ACCC. In a speech recently he said the ACCC would:

Make full use of the profound changes in Australian Consumer Law … including by working more closely with—

Who? Major companies, mining companies, Aunty Maude? No, the states and territories. What happened to that? He spoke about closer economic engagement with our Asian neighbours under this legislation. I call, as part of this contribution, on the ACCC to investigate this deal done in secret, done behind closed doors with three major multinational companies who not only stand to benefit from the legislation as it is proposed and in front of us, but also stand to gain enormously commercially at the expense of the new, emerging and smaller players. This is something that we should not, in my view, allow to go unchallenged.

The fourth of the pillars upon which I believe this is flawed is that of ignorance. Speaking again of royalties and striking at the Constitution, I was listening this morning to Senator Wong. In an interjection she asked are the assets the property of the states or the property of the people? I reflected on that and thought to myself: 'Hello, Senator Wong, you are a senior minister in this government. I would have thought that people reside in the states and territories and are a part of the federation of Australia.' Is Senator Wong suggesting that we rip up the Constitution? I certainly hope she is not. I certainly hope she has a better understanding of the flow that occurs.

I talk about royalties, talk about assets and talk about distribution of wealth. Of course there is the horizontal fiscal integration called the GST. Again, why do we in Western Australia look upon it askance? The reason being that we are continually seeing an erosion of the funds coming back to our state, usually to support the very infrastructure projects that are going to maximise the returns to the Australian people. What concerns us most is you heard this morning that up to 20 per cent of the state's revenue comes from mining royalties. We are having to share that, as we should, through the GST process. But then you look at the Grants Commission and you start to look at two things. First of all, most of the eastern states enjoy gambling revenues and up to 10 per cent of state revenues come from gambling. Is gambling revenue included in the Grants Commission's calculations? No, it is not. The other point upon which I rail often is that there is nothing in the Grants Commission process that requires a state or territory to try and maximise its own revenues and its own returns.

Treasurer Swan and then Secretary of the Treasury Ken Henry discussed with Premier Barnett the fact that royalties are inefficient. I will not go too far into this for Senator Cameron, who has no understanding at all of the ad valorem aspect of royalties. But Premier Barnett put to Mr Swan and to Mr Henry whether they could give him any example—because this was the reason they were attacking it—in which the royalties system discourages production or stops projects going ahead. That was in 2011. To date, as far as I understand, I do not think Mr Swan or Mr Henry have actually come up with a single, solitary project. Their argument is out the window.

In the final couple of minutes I have I will go to the other 500 mining companies and projects around WA—and I could add in those for the other states. What are going to be the issues associated with this new legislation for them? Where are the disadvantages for the small and mid-cap miners amongst it? The question is asked, 'How do you create a small business in Australia?' The answer is simple: let the Labor government loose on a large or mid-
size business and it will become small fairly soon.

But the disadvantages that were put to the various committees by the small and mid-caps were these: lower economies of scale and, consequently, higher costs of production; inability to fund dedicated transport and infrastructure; and the fact that they are often single-project-status projects and therefore cannot transfer unutilised losses and royalty allowances to other projects. And who can do that? You guessed it: the three major, multinational, multiproduct companies. The smaller companies have a higher risk profile, reducing the availability and increasing the cost of equity. And of course now there is the inability to attract and retain high-quality key professional personnel. None of these factors were taken into account.

We have already seen evidence, as provided to the joint committee, that Australian miners are amongst the highest taxpaying companies in the mining world. In the case of iron ore, Australian companies are paying higher taxes than Canada, Brazil and China. In the case of coal, they are higher than in South Africa and China. Those are the sorts of issues we are dealing with. This will simply discourage expansion of business.

Perhaps I can finish by noting something Senator Cameron said this morning. He criticised Atlas Iron, a company that started up with one person in 2004. David Flanagan built that up to 500 staff by 2012. And what did Labor Senator Cameron do? He criticised the man roundly, for some reason, because he could not stand to see that he was creating employment in this country.

Senator CROSSIN (Northern Territory) (11:32): I rise today to support the Minerals Resource Rent Tax Bill 2011 and related legislation, which will no doubt deliver historic economic reform to benefit all Australians. (Quorum formed) Thank you, Senator Macdonald, for drawing attention to the state of the chamber—you, of all the people in the Senate from whom I would welcome such a call. You and I have worked so closely together building up the profile and promoting the Outback Highway that will run, as you know, from Kalgoorlie right through the centre of this country and through to Queensland. Our joint aim, our joint ambition—our dream—to have that extended bit of road bituminised could be realised if you embraced this legislation.

So I welcome the fact that you wanted to intervene and call a quorum while I was talking, because it gives me a chance to proudly stand with you and say, 'Senator Macdonald, we've been working on the Outback Highway and drawing attention to the lack of the funds it needs to get itself bituminised for those many thousands of kilometres.' But of course if you had enough courage to actually support this legislation—many of the benefits of which will go to additional infrastructure projects in this country—that project might well be one of the projects that could benefit from the additional income this government and this country will receive through the passage of this legislation. Perhaps while I give my contribution you might want to rethink about your efforts to support this legislation and what this might mean to our colleagues and friends at the Outback Highway.

The ACTING DEPUTY PRESIDENT (Senator Moore): Through the chair, Senator Crossin.

Senator CROSSIN: Through the chair. He will think about that, I am sure.

These bills implement the minerals resource rent tax and extend the petroleum resource rent tax regime as part of reforms to obtain a fairer return on our non-renewable resources and will support growth across the
entire economy. The bills provide for the taxation of the above-normal profits from mining of iron ore and coal. The MRRT is a tax on the realised profits from selling iron ore or coal that are attributable to the condition and location of the iron ore or coal just after it has been extracted. As you would know we are debating the legislation in the Senate this week and next week because the regime is due to apply from 1 July, the extension of the existing petroleum resource rent tax regime is to include onshore oil and gas projects, and all offshore projects will also apply from 1 July this year.

The design of this legislation aims to strike an effective balance between the government’s policy objective of ensuring that all Australians receive a fair return from the use of our valuable mineral and petroleum resources and to provide an efficient, internationally competitive and sustainable taxation framework that will support continued investment in these industries. I know a lot of my colleagues have gone through the benefit of this legislation, but I am going to take some time in the Senate to reiterate it. I do that because mining is an integral part of the economy in the Northern Territory and, being the only government Territory senator, I think it is important that on this historic occasion, as we embark on this major reform, that the views of Northern Territorians and their support for this tax are reflected.

So what exactly will this revenue generated from the MRRT and the PRRT be used to fund? Predominantly, we know it is about important tax and superannuation reforms, and they go to a range of issues: company tax cuts for all companies from 1 July 2013, a new tax break for up to 2.7 million small businesses, and investment in our regions through the Regional Infrastructure Fund and the Regional Development Australia. I will just stop going through the list there and say that when you come from a place like the Northern Territory, where I think the last estimation for sealing one kilometre of road was $1 million, and when you think that there are at least 1,425 kilometres between Darwin and Alice Springs—if I remember that correctly, not having driven it thousands of times but many times; it is one of the very few sealed roads—

Senator Jacinta Collins interjecting—

Senator CROSSIN: No, I have never seen Gina’s jet in the Northern Territory actually, but we would probably welcome some of her assistance with funding through this legislation, I have to say.

We have around 3,000 or so kilometres between Darwin and Katherine that is sealed road, but once you get east and west of the Stuart Highway there are thousands and thousands of kilometres of unsealed roads—and that is just for starters. There are hundreds of airstrips that are relied upon in the Northern Territory for delivery of food, mail, health and emergency services. So infrastructure is chronically needed in the Northern Territory to a capacity that I think the funds that are generated from this sort of legislation will assist. Bridges are certainly needed, particularly down near Nooka way. Borroloola managed to get a new bridge last year through Regional Development Australia and Northern Territory funds. There are many examples. The road to Wadeye, for example, is often cut off. It is the same with the road between Katherine and Nhulunbuy as you go through East Arnhem over the Giddy River. It has always been unsealed and I am sure that with negotiations, the traditional owners would welcome a major upgrade to some of that infrastructure. So this is an opportunity to invest in our regions through the funding that will emanate from this legislation. It is
inventiveness and incisiveness by this government and is really too good to pass up.

Another benefit will be simplifying personal tax for 6.4 million Australians, with a $500 standard deduction from 1 July this year and a $1,000 deduction from 1 July next year, rewarding personal saving for over five million Australians and with a 50 per cent tax discount on up to $500 of interest income from 1 July 2012, increasing up to $1,000 of interest income from 1 July 2013. There will be a boost to superannuation for 8.4 million Australians, with the first increase on 1 July 2013, and expanded superannuation concessions for 3.5 million low-income earners and about 275,000 over 50-year-olds from 1 July this year. There are many extensive benefits emanating from this legislation.

Our future tax system review recommended implementing a resource tax regime which taxes profits rather than production in order to recognise different mining costs across projects. There was consultation with the industry, and after that the Australian government in 2010 announced the minerals resource rent tax. It will move Australia’s resource-charging regime closer to a non-distortive, profit based tax that focuses on Australia’s most significant bulk commodities: iron ore and coal. A profit based system will get a better return for Australia for its non-renewable wealth and do it in a better and more efficient way than state royalties. The 'noalition' on the other side of the chamber, who champion no benefits of this government just for the sake of it, will want to suggest that industries will fold and that there has been no new development and no benefit since the announcement. Quite the contrary—all of the available industry statistics point to an extremely positive outlook for the mining sector. Since this government has announced its mining tax reforms, mining investment has skyrocketed from $35 billion in 2009-10 to $47 billion in 2010-11. That is expected to rise to $82 billion in this coming year. Mining employment has also grown substantially by 24.3 per cent. That is 44,200 mining jobs compared to 2.1 per cent for the whole economy over the same period.

What people opposite me fail to realise is that the economy in this country is changing the way in which we are going to generate revenue for governments to use. It is massively expanding through the minerals boom. We have had one boom. We were in opposition during that time. People will look around and do an analysis of how the Howard government performed during those 10 years and will, by and large, come to a conclusion that it was squandered, that money was not put into infrastructure. Billions of dollars were ripped out of the health system. Money was not put into the education system. Money was not put into the training system. In fact, we sat back and watched ANTA, the Australian National Training Authority, get hacked to death by the Howard government. Then we looked around and wondered why there were so many Australians without the necessary skills to get into the workforce to be part of this new and emerging boom that we are now expecting. The Labor Party has stepped up to the plate and put a lot of energy, effort and reform into the VET sector, supporting businesses, apprentices and young people in this country to have the skills they need so they can get on board the train and be part of this new and emerging resource benefit.

Senator Ian Macdonald: Madam Chair, I hate to interrupt Senator Crossin again, but this is such a good speech that there should be more people listening to it, so I draw your attention to the state of the chamber. There is no-one here to listen and I would like them to hear Senator Crossin.

(Quorum formed)
Senator CROSSIN: I will not be cheeky and seek leave to start again from the beginning, although it looks as though the clock is suggesting that I could do that.

Senator Ian Macdonald interjecting—

Senator CROSSIN: Because, Senator Macdonald, I want to give you as much time as I possibly can to get you to change your mind. If you could just change your mind and support this legislation, we would have enough money in the infrastructure budget for Regional Development Australia to bitumise the Outback Highway. You and I could get in that truck and drive from one side of this country across to the other and champion that success. I would not mind if you took all the glory for it and claimed that you were the one that managed to get it all bitumised and up to scratch. You could take all the glory that you like if you could just change. Maybe you want me to keep talking so I can give you more reasons why you should change your mind and support this legislation and get that highway off gravel and bitumised and get on it as quickly as possible.

Let us see where we are at. We have talked about exactly what this legislation is going to bring for the country. Let us home in on what it actually means for Territorians. The revenue from this legislation will lock in the benefits of the mining boom for Territorians, continue to create a sustainable economy that will go beyond the mining boom and support investment in infrastructure and industries to grow jobs in the future. Particularly in the Northern Territory it is going to secure a boost to the superannuation of 62,000 Northern Territory workers, and 22,000 of those are in the seat of Lingiari, which will increase their pool of retirement savings by $6 billion—not $6 million but $6 billion—by 2035, according to the federal Treasury. What does the party opposite me—that rabble led by Tony Abbott—want to do?

The ACTING DEPUTY PRESIDENT (Senator Moore): Mr Abbott, Senator.

Senator CROSSIN: The rabble from Mr Abbott want to rip out that major savings boost from my Territorians.

Honourable senators interjecting—

Senator CROSSIN: No, it does not sound as good. I am not Scottish. I think I have a Cornish background. Of course, the 'noalition' say no, no, no. That is all they can say. In not supporting this legislation, they want to rip out the major savings boost that my constituents in the Territory could so well do with.

