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

SITTING DAYS—2011

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RADIO BROADCASTS
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- BRISBANE 936AM
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- PERTH 585AM
- SYDNEY 630AM

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FORTY-THIRD PARLIAMENT
FIRST SESSION—THIRD PERIOD

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

Senate Officeholders
President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Stephen Shane Parry
Temporary Chairs of Committees—Senators Thomas Mark Bishop, Suzanne Kay Boyce, Patricia Margaret Crossin, Mary Jo Fisher, Helen Evelyn Kroger, Scott Ludlam, Gavin Mark Marshall, Claire Mary Moore and Louise Clare Pratt
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
## Members of the Senate

<table>
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<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
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<td>Abetz, Hon. Eric</td>
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<td>Adams, Judith Anne</td>
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<td>Back, Christopher John</td>
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<td>Bernardi, Cory</td>
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(1) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.

**PARTY ABBREVIATIONS**


**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—A Thompson
**GILLARD MINISTRY**

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<tr>
<td>Prime Minister</td>
<td>Hon. Julia Gillard MP</td>
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<tr>
<td>Deputy Prime Minister, Treasurer</td>
<td>Hon. Wayne Swan MP</td>
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<tr>
<td>Minister for Regional Australia, Regional Development and Local Government</td>
<td>Hon. Simon Crean MP</td>
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<tr>
<td>Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate</td>
<td>Senator Hon. Chris Evans</td>
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<tr>
<td>Minister for School Education, Early Childhood and Youth</td>
<td>Hon. Peter Garrett AM, MP</td>
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<td>Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate</td>
<td>Senator Hon. Stephen Conroy</td>
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<td>Minister for Foreign Affairs</td>
<td>Hon. Kevin Rudd MP</td>
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<td>Minister for Trade</td>
<td>Hon. Dr Craig Emerson MP</td>
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<td>Minister for Defence and Deputy Leader of the House</td>
<td>Hon. Stephen Smith MP</td>
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<td>Hon. Chris Bowen MP</td>
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<tr>
<td>Minister for Infrastructure and Transport and Leader of the House</td>
<td>Hon. Anthony Albanese MP</td>
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<tr>
<td>Minister for Health and Ageing</td>
<td>Hon. Nicola Roxon MP</td>
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<tr>
<td>Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>Hon. Jenny Macklin MP</td>
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<tr>
<td>Minister for Sustainability, Environment, Water, Population and Communities</td>
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<td>Senator Hon. Kim Carr</td>
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<td>Attorney-General and Vice President of the Executive Council</td>
<td>Hon. Robert McClelland MP</td>
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<td>Minister for Agriculture, Fisheries and Forestry and Manager of Government Business in the Senate</td>
<td>Senator Hon. Joe Ludwig</td>
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<tr>
<td>Minister for Resources and Energy and Minister for Tourism</td>
<td>Hon. Martin Ferguson AM, MP</td>
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<tr>
<td>Minister for Climate Change and Energy Efficiency</td>
<td>Hon. Greg Combet AM, MP</td>
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*[The above ministers constitute the cabinet]*
GILLARD MINISTRY—continued

Minister for the Arts
Hon. Simon Crean MP

Minister for Social Inclusion
Hon. Tanya Plibersek MP

Minister for Privacy and Freedom of Information
Hon. Brendan O'Connor MP

Minister for Sport
Senator Hon. Mark Arbib

Special Minister of State for the Public Service and Integrity
Hon. Gary Gray AO, MP

Assistant Treasurer and Minister for Financial Services and Superannuation
Hon. Bill Shorten MP

Minister for Employment Participation and Childcare
Hon. Kate Ellis MP

Minister for Indigenous Employment and Economic Development
Senator Hon. Mark Arbib

Minister for Veterans' Affairs and Minister for Defence Science and Personnel
Hon. Warren Snowdon MP

Minister for Defence Materiel
Hon. Jason Clare MP

Minister for Indigenous Health
Hon. Warren Snowdon MP

Minister for Mental Health and Ageing
Hon. Mark Butler MP

Minister for the Status of Women
Hon. Kate Ellis MP

Minister for Social Housing and Homelessness
Senator Hon. Mark Arbib

Special Minister of State
Hon. Gary Gray AO, MP

Minister for Small Business
Senator Hon. Nick Sherry

Minister for Home Affairs and Minister for Justice
Hon. Brendan O'Connor MP

Minister for Human Services
Hon. Tanya Plibersek MP

Cabinet Secretary
Hon. Mark Dreyfus QC, MP

Parliamentary Secretary to the Prime Minister
Senator Hon. Kate Lundy

Parliamentary Secretary to the Treasurer
Hon. David Bradbury MP

Parliamentary Secretary for School Education and Workplace Relations
Senator Hon. Jacinta Collins

Minister Assisting the Prime Minister on Digital Productivity
Senator Hon. Stephen Conroy

Parliamentary Secretary for Trade
Hon. Justine Elliot MP

Parliamentary Secretary for Pacific Island Affairs
Hon. Richard Marles MP

Parliamentary Secretary for Defence
Senator Hon. David Feeney

Parliamentary Secretary for Immigration and Multicultural Affairs
Senator Hon. Kate Lundy

Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing
Hon. Catherine King MP

Parliamentary Secretary for Disabilities and Carers
Senator Hon. Jan McLucas

Parliamentary Secretary for Community Services
Hon. Julie Collins MP

Parliamentary Secretary for Sustainability and Urban Water
Senator Hon. Don Farrell

Minister Assisting on Deregulation and Public Sector Superannuation
Senator Hon. Nick Sherry

Minister Assisting the Attorney-General on Queensland Floods Recovery
Senator Hon. Joe Ludwig

Parliamentary Secretary for Agriculture, Fisheries and Forestry
Hon. Dr Mike Kelly AM, MP

Minister Assisting the Minister for Tourism
Senator Hon. Nick Sherry

Parliamentary Secretary for Climate Change and Energy Efficiency
Hon. Mark Dreyfus QC, MP
### SHADOW MINISTRY

- **Leader of the Opposition**: Hon. Tony Abbott MP
- **Deputy Leader of the Opposition and Shadow Minister for Foreign Affairs and Shadow Minister for Trade**: Hon. Julie Bishop MP
- **Leader of the Nationals and Shadow Minister for Infrastructure and Transport**: Hon. Warren Truss MP
- **Leader of the Opposition in the Senate and Shadow Minister for Employment and Workplace Relations**: Senator Hon. Eric Abetz
- **Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts**: Senator Hon. George Brandis SC
- **Shadow Treasurer**: Hon. Joe Hockey MP
- **Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House**: Hon. Christopher Pyne MP
- **Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals**: Senator Hon. Nigel Scullion
- **Shadow Minister for Regional Development, Local Government and Water and Leader of the Nationals in the Senate**: Senator Barnaby Joyce
- **Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee**: Hon. Andrew Robb AO, MP
- **Shadow Minister for Energy and Resources**: Hon. Ian Macfarlane MP
- **Shadow Minister for Defence**: Senator Hon. David Johnston
- **Shadow Minister for Communications and Broadband**: Hon. Malcolm Turnbull MP
- **Shadow Minister for Health and Ageing**: Hon. Peter Dutton MP
- **Shadow Minister for Families, Housing and Human Services**: Hon. Kevin Andrews MP
- **Shadow Minister for Climate Action, Environment and Heritage**: Hon. Greg Hunt MP
- **Shadow Minister for Productivity and Population and Shadow Minister for Immigration and Citizenship**: Mr Scott Morrison MP
- **Shadow Minister for Innovation, Industry and Science**: Mrs Sophie Mirabella MP
- **Shadow Minister for Agriculture and Food Security**: Hon. John Cobb MP
- **Shadow Minister for Small Business, Competition Policy and Consumer Affairs**: Hon. Bruce Billson MP

*The above constitute the shadow cabinet*
SHADOW MINISTRY—continued

Shadow Minister for Employment Participation  
Hon. Sussan Ley MP

Shadow Minister for Justice, Customs and Border Protection  
Mr Michael Keenan MP

Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation  
Senator Mathias Cormann

Shadow Minister for Childcare and Early Childhood Learning  
Senator Hon. Brett Mason

Shadow Minister for Universities and Research  
Mr Luke Hartsuyker MP

Shadow Minister for Youth and Sport and Deputy Manager of Opposition Business in the House  
Hon. Sussan Ley MP

Shadow Minister for Indigenous Development and Employment  
Senator Hon. Bob Baldwin MP

Shadow Minister for Regional Development  
Senator Marise Payne

Shadow Special Minister of State  
Hon. Bronwyn Bishop MP

Shadow Minister for COAG  
Senator Marise Payne

Shadow Minister for Tourism  
Hon. Bob Baldwin MP

Shadow Minister for Defence Science, Technology and Personnel  
Mr Stuart Robert MP