This legislation will provide 30,000 low-income earners in the Northern Territory with an extra boost to their super accounts through a refund of the contribution tax, worth up to $500 a year in extra retirement savings for a person with an income of $37,000, but, no, they do not want that to happen either for Territorians. That is right: those people are more concerned about supporting the top end of town and not low-income earners, of which I have at least 30,000 in the Northern Territory.

Senator Nash interjecting—

Senator CROSSIN: The saddest thing about your position, Senator Nash—and I cannot believe that, as a senator from regional Australia, as I am, you would do this—is that you would turn your back on businesses in rural and remote Australia. This legislation is going to deliver a special new tax benefit for 16,000 Northern Territory businesses and a cut in their company tax. Of the 16,000 businesses in the Northern Territory, 9,600 are situated in Darwin and Palmerston, in the seat of Solomon. I am yet to see 9,600 letters, signed by the member for Solomon, Ms
Griggs, outlining to those 9,600 businesses why it is that she did not support this legislation. Every single day, when I am out and about, most of the businesses come to me and say: 'We don't understand why the member for Solomon wouldn't have supported us getting our special new tax benefit. We don't understand why the member for Solomon walked away from us being able to instantly write off each asset worth up to $6,500.' Why is there no explanation from her about why she has walked away from supporting small business in the Northern Territory, particularly the 9,600 businesses in Darwin and Palmerston? Once this legislation goes through, I will have the pleasure of writing to each and every one of them and explaining why this is the government that can raise the flag for small business. This is the government that will support small business. This is the government that will support small business. This is the government that will now be able to say to small business: 'Not only is part of this package about looking after the future of your workers, with a better superannuation benefit, but a big part of this package is to ensure that you are part of the 2.7 million businesses in this country, many of which are struggling with our patchwork economy, that will get a huge boost and huge assistance from this government.'

What a day of shame in this federal parliament when the party opposite us, which once used to be the champions of the economy and once used to pretend that they were the friends of small business, have turned their back on both. They are unable to embrace the new economy that this country is about to embark upon, thanks to the mining boom, are unable to embrace the pressures and the needs of small business in our community and are unable to assist small business to maximise the benefits out of the boom that we are about to realise.

Last but not least, this legislation will fund vital infrastructure, particularly in our rural and remote areas. If you are a member of this parliament, particularly if you live outside the capital city kingdoms of Brisbane, Sydney, Melbourne and Adelaide, I do not understand why you would not happily put your hand up to support this legislation, why you would not embrace the opportunity for this country to benefit from the minerals resources boom, and get on board with a minerals resource rent tax to assist workers with superannuation, assist small business with tax cuts and put into this country the vital infrastructure that is so badly needed. When you bring those three elements together, you will have a new economy and a new future for this country. But what we see on the other side are members of a party that had no alternative, no other ideas— (Time expired)

Senator PAYNE (New South Wales) (11:58): As many of my colleagues have said before me, and particularly in the eloquent contributions of my colleagues from Western Australia who have spoken already today, the minerals resource rent tax is a bad tax. It is pretty simple: it is a bad tax. It is not fiscally responsible, it is distorting, it is unfair, it is complex and it is divisive. It will reduce our international competitiveness, and the process of its development beggars imagination in its lack of competence. It will penalise the most successful industry of this century and, as I just said, make it less internationally competitive, all in some latter-day wealth redistribution attempt to satisfy some ancient Labor gods, I suppose. You do not have to be involved in the mining industry to know that it is an inherently risky business, even aside from the sovereign risk that this kind of tax would create. What the Treasurer and Labor should consider is the fact that the record mining profits we have seen in recent years
are not normal. They are not guaranteed to continue forever. It is called a boom for a reason, semantically, because what follows boom? No more boom! That is the whole point of considering the context of imposing a tax like this with such extraordinary short-sightedness. It appears that the Treasurer and this government think that the mining industry is just another cash cow which will fund their out-of-control spending habit. That is simply not the case. This is not an endless dream, and one day the rest of Australia will wake up and find that not only was it not an endless dream but they endured an absolute nightmare from those opposite, who are the horror stories inhabiting that dream—every single one of them.

Perhaps the next time Mr Swan decides to mount an attack on wealthy individuals, apparently for no other reason than their wealth, he should remember who it is that it is that picks up the tab for their follies. Who picks up the tab for school halls and pink batts? Who picks up the tab for the clean energy finance slush fund, which is just going to prop up inefficient and expensive renewable energy technologies? You decided not to mention pink batts, and I can understand that because it is pretty humiliating. The mess that you created in that so-called stimulus scheme is pretty embarrassing. Pink batts—bats in the belfry, I suggest.

More importantly, the Treasurer has to answer some very important questions about the tax. For example, we do not know whether the government has factored in the cost of the commitment to credit all state and territory royalties against any MRRT liability following the decisions by Western Australia, New South Wales, South Australia and Tasmania to increase royalties on either iron ore or coal. We do not know that. The government is not prepared to tell us that. The government needs to come clean on whether estimates of gross revenue have been revised up to take this into account. We need to know, and it is not an unreasonable question, why the government still will not release the mining tax revenue assumptions, including commodity price and production volumes, both of which are regularly published by the Western Australian coalition government and the Queensland Labor government. Will this government come clean? No. Will this government respond to orders to return documents? No. Is this government contemptuous of this parliament? Yes.

The government should also tell us why it has not provided full costings of all associated measures related to the mining tax, including the proposed company tax cut, the early start company tax cut for small business and the changes to superannuation contribution caps over the forward estimates. Finally, we need to know how much the upfront tax deduction handed to the bigger miners by the Gillard government, courtesy of the market valuation, will cost the budget bottom line.

None of these questions is unreasonable, not in a transparent government or in a fair and open government; but, of course, one cannot expect that from the other side. If the government believes that this tax will be good for Australia, then that is the sort of information that should be released immediately. After all, one imagines—and I am sure my colleagues agree—that it would support the case; otherwise, what could they possibly have to hide? That is what the Australian people also want to know.

What we do know about the mining tax so far makes for very sorry reading. We know that it is a tax that was not developed using proper processes. Its rather ugly birth came out of Kevin Rudd's ill-fated resource superprofits tax, which was itself announced without consultation with anyone. There was
no consultation with industry and there was no consultation with state and territory governments, despite the very serious implications for their own budget bottom lines. But we are used to that from this government, aren’t we!

The Henry tax review recommended a national profit based resource rent tax to replace state and territory royalties and that the Australian government should negotiate—an interesting concept but one that appears to be slightly lost on the other side—the federal and state financial relations implications of such a move. The former Prime Minister Rudd and Mr Swan failed miserably at that task, and nothing has improved since.

The government did not have the courage to negotiate with the states to achieve genuine tax reform. Instead, it just came up with loopholes to make the system more complex and even messier. The new Prime Minister promised to fix the mining tax as one of the key planks of her ‘decision and delivery mode’ following her ousting of Mr Rudd, but we all know that the reality was very different. Ms Gillard, her Treasurer, Mr Swan, and the Minister for Resources and Energy did this particular deal in secret negotiations, creating even more challenges as a result for the ability of small and mid-tier miners to compete. Small miners either will end up paying the MRRT sooner or will continue to pay royalties on production while also being hit with increasing compliance burdens—and these are just the compliance burdens in this context, without even going into the extra regulatory burdens that the federal government is currently imposing on business in this country.

Labor still has not consulted adequately with state and territory governments about the implications for them of the mining tax, despite the fact—and my colleague Senator Back put this very well earlier today—that the resource royalties account for 20 per cent of Western Australian state government revenue. He was speaking specifically about his experience as a Western Australian senator. These royalties account for nine per cent of Queensland state government revenue and six per cent of New South Wales state government revenue, and have major implications for the GST-sharing arrangements. Apparently, this does not have to be taken into account.

The Henry tax review advocated root and branch reform to deliver a simpler, fairer tax system. One would not have thought this was an unreasonable proposition. Instead, the mining tax proposal we have ended up with is more complex. We have 287 pages of tax law, which is an increase on even the first draft, which was 161 pages. It takes a lot of effort to create that much regulation—the government is really putting its shoulder to the wheel there.

The Henry tax review recommended a lower tax burden for smaller mining operators. However, under this Labor tax that we are debating here today, small and mid-tier miners will pay a higher effective tax rate than the big three, which many of my colleagues have referred to today, who ended up with the rails run in negotiations with the government. It will reduce our international competitiveness, which is not something that we can afford to have happen, quite frankly, in the current global economic situation. It will encourage prospective investors to take their money to countries with lower tax rates. Why wouldn’t they? Why would they stay here? That is a question that those on the other side cannot answer. Unlike even the Hawke-Keating government of the 1980s, what we have now is a Labor government which is completely focused on cutting the cake into smaller pieces rather than trying to find policies that
actually make the cake bigger. If you think that is illogical, you would be right. In completely true Labor style, this MRRT package is going to leave the budget in a weaker position and worsen the current structural deficit. Only Labor could design and try to introduce a multibillion-dollar tax that will see more money going out than coming in.

As my colleagues Senator Cormann and, I think, Senator Abetz have said in previous contributions, the revenue from this tax is highly volatile and downward trending. In fact, over the first year since the tax was first announced, revenue estimates have varied all over the place. They have varied from $12 billion for the resource super profits tax, as it was known, to $24 billion with revised commodity price assumptions, right down to $10.5 billion under this minerals resource rent tax. That figure then fell even further, to $7.4 billion based on exchange rate changes. Then it increased slightly to $7.7 billion after further rate changes—and so the list goes on. Treasury forecasts of MRRT revenue to 2020—those ones we have been allowed to see, of course—show revenue reducing over time as commodity prices return to more normal levels after the current record highs.

Importantly, the cost of measures the government has attached to the mining tax will continue to grow strongly over time as well. The cost of the proposed increase in compulsory super to 12 per cent alone is expected to rise to $3.6 billion in 2019-20, which is when it would be fully implemented. That figure of itself dwarfs the projected $3 billion revenue of the MRRT. While the tax might help the government produce an imaginary surplus in 2012-13, it will actually end up leaving the budget worse off from the next financial year after that onwards. Over the next decade, as the Senate inquiry into the mining tax has conservatively estimated, the net cost to the budget, which is revenue minus the cost of related measures, will be $20 billion.

This tax also makes the federal budget hostage to state government variations to royalties on iron ore and coal. State governments in Western Australia, New South Wales, South Australia and Tasmania have increased royalties on iron ore or coal, at a cost to the federal budget of approximately $3 billion. Why wouldn’t they? Why would that not be expected in the absence of genuine negotiations with the states on this issue? As the shadow minister for COAG said to me, it is an all-too-familiar story. There is also the important issue of constitutionality, something on which it appears the government has never sought advice, and questions need to be asked in that space as well in terms of state and federal relationships. We have seen several mining ventures. We have seen the Western Australian state government flag High Court action if this tax passes the federal parliament.

It is not just destructive to the mining industry as a whole; it is particularly destructive because it is discriminatory. It is discriminatory against small and emerging miners. I assume that in Prime Minister Gillard’s desperation to take the disastrous resource super profits tax off the agenda she made a deal with the big three miners without properly considering the impact on the future of the rest of the industry—so many of those participants in this industry which are so important to our states and territories.

This is a tax which is divisive, as I said right at the beginning. It divides this industry and it turns different parts of the economy against each other. Sixty-five per cent of mining tax revenue will come from iron ore production in Western Australia, which this government apparently regards as a quarry
with many resources and not very many voters. Well, it will soon learn about that when the Western Australians are forced to deal with this if it passes this chamber. It is extraordinary that a national tax would result in around $25 billion of the $38.5 billion forecast to be raised in the next decade being taken directly from one state, and there has to be a better way.

You can achieve genuine tax reform. You can achieve it sustainably with a process that involves properly consulting all stakeholders openly and transparently. Consultation does not mean presenting a fait accompli and then publicly denouncing stakeholders that have the temerity to raise concerns about the policy and the process. What we should be doing in this chamber today is stopping the MRRT from going ahead and we should be insisting that the government go through a process that includes the states and the wider mining sector. How is that an unreasonable proposition? It simply is not. Instead of levying a tax with uncertain revenue prospects and a net loss of taxpayers' money, without consulting the bulk of Australian miners or the states that own the minerals, this government should get its own spending under control and should be focused on lower, simpler and fairer taxes.

Senator IAN MACDONALD (Queensland) (12:12): The Minerals Resource Rent Tax Bill 2011 and related bills are just others in the line of examples of the way Labor does things: you tax and tax and tax and try to address any perceived problems by increasing taxation. That applies to Labor governments, be they Commonwealth, state or even local governments. In days of old, the Brisbane City Council was controlled by the Labor Party—it was a long time ago. Again, taxes went up in the Brisbane City Council until the people of Brisbane had had enough and voted in Campbell 'Can-Do' Newman to the Brisbane City Council, whereupon the resources and books of the Brisbane City Council were brought into order. Brisbane experienced almost unique development in those days. Roads and tunnels were constructed and the public service was made more efficient. Campbell Newman proved in Brisbane that he could do it. Labor had shown in Brisbane, when they ran the Brisbane City Council, that they were incompetent financial managers.

You only have to look at the government in Canberra, with a continuing saga of waste and mismanagement. My colleagues have been through just some of the waste—the green loans, which were on and then off, and the pink batts, which were put in and cost billions of dollars and then cost billions of dollars to pull out before people's houses were burnt down and people were killed. We had the school halls fiasco. School halls are, of course, good, but when you have dodgy contracts where people were charging twice what it should cost for the construction of those halls you understand that you just cannot trust the Labor Party with money. Similarly, in my home state of Queensland—and as a Queensland senator in the chamber of the states you will excuse me for speaking about my home state—with unprecedented wealth from the mining industry over recent years, we find that under Labor administration Queensland has lost its AAA credit rating and now has a net debt that is approaching even the outrageously high extent of the Commonwealth debt problems. Last time I looked at Queensland government debt it was somewhere in the order of $90 billion. You get that when you have the Labor Party in charge, because all they know is how to spend money and then tax the people of Australia and Queensland to try to make up for their inefficiencies.

I listened with interest last night to a contribution by my colleague from
Queensland Senator Mason, who tried to explain to Labor senators that you just cannot keep spending money you do not have. Senator Mason rightly referred any senator who had a modicum of intelligence to look at what happens in Europe when you have socialist governments that just keep spending other people's money. Look at Greece, Spain and Ireland, which all had socialist governments. It is easy to spend other people's money, and the people sitting opposite here in this chamber have made a signature task of spending other people's money. It is not their money; it is taxpayers' money. It is terribly easy to spend money when it is not yours. Anyone listening to this debate will know that if they borrow money and spend money there comes a day when it has to be paid back. To pay it back you have to get the resources from somewhere. But this Gillard government seems incapable even of understanding that.

Do you realise that as we sit here today we are borrowing on this day $100 million, putting it on the tick that someone in the future will have to repay? It will not be Labor Party or Greens members of the Senate who pay back that $100 million a day. It will be the Australian taxpayer. You only have to look at Greece, Spain and Ireland to understand that one day it will have to be paid back. And it will be paid back with tears.

I could not help laughing at my colleague from the Labor Party Senator Crossin talking about everything that could be done in infrastructure with a bit more money. She particularly mentioned the Outback Highway, which she rightly says both she and I are active advocates for. The difference between our support is that when we were in government, when I had some influence in the way money was spent, the federal government actually put money into the Outback Highway. Since Labor has been in charge the only money that has gone into the Outback Highway is money that was pre-planned from the previous government. Senator Crossin says that with all of the millions of dollars that are supposedly coming from this resource tax—and I will come to that fallacy later—you could build bridges along the Outback Highway and you could build bridges to Aboriginal communities. I say to Senator Crossin that, if she were serious, the $100 million we are borrowing—just today's borrowings—could go into the Outback Highway and it would seal a fair proportion of it. It would build bridges to Wadeye, as she was calling for. Less than one day's borrowings by this government would build those bridges.

She said to me that, if we vote against this, the projects this legislation is all about will not go ahead. I am sorry, I have had a look through the legislation and nowhere did I see that there is going to be a bridge to Wadeye. Nowhere did I see that there is going to be money for sealing the Outback Way. In fact I will bet anyone in this parliament that neither of those will be funded under this tax or any other tax this Labor government will introduce, because Labor is simply not interested in rural, regional and remote Australia. Even if they were they will not get the money from this bill to pay anything for additional infrastructure.

I have heard Labor speaker after Labor speaker saying, 'This wealth in the ground belongs to us. Why shouldn't we get something out of it?' I am sorry, I do not know what they have been doing, but we do get a lot out of it. They are called royalties. It is a tax by the government that owns those minerals on the mineral extraction in our country. Our Constitution was built on the fact that minerals in the ground belonged to state governments and, accordingly, state governments have been taxing them, so we
have been sharing the wealth from those mining operations. As Senator Payne mentioned, the states will continue to tax mining operations through royalties. But the dodgy way this legislation before us is drawn is that when the states increase their royalties, because of the deal done with the big three miners—the top end of town—the Commonwealth will reduce its take. So I cannot understand why every state would not be substantially increasing its royalty take. They have not done it so far. Why? Because they understand that there has to be some part of the cake for everybody. They do not want to tax the mining companies out of existence. They do not want to send the mining companies and all the jobs and wealth they bring for Australians to other countries. And we are not unique. You can get coal in Indonesia, in South America, in Columbia and anywhere in Africa. You can get iron ore around the world. You can get nickel. You can get gold. Any resource we have you can find elsewhere in the world, and there will be a time when multinational companies will ask, 'Will we invest in Australia where we have real sovereign risk problems with the Labor government, or will we go to what are looking to us to be increasingly more stable environments in some of the worst parts of Africa?' This will happen.

States do not overtax the mining industry with royalties, but if I were a state government I would look at it and say, 'If they're going to be taxed anyhow, why don't we increase our tax? We'll take it. We'll do better things with it.' You could not waste money like the current federal government does—unless of course you were a Labor government in Queensland, in which case you could. Why would that not happen? That will mean that all these anticipated barrels of gold coming into the coffers federally will dissipate—that is, if they ever existed in the first place. As Senator Cormann has time and time again pointed out, the figures on what might come in from this tax are simply dodgy. When the tax was first raised we were told that it was going to raise $10.6 billion in revenue for the government. Then we were told it would raise $12 billion over the first two years. The government then made concessions. They reduced the rate from 40 per cent to 22½ per cent and they agreed to reduce the scope of the tax from mineral resources to be only on iron ore and coal, and to offshore extension of the petroleum resource rent tax. They have reduced it, but somehow they are going to get more money.

The figures are dodgy and, as much as we ask for those figures to be shown to the parliament of the nation, the people who are guardians of the taxpayers’ money, we are refused. That is why Senator Cormann's amendment should be adopted. We should decline to give this bill further consideration until such time as the government publicly releases all information it holds relating to commodity prices, production volumes and the assumptions that are used in its mining tax revenue estimates. We also need to know the updated estimates of the cost of all matters associated with the mining tax over the forward estimates and the cost estimate of its commitment to credit all state and territory royalties against the resource rent tax. That is the matter I was just talking about: what assumptions did they make about the states increasing the royalties, which would mean they get less? We need to know the basis upon which they have made those estimates, and we also need to know the cost estimates of the upfront tax deductions able to be claimed by mining projects subject to the MRRT on the basis of the market valuation method. In spite of our asking and asking, and pleading for this information, it does not come.
This is a government that the Greens supported because it was going to be open. Remember 'let the sun shine in'? Remember the accountability? Mr Acting Deputy President Marshall, you can understand why the Greens political party and the Labor Party have done this deal with the top end of town. It was a secret deal behind closed doors done by the person I am embarrassed to say is the country's Treasurer, Mr Swan, with the three mining giants, the real top end of town—Xstrata, BHP and Rio Tinto. Nobody knows what the deal was. The Greens and the Labor Party have a bit of form in looking after the top end of town. Senators will remember when the flood tax to assist the Queensland government was being debated. Every other state has to pay for its own natural disaster repairs, but the Queensland government is broke. The Queensland government's mates in Canberra put a flood tax on everybody to help the Queensland government through its financial crisis, and what happened? The top end of town, all those big mining companies, was exempted. Thanks to the Greens, Woolworths and Coles were exempted from that flood tax, but the butcher and baker who compete with Woolworths and Coles had to pay up. We know the Greens' form in getting donations from the top end of town. I will not go into that, for reasons which will be obvious to senators, but when it comes to giving favour to the top end of town you cannot do better than the Greens political party and the Australian Labor Party.

I enjoy talking about Queensland. The Senate is a states' house and I want to look after Queensland. I just wish my current state Premier—that is, current for another few days—had stood up for my state of Queensland. We have real problems in Queensland now, thanks to the mismanagement of the current Labor government in Queensland. We have a $90 billion debt to address in Queensland alone. It is almost up to the $136 billion debt that the federal Labor Party has run up over a couple of short years. Queensland needs that money. Why was our Premier not fighting against the federal government to retain more of those funds for Queensland? Why would she simply roll over? I will tell you why she rolled over. She does not want anyone to look at her policies. She does not want anyone to look at her record. All she wants to do is go out in the election campaign that is currently being held in my state and, with the most vicious, dishonest campaign of personal vilification that I have seen in my long years in politics, try to divert the attention of Queenslanders away from her mismanagement and away from the fact that she did not stand up for Queensland against the federal government when it came to this minerals resource rent tax. She is trying to airbrush over her inefficiencies with a most massively negative, dishonest and untruthful campaign of personal vilification, which she is conducting against a man who has served our country in the defence forces and who is as squeaky clean and honest a man as you could find anywhere. But that is the old Labor Party trick: a week away, raise all these allegations. Even the Premier herself admitted to the media that she had no evidence whatsoever. But she has to do something, anything, to divert the attention of Queenslanders from the fact that she cannot manage the state, she cannot manage the finances, and all she can do is take Queensland into greater and greater debt.

The bill before us today is all about envy. It is typical Labor legislation. When you make a mess of things, what do you do to try and fix it up? You spend someone else's money. How do you get that money? You either borrow it, at $100 million a day, or you tax those in this society who are working to try and make something for themselves,
for their families, for their state and for their country. With typical Labor flair, they just keep taxing and taxing and taxing. I again appeal to the Labor and Greens senators: do not listen to what we on this side say; have a look at what has happened in Greece, Spain and Ireland, where governments have spent money they do not have. They have lived a beautiful life on borrowed money—but some day you have to pay it back. That is what the Labor Party does not understand and that is why they will keep taxing and keep sending jobs overseas.

We used to have a minister for manufacturing in this government, but I think he has gone to the wall; we used to have someone who was interested in manufacturing. But now, if you want to be interested in manufacturing, you need to go to China because Australia is rapidly running out of manufacturing industries. Why? Because of the taxes and red tape that the Labor government keeps imposing. The carbon tax is a direct godsend to those countries that want to import Australian jobs. This minerals resource rent tax will again send Australian jobs and investment in Australia elsewhere and, in the end, we will be poorer for it.

I conclude by saying to the big three miners who have done this secret deal with Mr Swan: I guarantee your deal will end in tears, but do not come to me seeking my help when you have put Australia—

Senator Kim Carr: They probably won't!

Senator IAN MACDONALD: Well, they have in the past. (Time expired)

Senator STEPHENS (New South Wales) (12:32): We are debating a series of bills today—the Minerals Resource Rent Tax Bill and a group of cognate bills—which will implement the minerals resource rent tax and extend the petroleum resource rent tax. It is a very important package of bills. We have heard through many thoughtful contributions and some not so thoughtful contributions in the debate here that everyone recognises that the mining boom is delivering tremendous benefits to our nation. We have heard many examples. Senators have recognised and acknowledged the extent to which mining investment is supporting activity in their own states, particularly the Western Australian and Queensland senators, who of course are keen to support mining interests in their states.

But I think every speaker in this debate has acknowledged that the mining boom will not last forever. Resources that are non-renewable need to be acknowledged and managed, and we as a nation have to acknowledge and manage that. We all do recognise it and, though the opposition are arguing that the jam jar will eventually be scraped clean and that is a reason for the mining companies not to participate in the minerals resource rent tax, we on the government side believe it is only right that the profits from finite natural resources should be shared among all Australians and not just be reserved for a few.

Senator Ian Macdonald: It's called 'royalties'!

Senator STEPHENS: I will come to the royalties issue in a moment, Senator Macdonald. The extent of the resources we are dealing with is very clear, but perhaps those who are listening to or watching this debate might not understand the quantum we are talking about. Mining profits for the year ending 30 June 2011 were approximately $93 billion, and that is more than two-thirds of the size of the whole New Zealand economy. Twiggy Forrest's company, Fortescue Metals Group, had a net profit of $985 million, Xstrata had an operating profit of $4.25 billion, Rio Tinto had a first-half
profit of $7.6 billion and BHP Billiton had a yearly profit of $22.48 billion. We are talking about very serious amounts of money, huge amounts of money. In fact, mining profits have increased by 262 per cent in the last decade. But, at the same time, the Australian people's share of the profits from our natural resources has actually declined.

Fortescue Metals' tax manager conceded to a parliamentary committee last year that, despite the company being valued at $16 billion, they actually have not paid corporate tax for seven years. How extraordinary is that! It is, quite obviously, very unjust. But on Sky News last year the Deputy Leader of the Opposition said he thought mining companies pay a fair share. Really? Could this be a mistake? The Leader of the Opposition went one better when he told 2GB listeners that mining companies are paying more than their fair share. He appears to want miners to pay even less tax than they do already. Seriously, Mr Abbott has actually gone on record saying that this tax is almost guaranteed to kill the mining boom stone dead.

Well, the facts do not actually support that argument. We have had opposition speaker after opposition speaker using the Chicken Little approach—'the sky is falling'—and they argue that 'we'll all be rooned'. But that is simply not the case. We believe Australia is the land of the fair go and, as a democratic government, it is our responsibility to distribute the nation's wealth equitably. But, under the current taxation framework, the proceeds from the mining of iron ore, coal, oil and gas are distributed in ways that benefit only a privileged minority. That has to change, and that is what the minerals resource rent tax package is designed to achieve. The Minerals Council has admitted that there is 'a strong argument to reform the basis of determining royalty payments' and that, instead of revenue criteria based on either the volume or the value of production, it should be levied according to profits based criteria. The Minerals Resource Rent Tax Bill does exactly that. It replaces the previous royalty tax and directs the revenue towards vital investments in infrastructure such as roads, rails and ports—those critical infrastructure needs that, of course, are used by the mining industry—and also towards tax breaks for businesses struggling with the pressures of a patchwork economy and towards an increase in the superannuation guarantee to boost national savings and provide secure retirement incomes for future generations. And as rising interest rates and higher terms of trade push up the Australian dollar and decrease export demand, we have to do whatever we can to ensure our manufacturers and our exporters, including our farmers, outside the resources sector do not suffer. So the minerals resource rent tax is an indicator of this government's effort to manage our patchwork economy and to distribute the proceeds of our booming mineral resources more equitably.

The Minerals Resource Rent Tax Bill provides for the taxation of above normal profits from mining iron ore and coal. Collectively, this bill and the related bills are designed to restructure our economy and future-proof it against international market volatility by strengthening our domestic industries and distributing the proceeds of our mineral wealth to every Australian via a sustainable and internationally competitive taxation framework.

The minerals resource rent tax will apply at a rate of 30 per cent to all new and existing iron ore and coal projects, but subject to an extraction allowance that reduces its effective rate to 22½ per cent. Small miners, those that we heard many
concerns about in the chamber this morning, with annual profits—not annual turnover, but annual profits—below $75 million will not be affected at all by the MRRT, while miners with annual profits between $75 million and $125 million will benefit from a partial reduction in their minerals resource rent tax liability. The tax is expected to raise an estimated $3.7 billion in the 2012-13 financial year, $4 billion in the following year and about $3.4 billion in the year after that. Over 10 years the tax is expected to deliver about $38½ billion in government revenue back to the Australian people.

The MRRT will also allow for an increase in superannuation contributions, gradually lifting the mandatory superannuation rate from nine per cent to 12 per cent, beginning in July 2013. In my own state of New South Wales this will boost the savings of over 2½ million working people. A former leader of the Liberal Party in New South Wales, John Brogden, who is the CEO of the Investment and Financial Services Association, has described the MRRT as 'a visionary policy'. He said:

It's visionary for Australia's retirement outcomes and it's visionary for the Australian economy.

He is right. The leap in superannuation contributions from nine to 12 per cent will ensure that over half of the Australian population will have an adequate retirement fund instead of completely relying on the age pension.

What has really interested me about the commitment we are making to an investment in superannuation is the way it will affect the retirement incomes and savings of women. There is a very serious challenge in terms of Australian women's financial independence and I think it is very important that we address the issues of equal pay and the structural imbalance in our superannuation system. Right now, the 3.6 million low-income Australians, including around 2.1 million women, get no or minimal tax benefits from contributing to superannuation due to the fact that the 15 per cent superannuation contribution tax is above or equivalent to their income tax rate. Let us have a look at that. It means that more than 3½ million Australians, three out of every 10 workers, do not get a tax benefit from contributing to superannuation and 2.1 million of them are women—and that is three in every eight women who are in the workforce. In New South Wales it is 1.1 million workers. So it is very important that we think about that significant reform and what it is going to do to fund the retirement incomes of women.

Getting back to supporters of the MRRT, another unlikely supporter perhaps for those opposite who are so opposed to it is the former federal leader of the Liberal Party, Dr John Hewson. He has stated that 'in policy terms this tax is right' despite the 'posturing' from the mining industry. A lot of negotiation and consultation occurred around this legislative package, despite what the opposition would have you think. A lot of thought, a lot of research and consultation with experts, industries and the community have gone into this package of legislation. For instance, major concerns about coal seam gas, especially in New South Wales, have emerged from community consultation and the government has taken those concerns very seriously.

We have improved the governance arrangements for coal seam gas to ensure that future decisions about coal seam gas projects and large coalmining developments are based on the most significant scientific research available in order to maintain community confidence, especially with
regard to the impact on water. We will provide $100 million to establish a new, independent, expert scientific committee to provide the scientific advice to governments about relevant coal seam gas and large coalmining approvals where they do have a significant impact on water. The committee will oversee research and also establish a new national partnership agreement with the states through COAG, agreeing that the Commonwealth and the states have to take into account the advice of that committee in their assessment and approval decisions. We recognise that it is not sufficient to argue that the coal seam methane gas industry is important—as it is—without also taking into account our quality of life, the quality of our environment and our water security, which are also important factors to be weighed up. Through the Regional Infrastructure Fund and the Regional Development Australia Fund we will be investing in evidence based improvements in mining related infrastructure.

Not long ago in the Newcastle Herald Michael Pascoe wrote:
The immediate test of whether a party is fit to govern is the minerals resources rent tax. He put it as plainly as that. He went on:
In economic terms, it’s a no-brainer ...
So does this mean simply that the opposition does not understand it? Or is their refusal to see sense in this matter merely a knee-jerk reaction? We know they opposed the petroleum resource rent tax with the same approach when it was introduced by the Hawke government in 1986 and then proceeded to quietly collect the revenue throughout the Howard years. So I think we can take the protestations we have been hearing with a handful of salt—not just a pinch of salt!

The truth is that these bills are a positive move forward for the Australian economy. The government will use the revenue from the MRRT bills to reduce the tax rate for companies to 29 per cent. Given the argument we are having with the opposition and their lack of support for that, it will be a struggle as we debate these bills. The bills will give Australia's 2.7 million small businesses a $6½-thousand instant asset write-off from 1 July next year. In my home state of New South Wales, that is 890,000 businesses that will benefit from this legislation. Doesn't this make more sense than continuing to line the fur-lined pockets of a handful of companies that have already benefited from an unfair taxation framework?

This is the choice for us. Do we recognise that many Australian businesses are struggling with the high Australian dollar and struggling to get the workers they need? Do we let the benefits of the coming mining boom be squandered like they were in the last one? Do we ignore the challenges for the nation and for businesses struggling with the pressures of a patchwork economy? Or do we recognise that many parts of the country, especially our great mining regions, have extra infrastructure needs? Do we support a revenue stream that will fund billions of dollars worth of new roads, bridges and other critical infrastructure, including the critical Gateway project in WA? Do we support the retirement savings of Australians by increasing the superannuation guarantee and boosting the savings of 8.4 million Australian workers by $500 billion by 2035? Do we deliver fairer super concessions for 3.6 million low-income earners who currently get little or no concession on their employer's superannuation contributions? They are the questions we are asking, and the answer for us is: that is the critical issue—that is what is of importance.

In the time I have left available to me in this debate I want to go to the issue of the
royalties furphy that was just propagated by Senator Macdonald. First of all, as I said earlier, mining profits have jumped 262 per cent in the last decade. Along with the coal and the iron ore, a large share of the profits is shipped overseas as well. So the current arrangements fail to provide an appropriate return for those non-renewable resources to the Australian community, who own those resources 100 per cent. The royalties do not keep up with the booming profits of our miners, because royalties are often taken as a flat amount of revenue or production, regardless of profitability. Tax on profit means that the higher your profit the more tax you pay. It is a far more equitable way in which to deal with the mining boom we are currently seeing and the one we will see emerging in the future.

A tax on profits returns more to the nation when times are good, as should be the case, and relieves the tax burden on the industry when times are bad. A tax on profits automatically relieves struggling miners and their communities of tax when times are tough, unlike royalties. And that is the point that perhaps has not been made very clearly by the opposition. We will see volatility in minerals resource rent tax revenue, particularly as prices and investment plans change. But that is good for the nation and for the industry, and that is why the minerals resource rent tax has been structured the way it has.

Australians people will get a better share of the bounty of this mining boom, and the government will use this share to develop a stronger and broader economy. We will ensure that the dividends of the boom are actually directed to where they can make the greatest contribution to jobs, to infrastructure, to national savings and to sustainable economic growth. These new tax arrangements also represent a cooperative approach between industry and government in the major business of tax reform, a process we are also undergoing in this nation, taking into account the much bigger picture, the taxation reform and the strong legislative agenda that we have around those bills.

The bills provide for a robust resource rent tax regime and ensure that the long-term attractiveness of investment in Australian iron ore and coal is maintained. There are naysayers who say it is going to ship all our mining offshore, but do not be conned; that is a nonsense. You only have to look at the massive $430 billion pipeline of investment in our mining sector—and $82 billion of that is for this year alone—to see that the industry has great confidence in its future in Australia. Mining companies are investing in the future in full knowledge of the commencement of the minerals resource rent tax. As I said, the tax will apply at a rate of 30 per cent to new and existing iron ore and coal projects.

Because the MRRT taxes only the most highly profitable mines—again, not turnover but profit beyond $75 million a year—Australia will remain an attractive destination for resources investment. Unlike royalties, the MRRT recognises the massive investments miners make. The tax does not apply to the value added by miners through processing. It applies only to the profits attributable to the resources at the valuation point just after extraction and to projects that are able to immediately write off new investment and immediately deduct expenses. So no MRRT will be payable until the project has made enough profit to pay off its upfront investment. We expect the big miners to pay the bulk of the MRRT and to pay it from year 1. That is based, again, on extensive consultation with the industry.

Let us not be conned that this is going to change the nature of mining in Australia. We have a huge investment and we have a huge
natural resource, but it is a nonrenewable resource and it is only right and proper that we share the benefits of this mining resource with Australians by ensuring that there is a distribution of the gross and excessive profits of the mining industry as they occur. To me, that is a no-brainer: that is what a good Labor government will do. That is what we will ensure happens, that we share the benefits and the wealth of the mining boom with those who do not have the fortunate opportunity to be part of it directly.

Senator EDWARDS (South Australia) (12:52): I cannot begin without just passing some comment on the latter part of Senator Stephen's discussion of the bills before us. If you apply that royalty as an analogy, then the owners of that wonderful thoroughbred, Black Caviar, should look out, because with 19 wins under its belt it is going very well and we should probably tax their prize money because they are going so well disproportionately to other winners. And, while we are there, why not put 100 kilograms on the horse just to ensure that it fails at the next start?

Over the last decade Australia has had the good fortune to be able to benefit from the ongoing expansion of worldwide demand for our natural resources, particularly from Asia. While resources have long contributed to government revenues, under the prudent stewardship of the Howard government, the coalition left no debt for the incoming Labor government. Having eliminated the $96 billion of net debt it had inherited from the previous Labor government, the coalition instead left the Rudd Labor government a surplus of $20 billion and $60 billion in the Commonwealth's Future Fund.

This prudent fiscal management capacity escapes this government under the Greens—no!—Gillard Labor government. I know who is in charge here, because I come to work here every day, but the Australian people struggle to discern who really has their hands on the levers of Australia's economy. We all know the reason why the Gillard Labor government wants a mining tax. It is because Labor has so mismanaged the economy in the four years Prime Minister Gillard and former Prime Minister Rudd have been pulling the levers, the whole time looking over their shoulders in an effort to head off any party leadership coup. In that time the net financial worth of this great Commonwealth has worsened by over $230-odd billion. They are leaving a huge debt behind, and as I look at the children assembled in the gallery I fear for what this government is going to leave as a legacy for them.

We hear the constant bleating of the Prime Minister and the Treasurer blaming the global financial crisis, but it is largely their own naive, profligate spending that has led to this predicament which, of course, will be left to the coalition government to repay. Just like some spoiled teenagers' party, Labor will leave the only fiscally responsible adults to clean up their squalid party mess. The current Labor government is borrowing $100 million per day. The coalition will have to find $136 billion to repay the principal on Labor's spending spree, which by 2014-15 will cost more than $7 billion a year in interest. What a Labor legacy that all those children I see and know out there in this country are going to inherit.

This mining tax should not be misconstrued as reform but should be seen for what it is: a snatch-and-grab tax. This is a case of rabbit in the headlights—they have lost the plot. The economic managers of the Gillard-Brown government have no fiscal management; it is just snatch and grab from a government that taxes and spends. The mining tax does not make taxation simpler or fairer, and it inevitably raises the compliance costs for all involved. The sad reality is that
the mining tax is an attempt to disguise the omnipresent rampant waste and chronic mismanagement of the public purse under the Gillard-Brown-Greens alliance, a government which has squandered the coalition's legacy in just 4½ years. Every Australian has now been burdened with record levels of debt by this incompetent Labor-Greens government.

This myopic attack on the resources industry was hatched in the same ivory tower as the carbon tax, where the key Labor players sat round mulling over that question: where can we find the money to fix this mess? Only this week it has been revealed by the Centre for International Economics that the carbon tax could potentially cost Australia $30 billion in lost economic growth by 2018. Labor arrogantly assumes that it can continue to place the burden of its own incompetence on business success stories—in this case the resources industry. Labor overlooks the fact that the very strength of the industry is dependent on attracting massive investment from abroad.

Only by complementing domestic investment with that from abroad can Australia fully capitalise on the opportunity of a rapidly rising Asia, hungry for our resources. Attracting foreign investment is made much harder due to the almost xenophobic rhetoric from the Greens. They have attacked mining companies as foreign and demonised foreign mining executives, while Wayne Swan indulges in a class war that is both lazy and crass. This is not just harmless and antiquated rhetoric. During the parliamentary inquiries into the mining tax, the CEO of the Minerals Council of Australia, Mitch Hooke, noted how the introduction of a mining tax has contributed to increasing the perception of sovereign risk. This same point was made on 26 October 2011 at the Commonwealth Business Forum in Perth, where the chief executive of the South African gold miner, AngloGold Ashanti, Mark Cutifani, stated:

... we have Australia as one of the top sovereign risk countries in the world and places where government policy has demonstrated failure in terms of taxation policy and its inconsistency in policy.

The flaws of this tax are manifest. Labor has exposed mining companies to double taxation but has committed to crediting mining companies the royalties they pay to the states. The commitment to crediting mining companies is uncapped and has left the Commonwealth exposed. In addition, Labor does not even know what the royalty take of those states may be as they look to increase their royalty income streams.

This Labor government have made some very dangerous assumptions. They have made the grave error of overlooking likely changes in state royalties and the inevitable volatility of global commodity prices. The Commonwealth has little control over these factors. There is little to stop the states from simply increasing their royalty base, as shown by comments made most recently during the election campaign in Queensland and, also recently, the New South Wales government. Commodity prices are at the behest of global demand, particularly from China. As growth slows from its breakneck pace in key markets like China, this tax exposes the budget to an increasingly large structural deficit over the coming years. As David Uren has highlighted, a fall of only 20 per cent in commodity prices would entirely wipe out the government's revenue from the mining tax. What is worse, it would likely leave the government paying at least $4.5 billion for the various concessions they have committed to on superannuation, company tax and small business that were meant to be funded by the mining boom.

Both the RBA and Deloitte Access Economics have noted that global
commodity prices and Australia's terms of trade have peaked and are declining a little more rapidly than expected. The government has again taken the growth of the Chinese economy for granted. In the last week there have been indications from China's top leaders that this growth is slowing. This makes the predictions that underpin Labor's mining tax look dangerously out of touch—and Treasury has been gagged on releasing how it came about its forecasts. Labor has largely ignored this inconvenient truth, once again demonstrating its complete economic and fiscal incompetence. The coalition has repeatedly called on Labor to reveal which commodity prices were factored into the budget calculations, to no avail. What else is Labor hiding about this mining tax?

Western Australia has highlighted that there would be at least a four per cent difference in the level of effective total taxation between a mining project that was in existence before 2 May 2010—and, by the way, that is mostly the three major iron ore and coalminers that my colleagues have spoken so eloquently and extensively about this morning and yesterday—than that applying to the new developments taking place after 1 July 2012. This fits into Labor's pattern of peddling false concern for fostering small enterprise.

We now know that the government looked after the Greens and the three biggest miners, with preferential treatment to neuter opposition to this myopic tax, but in playing favourites and freezing out smaller miners from their consultation, the government are placing most of the new tax burden on these minnows, whose operations are much more marginal. It will see a small, emerging miner paying an extra six per cent in tax compared to a large, well-established miner that only has to pay an additional two per cent. No wonder they were in a rush to come to an agreement. Mr Wayne Swan's tall poppy syndrome has been exposed in his attacks on successful individual mining entrepreneurs like Clive Palmer, Gina Rinehart and Andrew Forrest. The Treasurer is willing to throw rocks at these three outspoken and highly successful Australians but leaves alone those companies he plays favourites with. The Treasurer's attacks on this successful Australian trio brings back the very worst of Labor's past bashing of free enterprise.

I guess it is no surprise from a government dominated by union bosses and lawyers who have never had the guts to start their own businesses. Neither the Prime Minister nor the Treasurer have ever run any sort of business, and their claims to understand the realities of a real economy are totally disingenuous. Our competitors in the global
resources game do not stand idle. They do not willingly hobble themselves either. Their industries are not subject to organised hostile attacks by the parts of the Green movement, egged on by its leaders here in parliament. That the Greens are deeply hostile to uranium mining directly threatens South Australia, where some 40 per cent of the world supply lies buried, along with significant deposits of gold and copper. The massive expansion of the Olympic Dam site is critical to the future of South Australia. I cannot remain quiet as this Gillard-Greens alliance threatens future nation-building projects, whether through their poisonous media campaigns or Bob Brown's political brinkmanship to widen the mining tax to include uranium and gold.

The Australian and the Financial Review have revealed that extreme green groups are planning to exploit the legal system and use dirty spin tactics to sabotage the expansion of the coal industry. This attack by a cabal of idealistic economic vandals on the coal industry is the height of hypocrisy, seeing as many of these activist green groups benefit from a tax-free status of their own activities. Around $70 billion of coal investment faces the possibility of being delayed or abandoned. Even the union movement realises what dangers the Gillard-Greens alliance has led us into. Even the CFMEU National President, Tony Maher, has called the prospect of a green sabotage of the coal industry an 'economy killer'. The passage of this poisonous mining tax legislation begs the question: does the government have the courage to cut a swathe through the legal minefield of obfuscation and delay being laid by its partners in the Gillard-Greens alliance to derail the expansion of the vital Australian coal industry?

While Treasurer Wayne Swan is willing to condemn such green campaigns to derail the coal industry, he is not willing to admit that his own mining tax presents the same risks to Australia's national interest now that foreign investors see us as an increasingly risky destination. Mining companies already pay vast amounts of company and payroll taxes in addition to the rich vein of royalties that help keep the rest our economy strong. In South Australia, BHP Billiton's Olympic Dam expansion needs the skills and services of businesses across South Australia, and it is estimated that the project will create an additional 15,000 jobs in the state. The new mine is likely to provide billions of dollars to the South Australian economy over the first 30 years of its operation. The benefit to the South Australian government looks likely to rise to at least $200 million annually once the expansion of the operation is completed.

This boon for South Australia is now coming under threat. It was revealed on Tuesday that recent modelling by the state Treasury indicated that 1,500 jobs may be lost next year in South Australia as a net result of the carbon tax. This will negate 75 per cent of the jobs created by the Olympic Dam expansion in the next year, which only adds to the burden that is this mining tax. That the state Labor Premier and Treasurer claimed not to know about this modelling only shows that the Labor Party cannot be trusted as economic managers.

It is important to note that the resources industry provides a ladder of socioeconomic mobility to all Australians. Fortescue Metals is a company that has taken the lead in efforts to share in its prosperity by seeking to dramatically raise the numbers of Indigenous Australians it employs. Fortescue has awarded $320 million in contracts to Indigenous contractors, and over 1,000 Indigenous Australians have benefitted from its three dedicated employment and training centres, the biggest of which is in the state represented by my friend and colleague...
Senator Eggleston, at Pundulmurra TAFE college in South Hedland.

Instead of yet another tax on the mining industry, what Australia needs is vision, innovation and far-sighted policy that will enable Australia once again to take the lead in an increasingly competitive global resources sector. As the independent economist Dr Ed Shann argues, we need policy reforms that lift Australia's overall growth rate by encouraging more flexibility and thus productivity in the economy. This mining tax is not one of those reforms.

Tax and spend is not the answer, Prime Minister Gillard. Get out of Australians' lives and instead provide the hope, reward and opportunity that both small and large companies as well as the mums and dads across this country deserve.

Senator SINGH (Tasmania) (13:12): I rise to speak to the minerals resource rent tax package of legislation, a long-term Labor commitment delivered by the Gillard Labor government. Over the past decade, Australia has experienced an unprecedented boom in demand for its minerals resources, especially iron ore and coal. Demand is driven by the massive amounts of development going on overseas, especially in markets to our north in what has been coined the Asian Century. Enterprising Australian companies and no small number of overseas investors have been willing to oblige this demand. The mining industry has grown into one of the largest single sectors in the Australian economy, involving extensive capital investment and returning huge profits on that investment.

There is no doubt that the mining sector contributes significantly to the Australian economy. Indeed, mining has been one of the most constant and productive sources of jobs in my home state of Tasmania for more than a century. In fact, in Tasmania, whole towns and communities have been created around the mines, from Beaconsfield to Rosebery, from Queenstown to Zeehan. And the Labor Party has always supported industry that creates jobs and supports communities, as many companies in the mining sector have done. But while we should always value those individuals and companies willing to take risks in responding to demand, we should also remember that mining companies use resources that belong to the community and turn those resources into a private profit. At the turn of the 20th century, state and territory governments around Australia took the wise step of taking ownership of Australia's mineral resources, licensing out rights to particular deposits. Permission to do so has been on the basis that companies will pay royalties to the Australian people commensurate with the volume of our minerals that they are taking from the ground. This system was put in place on the simple grounds that the wealth generated from mineral extraction is based on the exploitation of an asset that belongs to the Australian people and they deserve a fair share of our revenue generated. But, while profits from the resources boom have grown dramatically, the revenue returned to Australians has not kept pace. We are no longer receiving a reasonable share of the wealth generated for private individuals from our resources.

The failure of the mining sector to return a fair share of its wealth has created a number of problems for the Australian community and the Australian economy. Most obviously, there has been the manifest unfairness of companies exploiting community resources but not returning a proper benefit to the community through taxes. Like all businesses, mining companies depend on the conditions created by society for their success. The wealth generated by companies operating within Australia is, first of all, a
reflection of a society that fosters and supports industry and enterprise. Giving back to that society is a foundational principle on the social contract and on the social licence that grounds the operations of our most successful companies. This problem is even more acute when we consider the fact that, even more than other businesses, mining companies draw an asset that the community literally owns.

Secondly, there is the disparity between the effect of the mining boom and that of typical growth in a sector of the economy. The mining industry is extremely capital-intensive—one of the reasons that entry to the industry is dependent on access to a large amount of capital. But, following capital costs, mining employs relatively few people, with the mining industry accounting for about 1.9 per cent of Australian workers. While profits in the mining industry grew by 262 per cent over the last decade, only seven per cent of Australia’s job growth was due to the mining sector. While typically the benefits of industry are dispersed through higher levels of participation in growth sectors, the benefits are much less with the mining industry. There are relatively few secondary or tertiary industries to the mining industry, and the normal rules of prosperity flowing on to workers and their families do not apply—or at least not to the extent that one might expect given the scale of revenues that are being generated by mining companies.

Thirdly, the extraordinary growth in the mining sector has had the effect of crowding out investment in other sectors of the economy, taking opportunities that might otherwise have been present for different industries to grow. The effect has been to create a two-speed economy and the inequity that involves for business, workers and families across the country. Those who are lucky enough to participate in the mining industry are streets ahead of some in other industries, creating pockets of prosperity that most Australians simply do not have access to. This is not about envying those who, through either their hard work or their good fortune, have succeeded in a successful industry, nor is it about attempting to handicap or slow those who have prospered. Instead it is about recognising that the development of a society is about using the economic and social tools at our disposal to take the whole community forward. A boom in the Australian economy should be good news. It should be celebrated as the boon it is for our country. But without this tax we have been in danger of squandering this opportunity.

The minerals resource rent tax is about using the prosperity generated by the mining boom to benefit the whole country. It is about ensuring that resources that we dig up and ship off overseas are invested properly and provide a return into the future. This tax will be levied on 30 per cent of the profits over $75 million made by mining companies after a number of deductions for some expenditure, after state royalties have been deducted and after extraction allowance. The tax is not punitive, and since the scheme was announced the mining sector has continued to grow. Mining investment has skyrocketed from some $35 billion in 2009-10 to $47 billion in 2010-11, with no signs of it stopping. Nor is there any sign of the mining sector having trouble turning a profit. Indeed, more often than not the kind of superprofit covered by the tax is unimaginable to most Australians. As a tax on profits rather than the volume of minerals extracted, this tax is flexible and fair, continuing to provide a sizeable return on investment as an incentive for the sector to continue to grow.

This tax does not distort or discourage investment in the mining sector. Instead its
effect and the government's intention is very much to encourage investment, growth and prosperity right across our Australian society. It is designed to ensure that the extraordinary profits that the Australian mining companies make—the almost inconceivable figures that Australian families hear reported on the evening news—go towards the things that can be harnessed for the common good.

The most important factor for the security of the Australian economy is a strong and substantial superannuation sector. Compulsory superannuation, supported for a long time by a forward-thinking labour movement and introduced by the Keating Labor government, is the key to ensuring decent quality of living for Australians when they retire. It is key to ensuring that we are able to deal with the challenges that Australians will inevitably face with an ageing population, when people reach retirement age and have the very reasonable expectation that they will still be able to contribute to the society to which they have contributed so much throughout their lives. While superannuation is about personal financial security, it is also about the nation's financial security, ensuring that we can use the benefits of the hard work of Australians to support investment across our country. Strong, secure superannuation benefits every Australian and it is vital to assist Australia's future prosperity. That is why I believe that superannuation needs to continue to be supported and its contribution rate increased, and that is exactly what this Labor government intends to do with the billions of dollars in revenue that this tax will create. The MRRT will be used to lift compulsory superannuation to 12 per cent for all Australian workers, increasing retirement savings by around $500 billion by 2035—a longer commitment that will aid in the challenges that Australia will inevitably face with an ageing population. This boost, which will affect the super entitlements of some 8.4 million Australian workers, will guarantee a quality of life that our workers deserve when they reach their retirement. With the increase phased over the next eight years, businesses will also have time to adjust to the additional costs. All Australian businesses will receive a one per cent tax cut from 1 July 2013, and 2.7 million small businesses will receive other benefits, like the instant asset write-off of up to $6½ thousand, making tax benefits simpler and more immediate to access.

It is curious to me that, while the coalition is willing to invoke the most base of commentators in people like Rush Limbaugh to rail against any form of taxation, they oppose this tax cut for all Australian businesses. They do not share Labor's notion that, if revenue can be generated through something like the minerals resource rent tax without a substantial effect on the incentives that drive entrepreneurship, that policy should be pursued and the tax burden in areas needing support should be reduced. They do not share Labor's notion that all Australians should have access to decent opportunities to succeed in business, not just in one part of the economy but all parts of the economy, supporting all businesses. The coalition do not share Labor's notion that it is better to guarantee the prosperity of all workers now and into their retirement rather than allowing a small number of Australians to revel in incredible but temporary wealth. They do not share Labor's values that economic growth needs to be about more than seeing profit margins climb higher and higher, and that growth needs to be about seeing more Australians succeed and more businesses opening their doors and having those doors stay open, with more older Australians enjoying living rather than just surviving into their retirement. These bills are about turning a mining boom into an
Australian boom that will support this nation and its people well into the future. I am very pleased to support the MRRT bills package.

Senator RYAN (Victoria) (13:25): Before I go on to make my contribution to the Minerals Resource Rent Tax Bill 2011 and related bills, I would like to clarify and address a few of the myths propagated by those opposite, including the previous speaker. When we hear about superannuation and the increase in the superannuation guarantee levy from nine to 12 per cent and that it is somehow linked to the mining tax, let us clarify one thing: not a single dollar of this mining tax pays the superannuation contribution of anyone other than a government employee. Every single contribution that comes from a small business, a medium business or a large business comes out of the pockets of those businesses. The government is intentionally trying to conflate these two issues to mislead people into somehow thinking that this misguided tax is going to pay for their increased superannuation. It does no such thing. It comes from the pocket of their employer, as it always has.

No-one can disagree with the fact that we want to see a prosperous Australia. I come from Victoria. Victoria and my home city of Melbourne were built on the back of the gold rush. That is a nice introduction to this topic, because, quite frankly, what we are seeing now in Australia is the greatest resources boom since the gold rush. But what the Commonwealth government seeks to do is seize this revenue and squander it—and I will go into that in more detail shortly. What is the antecedence of this particular policy? Firstly, the antecedence remains that this government has an enormous budget black hole to fill. Spending in the Commonwealth budget has risen from $260 billion to $370 billion per annum in just four short years. That is $100 billion, mainly borrowed, that is being pulled out of the pockets of future Australian taxpayers. Every dollar borrowed is a dollar that will be paid back through higher taxes in future years. There is no magic money tree, despite what Labor wish to say.

This tax comes from what was described at the time by Treasurer Swan as a 'root-and-branch' reform of the tax system, which is what the Henry review was supposed to be. The government of course released it the week before the budget in 2010 and instantly knocked on the head virtually any serious tax reform. The one thing it seized was the so-called resources super profits tax. This tax was designed to try and seize revenue from both the states and the mining sector in order to plug the government's black hole. It was dressed up as trying to address a two-speed economy and trying to get a fair return on resources for Australians, but it did no such thing. This tax is a so-called 'Brown tax'—a tax that is based on profits and rates of return. It is a very complex tax. It is a tax that exists nowhere other than in economic
textbooks. There is nowhere in the world that has a fully functioning so-called Brown tax.

I am not dismissing something because it is in a textbook—this is no bad thing—but when such a theoretical model is being put into place you would think there would be some consultation with people in that sector. When you are taking something out of a 1960s economic textbook and saying, 'We are going to be the first country in the world to apply this,' you would think that you would actually consult with the only levels of government in Australia that currently tax resources through royalties: the state governments. You would think that you would actually consult not just with the large and entrenched mining companies but also the mining companies who are more in the exploration phase and are trying to find the next big thing in resources extraction in Australia. But the government did not do that. The government merely came out with what it thought was a perfect theory and said to the Premier of Western Australia, amongst others—that is, the mining companies—'Take it or leave it.' We know what happened next: the Labor Party then told the then Prime Minister to leave it. None of this serious consultation was undertaken. This lack of consultation with the states is actually one of the most critical issues of what originally started out as a resource super profits tax.

One of the things that the Commonwealth government has done in the review of GST distribution is specifically ask the two people conducting that review to look at penalties that can be applied to states if they increase their royalties in respect of GST distribution. That betrays the real agenda of this government. The resources are owned by the people of Australia. They are owned by the people of Australia through the states in which they are citizens. It is like the case of the state of Victoria when it was a colony in the gold rush days, or the states of Western Australia and Queensland today—they are owned by the people of Australia. What the Commonwealth is seeking to do, and what the Labor Party and their Greens allies are seeking to do, is seize ownership of those and make Canberra the dominating power.

It is important to note—and I say this as a proud Victorian—that every time Western Australia increases its mining royalties Victoria sees a benefit. Victoria sees a benefit because of something called horizontal fiscal equalisation, a topic that is guaranteed to put everyone listening in the gallery to sleep if I go into it in great detail. It means that through the Commonwealth Grants Commission we know that, when we take into account the tax capabilities of the states and the costs of delivering services, some states, like my home state, have a relatively lower cost of delivering services than, for example, Western Australia, because of the relatively compact nature of their population. For nearly a century we have equalised funds across the states to try to ensure that the people of Victoria have the same access to health, education and law and order services as the people of Western Australia.

I think that the system is far from perfect and that it can be improved dramatically, but one of the complaints about it at the moment—coming from Western Australia, no less—is that as Western Australia increases its royalties its share of the GST funding pool is dropping. We can discuss this. There are legitimate complaints about this. But, if we put those to one side for a second, we know now that the very complaint of Premier Barnett in Western Australia is that as he increases royalties he gets less back on the GST. What does that mean? It means that the royalties and the GST are being redistributed through the other states. So, after a period of three years
when Western Australia increases its royalties, those royalties are effectively redistributed through the GST funding pool on a per capita basis and come back to places like Victoria, which does not have a large mining sector at the moment.

That is a very important point because it means that every time a state government does increase royalties on coal or iron ore the people in the non-mining states actually do see a benefit. More money comes to Victoria for nurses, teachers and cops because of Western Australia increasing its royalties. But it does not go via Canberra. It is not in the gift of the Commonwealth government; it is not in their ability to put a tied grant on it or to use it for their own purposes, like when they had a dream of seizing hospitals for control by Canberra. The most important thing about this attack on state royalties is that it seeks to remove royalties from the state funding pool. And that does not just hurt Western Australia. It hurts everyone in every state, in every territory, in every town and in every city in Australia. Western Australia increased its royalties in last year’s budget, and in two years those will be redistributed around the country on a per capita basis to every other state. That is the nature of Premier Barnett’s complaint. On the flip side, it also has to mean that Victorian taxpayers and people in non-mining parts of Australia are actually seeing a direct benefit. It is just not going through Canberra. That attempt to undermine profoundly what remains of state fiscal independence is one of the most worrying aspects of this legislation and this agenda of the government.

To go back to the antecedents of this tax—and we heard that from the previous speaker—we have this flawed logic that somehow these resources are limited and we have to extract value from them while they are limited, because they can be used only once. That is true, but there is no shortage of coal or iron ore on this planet. There is absolutely no shortage of coal or iron ore anywhere in the world. What is in short supply is the capital that gets that to market. The scarcity involved in mining coal and iron ore is not like mining a rare precious earth, and it is not like mining a precious mineral. The real difficulty is in actually putting the capital and the infrastructure in place to take those products to market. Coal and iron ore are everywhere. The hard bit is how much it costs to get them out of the ground, to get them to market and to get them there cheaply, quickly and reliably.

That is actually what Australia has excelled at. Credit must be given to former Premier Sir Charles Court in Western Australia for his investments at the time and for foreseeing this. We are in this case the beneficiaries of some long-term planning—and I hasten to add that none of it came from Canberra. In fact, when the Western Australian government was implementing these investments, it would have had a penalty under the then fiscal equalisation rules because it is not something that was taken into account when we were considering the provision of services equally across Australia. So every Australian is now benefiting from decisions made and taxes paid by people in Western Australia, Queensland and other places many years ago.

The real shortage here is about how we attract, and continue to attract, enough international capital to develop and service these huge resource projects. The previous speaker referred to incredible profits. They are incredible profits, but I think we have to put in context the incredible investment and the incredible risk of capital that goes into place. We are talking about tens of billions of dollars of shareholders’ money, and that is billions of dollars of money from people’s superannuation funds, overseas investors and a whole range of people. It is not like these
profits are somehow exorbitant when we consider the sheer scale of these investments. Many people who propose and support these taxes fail to talk about the scale of investment that these resources projects involve.

When we get to the logic for this mining tax, the Labor Party seems to forget its own past. I have heard ministers refer to the petroleum resource rent tax. One of the differences between petroleum and coal and iron ore is its relative scarcity. There is no scarcity of coal and iron ore; there is a relative scarcity of petroleum. One of the designers of that tax, Peter Walsh, a former member of this place and a former finance minister—a Labor senator from Western Australia—wrote, 'There is rarely, if ever, any economic rent in iron ore.' They are his words. He wrote that because he knew that there was a risk of scaring off international capital and of seeing lower levels of exploration and investment, which is what this tax will entail, because Australia has no shortage of these resources. We are seeing at the moment a supply response to quite substantial increases in international demand.

The economic illiterates who support attacks like this seem to think that we should not use up all these resources quickly, because they might not be there for a future day. Mr Acting Deputy President, I put to you and to the chamber that while prices are this high we should want to get as much of this stuff out of the ground and overseas as we can. Australia should be taking advantage of every single opportunity to shovel as much of this stuff onto boats and trucks as it can and to move it as quickly as possible, because we know that prices are not necessarily going to stay this high. We know that every time we see increased demand and increased prices we will see a supply response. We are seeing it all over the world. We are seeing a supply response coming from South America, from Russia and particularly from Africa, because people know there is now more money in coal and iron ore than there was 20 years ago. We should be moving as much of this as fast as we possibly can because of the lack of scarcity. There is no scarcity of these products whatsoever. This is basically economics 101: demand goes up, price will follow and supply will follow as well. There is no guarantee that we will continue to see these price levels.

This gets to an important point about this mining tax: the government refuses to publish projections and forecasts on volumes and prices. How can this place and the Australian people know that this is a well-designed tax that meets the objectives the government sets for it? How can we measure the claims the government makes for it? How can we have any faith in it when the government will not do what the Western Australian and Queensland governments do? They publish volume and price forecasts in their budget papers, but we cannot get the same information from the Commonwealth Treasury. That reflects the flawed design process of this. We started off with the RSPT and we ended up with this MRRT. We know from submissions to the Senate hearings into this that the industry itself has had admissions from the government: 'Yeah, there are problems with it, but we're gonna fix it with another tax law amendment bill.' That is extraordinary. We have before us some of the most complex legislation that this parliament will see, but which the government has admitted is flawed. We cannot see the modelling on which it is based and we cannot see the projections on which it is based. We are not even going to get information about what amendments are going to be put forward, because the government does not even have faith in its own legislation. That shows exactly what this is: a money grab. It is a money grab to
fill a black hole and to try to seize revenue and fiscal autonomy from the states.

This tax and the way it was put together will condemn the Labor Party for a long time. After rolling their own Prime Minister and the previous model of this tax, flawed as it also was, and failing to consult with industry they decided they had better actually consult with someone, so they consulted with those who helped them roll the previous Prime Minister. They got the three big ones in a room—the same ones they are vilifying as being foreign owned—and cut a secret deal that excluded all the people who are actually exploring. They excluded all the small miners and the medium miners, including some Australian champions like Fortescue. They simply tried to cut a political deal. That is something we are still seeing, because we do not know what the final form of this legislation will be.

That process is the equivalent of the previous coalition government negotiating the GST with Coles and Woolies, and not thinking about the interest of any small business in the country. Can you imagine what the outcry would have been? We have a government that has been desperate for a political solution, desperate for a temporary fiscal solution, to achieve a confected and contrived budget surplus in the next financial year. We will believe that will happen when we see the final budget outcome at the end of next year. They excluded the next generation of miners. This mining tax also punishes those who are potentially large miners, those who are in a different phase of the business, because it penalises them by going after them based on a rate of return. The problem with that is that mining is not like any other industry; it is high risk and it involves huge capital outflows. We need to find ways to encourage those businesses. But this tax, by effectively allowing a grandfathering of the older companies—the government still needs its revenue—is going after those companies that will have high rates of return in the immediate future. The problem is that the next generation of miners are therefore going to face a higher cost of capital because of the higher level of taxation.

We saw earlier this week that Australia’s share of global exploration investment is starting to fall. The government will trumpet numbers about how it is still about $5 billion, but the problem is that it should be going up. Everywhere else in the world exploration is shooting through the roof. Unless anyone here thinks we are getting close to running out of coal and iron ore in this country, exploration should be skyrocketing. We have a proven track record, we are close to major customers, we are a stable political environment that, until Labor got into office, had no issue with sovereign risk and we have a lot of infrastructure in place near a lot of the places where we should be exploring. But our share of exploration is actually dropping.

I could speak on this for hours, but I will not subject people to that. I will conclude on the point that the performance of our Treasurer over the last few weeks in vilifying mining companies, in vilifying—

Senator Colbeck interjecting—

Senator RYAN: Quite correct, Senator Colbeck, I should not put the Greens to one side. I just bundle them in with Labor these days—it is easier. The vilification of those involved in the sector by those opposite and by the Greens in the corner of this chamber is nothing short of a disgrace. How dare the Treasurer stand up and vilify people based upon their industry, encourage economic xenophobia by talking about their being foreign owned companies and accuse people of rent seeking simply for asking for the law to have stayed the same as it was? They are
not asking for any special favours; they simply think this is a bad public policy outcome. They did not deny that it would actually mean higher taxes for them. They pointed out the levels of tax they already paid—the relative level of tax compared to others around the rest of the world—and for that they were vilified.

The sheer hypocrisy of the Labor Party, which is a 50 per cent owned subsidiary of the trade union movement and which represents in this place a retirement home for trade union officials, accusing someone else of rent seeking when it is itself explicitly set up to represent sectional interests in this parliament is nothing short of a disgrace. A Treasurer should have both the intellectual fortitude and the intellectual capability to mount his case. Because he has failed to mount his case he has resorted to vilification. This is a bad tax. It is a tax the coalition will repeal. It is a tax that will actually lead to lower economic growth in the future. Yes, the argument occasionally is complex, but we will not resort to the shrill vilification and economic xenophobia of those opposite.

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (13:45): Mr Acting Deputy President Back, how glad I am that you are in the President's chair because you, being a senator from Western Australia, would be very focused on this tax. I see this as a tax on Western Australia. Why? Because Western Australia is a successful mining resources state.

I do not think anyone in Australia would disagree that, in a commodities boom time and with a growing industry, the people of Australia deserve more of a share in the huge wealth cake that is being constructed. The fact is the resources in the ground are owned by the Crown. People in the gallery might ask who is the Crown. The Crown is a state. The state governments own the resources. If we want to see the people who live in those states share in the extra wealth of our mining boom, even though the prices are coming down now and the demand may be a little bit scary in the future when we see the reduction in the economic growth of countries such as China, simply let the states raise their royalties. If there had been some discussions and transparency—COAG meetings for example—the federal government might have said, 'Hang on, here's a resources boom, things are going well.'

We have got trade surpluses after years of importing more than we were exporting. We are now consistently running trade surpluses—and big trade surpluses. We are exporting a lot more than we are importing, thanks to mining and agriculture. Sadly, tourism has taken a huge whack because of the downturn in the world economy, the global financial crisis and that crazy strong Australian dollar that is really hurting rural Australia. You would know that only too well, Mr Acting Deputy President. If we want to share the wealth of those resources then simply let the states raise their royalties and then they would have that money to spend on their hospitals, police, roads, schools. The federal government could have simply said to the states, 'We suggest you raise your royalties and collect some wealth on these finite resources for our people. As a result of that, we will pay you less.'

We know how much money the federal government gives the states, billions of dollars every year. The federal government could have simply said, 'Money saved is money made'. It is as simple as that. But, no, because of the big black hole of debt this government has built, those opposite had to go on a search for another tax to fill a huge deficit. There is now $232 billion of gross debt, which has risen $8 billion in the last four weeks—which is very scary —and it is now approaching the credit card limit of
$250 billion. We saw that limit raised from $75 billion. This is all about being able to the Australian people in May, in a couple of months time, ‘Look, we’ve delivered a budget surplus.’ As I said yesterday, the figures in the budget to be released by the Treasurer in early May may be in the black on the bottom. It may be a forecast budget surplus, but I will be very interested, come September 2013, when we see the actual spending for the next financial year whether it is in the red or the black. I would favour the red.

This minerals resource rent tax is now going after companies. A deal was done between three big companies, the Treasurer and the now Prime Minister. I have seen the signed agreement. In the Senate Select Committee on Scrutiny of New Taxes, chaired by Senator Cormann, the document signed by the Prime Minister and by the Treasurer was produced. One of the important things in it is that all state royalties will be credited against this tax. There was an argument around what if they raise the royalties? Senator Cameron asked if it was just the royalties up to now? If they raise them, they will not be credited. I asked the witness to take on notice the definition of the word ‘all’. ‘All’ means all. All of the royalties will be credited whether or not they raise them. That is in the signed agreement.

We now have a new tax coming in and we do not know how much it is going to be. But it is amazing that, with the introduction of a carbon tax and this mineral resource rent tax, the federal government is going to be $10 billion worse off. How can you introduce two new taxes on the Australian people, on Australian businesses and on the Australian economy and be $10 billion worse off? You are going to spend $10 billion more than you are going to collect. What sort of fiscal budget future is that? That is simply unbelievable.

For many years I listened to John Laws. Some people might not like John Laws, but some people like me do like him. In the shearing shed or in the sheep yard drenching sheep, I got to learn some of John Laws’s sayings. One of them was you do not make the poor wealthy by making the wealthy poor. I think that is a very good statement. We have entrepreneurs and we have people who work very hard. We have couples and families who become successful, buy a home, pay for it and buy an investment block. They do it all through hard work, by being cautious with their money and by being smart. That is what this whole society we live in is about when it comes to free enterprise: you may seek wealth in any way you wish so long as it is legal.

There is no doubt that with the growth of China and India, hugely populated countries, there is huge demand for our resources. My colleague Senator Ryan just made the point that these resources are not solely in Australia. There is plenty of iron ore and plenty of coal in underdeveloped countries and on continents such as Africa, South America, Indonesia. Their costs of labour will be lower and their costs of production will be lower. Once they get the infrastructure in place, they will take these markets off us. I remember, prior to the 2007 federal election, when the then opposition leader, Mr Kevin Rudd, said: ‘We cannot rely on Australia to simply be an export resource nation. We must change our economy.’ What are we doing with this piece of legislation? We are relying on the very things that Mr Rudd said that we should not and could not rely on.

We hear that so much of the money that will be collected from the tax will go to superannuation—public servants' superannuation. I do not know the exact figures, but I believe 10 to 20 per cent of mining companies are owned by superannuation
funds. In other words, everyday working mums and dads are shareholders in these mining companies. We are going to take money out of those mining companies that would normally be distributed to those superannuation funds for the retirement of those working mums and dads. So we are getting the political spin that this tax is going to be great for superannuation while the government is taking money from the very resource companies that are building our superannuation funds. I find that quite ironic.

Why are we having the tax? It is simple: the government's debt has been out of control for four years now. It is as simple as that. We have seen the new taxes under this government. There was the alcopops tax. That was going to stop all the binge drinking by the young ones. The government thought: 'They will not go and buy a can of Bundy and coke if we put the price up. That will save those people from binge drinking'—and I do not endorse binge drinking one bit. So what did the young ones do instead? They went and bought a bottle of rum and a bottle of coke and mixed a much stronger drink.

We did not drop into this life at 55 years of age or whatever; we actually grew up, and we remember some of those younger days as well. So the young ones have a couple of rum-and-coke drinks. It is a case of: 'Don't worry about the coke; just make it a bit richer.' That tax did not solve the problem.

Then there was the luxury car tax. That was a socialist tax if ever there was one. A married couple work hard. They save their money. They pay for their house. They might build some investments. And they might upgrade their car to one that actually has a fair bit of luxury in it. The government's attitude is: 'Well, you can't have that. We'll raise the tax. How dare you work hard, save your money and buy a luxury car?' What did it do for General Motors Holden as far as sales of their Statesman went? It did not help them one bit. And the industry continues to battle against cheap imports.

And then there is the tax on LPG—liquid petroleum gas. The cleanest fuel you can put through the motor of your car is LPG. It has 13 per cent less pollutants than petrol or diesel. It is Australian produced; it is a local fuel. So what did we get last December? We got a 2.5c a litre tax on LPG. And we have got a carbon tax that we are going to save the planet with. That is a $10 billion a year tax on carbon. But when we go to clean fuel, it is a case of: do not leave the price down; put it up. By 2015 there will be a 12.5c a litre excise on LPG.

If you want to lose an election upset the cabbies. There was a report in yesterday's Northern Daily Leader in Tamworth about them complaining about the increase in the price of LPG. We know that most cabs run on gas and, of course, many private vehicles do as well. It is amazing: the government gave a subsidy to convert our cars to gas; we could buy a new converter that was already set up for gas from the factory or we could convert our cars to LPG. The government said: 'Here is a subsidy. We want you to go onto gas. And now we can up the tax on gas. We'll get it back.' If you want to lose an election get the cabbies offside because they talk to a lot of people every day of the week.

Then we had the flood tax. The cheque account was empty, so we brought in a flood tax. Then of course the tax we were never going to have under 'a government I lead'—said Ms Gillard as Prime Minister—was the carbon tax.

And now we have the mining tax. There is one important thing here, and I have stated it before in this place: the private sector creates our nation's wealth. That is where our nation derives its wealth from. The public sector, the government sector—federal government, state government and local government—
feed off the private sector. But what all these taxes do is tax the very sector that creates our nation's wealth. As a result of that, we will have a reduction in living standards. The cost of living will go up. And that is what this legislation is all about—this government taxing. This legislation is about getting more revenue to bring about a budget surplus in two months time. We will never see it. You wait: the budget will still be in the red in September 2013.

I want to quote from the dissenting report of the committee. It states: 'The mining tax deal entered into by the Gillard government gives an unfair competitive advantage to the three largest miners who were given exclusive access to secret negotiations on the new tax design. It makes federal budget outcomes hostage to decisions about royalties by state and territory governments and raises serious and unresolved constitutional issues. Alarming the mining tax package would significantly worsen Australia's structural budget deficit over time.' The government are going to spend before they collect the money. So, as time goes on, they are going to be spending more than they are collecting. Our budget position is going to get worse and worse as time goes by. What sort of a tax is it that drives us more into the red when our credit card is almost full up at $232 billion? That was the figure reported last Friday by the Australian Office of Financial Management.

The proposed increase in the compulsory super loan will cost more every year once it is fully implemented than the MRRT would raise—this is according to Treasury modelling conducted at the time of the mining tax deal. According to Australian Treasury modelling, the superannuation will cost more than what the whole mining tax will collect. How can you bring in a tax when your budget is going to be worse off? This is typical Labor: spending more than they earn. It is also a tax that divides Australia by exclusively targeting resource rich states with a new Canberra tax grab.

Mr Acting Deputy President Back, you come from Western Australia, where 96 per cent of the iron ore produced in this nation comes from. This legislation is a tax on Western Australia, and no doubt the people of Western Australia will tell us all about that at the next federal election. They are working hard, they are working smart, they are contributing enormously to our nation's wealth and they are going to have 96 per cent of their iron ore taxed. Remember, this tax is on iron ore and coal. It is a tax on those resource rich states: Western Australia, South Australia—there is a lot of mining in that state these days—Queensland and New South Wales. That is where it is unfair. But the main reason this tax is coming in is that this government has simply run out of money. They have wasted it. Remember the pink batts? Remember the school buildings that were outrageously priced? I have been around to the schools and seen them. By the way, I have never been to an opening of one of those school buildings—not one. There was the $900 handout. People had a boom time on the pokey machines and the clubs with that. This is about a tax grab. It is unfair and it will not be supported by the coalition. Hence we will certainly vote against it.

NOTICES
Presentation

Senator Rhiannon to move:
That the Senate—

(a) notes that:

(i) Australian journalist, Austin Mackell, his translator Ailya Alwi, post-graduate student Derek Ludovici and taxi driver Zakaria Ahmad were arrested in Mahalla al-Kubra, Egypt, on 11 February 2012, where he was due to interview labour organiser Kamal Elfayoumi,
(ii) the crimes Mr Mackell has been charged with, paying children to throw stones at public buildings, carry five to seven year gaol sentences,

(iii) the charges are widely recognised as being fabricated, similar in-kind to charges against others who have spoken out against or reported on human and civil rights abuses, and

(iv) a free and independent media will play a critical role in the development of a democratic Egypt; and

(b) calls on the Minister for Foreign Affairs, Senator Bob Carr, to urge the Egyptian authorities to drop the politicised charges against Mr Mackell and his colleagues, and to lift the travel restrictions placed on his movements.

**ADJOURNMENT**

The **ACTING DEPUTY PRESIDENT** (Senator Back) (14:00): Order! It being 2 pm, I propose the question:

That the Senate do now adjourn.

**Sydney Coastrek**

Senator **FAULKNER** (New South Wales) (14:00): On a very wet Friday 2 March, a fortnight ago today, on the northern beaches of Sydney, I was one of more than 1,300 competitors in the Wild Women on Top—

Senator Colbeck: What?

Senator **FAULKNER**: Sydney Coastrek 50-100 Kilometre Team Challenge. Senator, if you listen carefully you will learn all about it. I knew it would immediately garner your interest! The Sydney Coastrek is an 'endurance event, to promote health and fitness as well as team work, mental and emotional toughness, and fun'. More importantly, it raises vital funds for the work of the Fred Hollows Foundation. The Fred Hollows Foundation envisages a world where no-one is needlessly blind. The foundation has done magnificent work in Indigenous communities in Australia as well as in other disadvantaged communities in our region and around the developing world. The foundation has helped restore the sight of more than a million people worldwide and has manufactured over four million intraocular lenses. It was fantastic to see so many teams keen to take on the challenge of Coastrek and support such a good cause.

Our Achilles Coastrekers consisted of two teams of four walkers. We took on the 50-kilometre challenge from Palm Beach to Balmoral. The first team, the Achilles Athletes Team, consisted of blind or partially blind walkers: Ben Phillips, Bart Bunting, Freya Higgins and Nicole Tillotson. Ben Phillips' achievements as a blind cricketer and member of the Tigers Oxfam Trailwalker Team are well known now to senators. Having successfully completed last year's 100-kilometre Oxfam Melbourne Trailwalk—and, I might say, he is well advanced in his training schedule for this year's event in late April—Benny was obviously keen for some more punishment! The second team, the Achilles Guides Team, consisted of sighted competitors—Diane McEwin, Peter Hannigan, Katy Anderson and yours truly. As the name suggests, our team members acted as the guides for the blind team over the 50 kilometres.

This year the Sydney Coastrek was made even more challenging by the wind and rain that had been lashing Sydney for days. Our teams managed to complete the Coastrek but had to do so in some of the worst conditions imaginable. Sydney really turned on some foul weather and horrendous trail conditions for the event. Mr Acting Deputy President, it was a relief, I can assure you, to take our final steps at Balmoral Beach after 18 hours and 10 minutes of walking.

The Coastrek trail follows bush tracks and footpaths along Sydney's normally very picturesque northern beaches coastline. We walked across the soft sand of ocean and
harbour beaches and over headlands and cliff tops. Some of the highlights of the walk were Nicole's heroic 35 kilometres with very painful blisters, Benny's battle with exhaustion, Bart's reverse perambulation to relieve the pain in his knees and Freya's consistently positive attitude.

Sydney Coastrek set the goal of raising a million dollars for the Fred Hollows Foundation, and it is very gratifying to confirm that target has been reached. In fact, just a few minutes ago the Sydney Coastrek website indicated that $1,034,576 had been raised through this event for the Fred Hollows Foundation. I think all senators would agree that is a truly magnificent result. I would like to note in particular that the supporters of the Achilles teams contributed over $11,000 to that fundraising effort.

I would like to thank and congratulate the event organisers and all those at Wild Women on Top, with a special mention of their managing director, Di Westaway, for her valuable advice and assistance to our teams. Sincere thanks also go to our tireless support crew and the other volunteers who gave up their weekend to support us and did so much to help us finish, and the Fred Hollows Foundation. Finally, I say, 'Really well done' to my team mates in the Achilles Athletes and Achilles Guides teams. It was a great achievement by a great bunch of people and it was great to be part of it.

The ACTING DEPUTY PRESIDENT (Senator Back): Inspirational, Senator Faulkner.

Nuclear Energy

Senator LUDLAM (Western Australia) (14:07): I rise to acknowledge that the world has just marked the first anniversary of the triple tragedy of earthquake, tsunami and nuclear disaster that took place at the Fukushima Daiichi nuclear power plant in Japan on 11 March 2011. If you have friends or family in Japan or if you took the time to watch the reporting, such as that from ABC's Japan correspondent Mark Willacy or the tragic BBC documentary called *Children of the Tsunami*, you would know that 19,000 Japanese people—men, women and children—are lost or missing. You would also know that the disaster at the Fukushima Daiichi nuclear plant is an ongoing environmental and health crisis, releasing more radioactive material into the water, the air and the food chain each day. You would know that it will take decades to fully decommission the plant—if this is even possible—with one private think tank saying it will cost $250 billion over the next 10 years. The latest edition of the *Economist* quotes another source as saying $623 billion. The fact is, nobody really knows the true cost of the open-ended liability of a full-scale nuclear disaster. You would know that 150,000 Japanese citizens have become radiation refugees and cannot return to their homes, and that three per cent of the land mass of Japan is now a sacrifice zone, which in time will come to resemble the abandoned wilds that now surround the dead city of Pripyat in the Ukraine.

As with all major nuclear disasters, on the anniversary we do not commemorate another year since the event. Rather, we mark another year of the disaster's unfolding, a year of ongoing trauma and uncertainty. Nuclear disasters have a precise date and time of commencement, but they do not have an end date. Every day in Fukushima City children are prevented from playing outside. Ambient radioiodine levels have stolen a measure of their childhoods, and brutal statistics tell us it will steal some of their lives.

Where did the iodine come from? We know where it came from: uranium from Kakadu and Central South Australia, shipped under humid Darwin skies, refined and
loaded into Japanese nuclear reactors; uranium broken in fission reactors into isotopes previously unknown on the planet—caesium 137, iodine 131, strontium 90 and plutonium 29. These have now been released from containment in 12 heartbreaking months following full-core melt-through events at three reactors and hydrogen explosions that dismantled the outer containment structures.

We in Australia have a special responsibility. The Australian government took seven months to disclose that Australian uranium was in each of the reactors at Fukushima—Australian fission products poisoning the ocean, the food chain and the gene pool of Japan's Pacific coast. That is the worst nightmare of all for the Aboriginal elders and campaigners and their supporters, who have dedicated their lives to preventing precisely this kind of horror.

The stockpile of radioactive debris grows as clean-up operations continue to accumulate much more waste than they know what to do with. No municipality wants it—and why would they? Anything coming into contact with these materials becomes not merely contaminated but contaminating. Hot spots have arisen in the north of Tokyo, more than 200 kilometres away, and as far away as the island chain of Okinawa, well to the south of the country.

I pay tribute to members of the Japanese anti-nuclear movement, born of the atomic bombings in 1945, who have made their voices echo around the world since last March. All but two Japanese nuclear plants now stand closed. Tens of thousands rallied this 11 March to demand a new energy path for Japan, a country in which the nuclear industry has played the same malignant and paralysing political role as the coal industry plays here in Australia. The Japanese people have lost faith because their government and TEPCO, the utility, knew within 48 hours of the 14-metre tsunami that a meltdown had occurred at at least three of the plants and they failed to tell the public for more than two months. People could not protect themselves, because they did not have the information and they were not told of the risks. Overnight in the affected area it was deemed by the government to be acceptable for a citizen to be exposed to the same radiation dose as a nuclear worker. The so-called acceptable dose rose 20-fold overnight. Women, children and infants were all exposed, non-consensually, to unregulated doses of ionising radiation.

The latest edition of the Economist makes a very powerful observation:
In the energy world, nuclear has found its place nourishing technophile establishments like the "nuclear village" of vendors, bureaucrats, regulators and utilities in Japan whose lack of transparency and accountability did much to pave the way for Fukushima and the distrust that has followed in its wake.

So what was the response from our Australian Uranium Association? Mr Michael Angwin used Fukushima's anniversary as a platform to hock his desperately unwanted product. He added insult to massive injury when he claimed that the industry is safer and more transparent as a result.

Toro Energy Managing Director Greg Hall, about whom I will have much more to say in coming months, was certainly transparent. Blind to the reality unfolding across Tohoku and broader Japan, Mr Hall is celebrating the prospect of Japan reopening its nuclear facilities because that will help boost uranium prices. This offensive boosterism has a desperate edge to it. In the case of Toro Energy we have a company that has no proven experience sitting on a small, low-grade deposit of calcrete, which is notoriously difficult to process, with high
costs because it is so remote, and politically unpopular in a declining international market. With that fatal catalogue of downside risks, he is telling the ASX that the nuclear fuel market has a future. It does not. Fukushima is not fading; it is not going away. Nuclear disasters are with us forever.

On Sunday I was proud to launch the fourth edition of Nuclear, Let the Facts Speak, a copy of which I have shared with all senators in this place. It is not a work of analysis or opinion. It is a straightforward chronology of nuclear accidents, incompetence and disaster spanning seven decades. Everywhere this industry touches down it leaves an imprint of misery and injury, and everywhere it goes it is challenged and fought. I am proud to be a part of the campaign to bring the nuclear age to an end. I pay tribute to people all over the world but this week especially to those in Japan who are dedicating their lives to a world free of the curse of nuclear energy and nuclear weapons.

Senate adjourned at 14:14

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]

Commissioner of Taxation—Public Rulings—
Goods and Services Tax Determination GSTD 2012/3.

Miscellaneous Taxation Ruling—Erratum—
MT 2008/1.

Product Rulings—
Addendum—PR 2011/18.
Taxation Determination TD 2012/1.

Crimes Act—Select Legislative Instruments 2012 Nos—
20—Crimes Amendment Regulation 2012 (No. 1) [F2012L00576].
21—Crimes Amendment Regulation 2012 (No. 2) [F2012L00577].

Financial Sector (Collection of Data) Act—
Financial Sector (Collection of Data) (Reporting Standard) Determinations Nos—
4 of 2012—Reporting Standard ARS 110.0 Capital Adequacy [F2012L00574].

Industry Research and Development Act—
Clean Technology Food and Foundries Investment Program Direction No. 1 of 2012 [F2012L00573].
Clean Technology Investment Program Direction No. 1 of 2012 [F2012L00575].

Native Title Act—Select Legislative Instrument 2012 No. 27—Native Title (Prescribed Bodies Corporate) Amendment Regulation 2012 (No. 1) [F2012L00578].

Remuneration Tribunal Act—
Determinations—
2012/02—Members of Parliament – Base Salary and Related Matters [F2012L00567].
2012/03—Parliamentary Additional Salary and Related Matters [F2012L00568].
2012/05—Specified Statutory Offices – Remuneration and Allowances [F2012L00570].
2012/06—Departmental Secretaries – Classification Structure and Terms and Conditions [F2012L00571].

Sydney Airport Curfew Act—Dispensation Report 03/12.