Shadow Minister for Veterans’ Affairs and Shadow Minister Assisting the Leader of the Opposition on the Centenary of ANZAC  
Senator Hon. Michael Ronaldson

Shadow Minister for Regional Communications  
Mr Luke Hartsuyker MP

Shadow Minister for Ageing and Shadow Minister for Mental Health  
Senator Concetta Fierravanti-Wells

Shadow Minister for Seniors  
Hon. Bronwyn Bishop MP

Shadow Minister for Disabilities, Carers and the Voluntary Sector and Manager of Opposition Business in the Senate  
Senator Mitch Fifield

Shadow Minister for Housing  
Senator Marise Payne

Chairman, Scrutiny of Government Waste Committee  
Mr Jamie Briggs MP

Shadow Cabinet Secretary  
Hon. Philip Ruddock MP

Shadow Parliamentary Secretary Assisting the Leader of the Opposition  
Senator Cory Bernardi

Shadow Parliamentary Secretary for International Development Assistance  
Hon. Teresa Gambaro MP

Shadow Parliamentary Secretary for Roads and Regional Transport  
Mr Darren Chester MP

Shadow Parliamentary Secretary to the Shadow Attorney-General  
Senator Gary Humphries

Shadow Parliamentary Secretary for Tax Reform and Deputy Chairman, Coalition Policy Development Committee  
Hon. Tony Smith MP

Shadow Parliamentary Secretary for Regional Education  
Senator Fiona Nash

Shadow Parliamentary Secretary for Northern and Remote Australia  
Senator Hon. Ian Macdonald

Shadow Parliamentary Secretary for Local Government  
Mr Don Randall MP

Shadow Parliamentary Secretary for the Murray-Darling Basin  
Senator Simon Birmingham

Shadow Parliamentary Secretary for Defence Materiel  
Senator Gary Humphries

Shadow Parliamentary Secretary for the Defence Force and Defence Support  
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Shadow Parliamentary Secretary for Primary Healthcare
Dr Andrew Southcott MP

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

Shadow Parliamentary Secretary for Supporting Families
Senator Cory Bernardi

Shadow Parliamentary Secretary for the Status of Women
Senator Michaelia Cash

Shadow Parliamentary Secretary for Environment
Senator Simon Birmingham

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

Shadow Parliamentary Secretary for Immigration
Senator Michaelia Cash

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

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

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Tuesday, 5 July 2011

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 12:30, read prayers and made an acknowledgement of country.

CONDOLENCES

Langley, Sergeant Todd

Senator CHRIS EVANS: By leave—I move:
That the Senate records its deep sorrow at the death, on 4 July 2011, of Sergeant Todd Langley, while on combat operations in Afghanistan, places on record its appreciation of his service to our country, and tenders its profound sympathy to his family and friends in their bereavement.

The PRESIDENT: I ask honourable senators to stand, in silence, to signify their assent to the motion.

Question agreed to, honourable senators standing in their places.

BILLS

Carbon Credits (Carbon Farming Initiative) Bill 2011
Carbon Credits (Consequential Amendments) Bill 2011
Australian National Registry of Emissions Units Bill 2011

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

Senator BIRMINGHAM (South Australia) (12:33): Thank you, Mr President. I start by taking this first opportunity that I have had to congratulate you on your re-election to office. Fortuitously now, Mr Deputy President, I congratulate you on your election to this office which, as a new holder of this office, is indeed a most worthy and appropriate appointment. I know that all in the chamber welcome your ascension and know you will do a fantastic job.

I rise to speak on the Carbon Credits (Carbon Farming Initiative) Bill 2011, Carbon Credits (Consequential Amendments) Bill 2011 and the Australian National Registry of Emissions Units Bill 2011. These bills, as the explanatory memorandum states, seek to implement the Carbon Farming Initiative, which is described as being:

... a stand-alone scheme but would be complementary to a carbon pricing mechanism, which the Government has announced would exempt agricultural emissions.

Clearly we do not yet know what the Carbon Farming Initiative would be complementing, given the details of the government’s carbon tax—or their carbon pricing mechanism, as they like to say—are possibly yet to be decided but are certainly yet to be released, and we wait until Sunday for their release.

Indeed, even within the Carbon Farming Initiative legislation we do not yet know much of the detail because, so far as legislation goes, this is one upon which much hangs on the regulations. The regulations are utterly critical to this bill, so I foreshadow that at the conclusion of my remarks I shall move a second reading amendment, and that second reading amendment shall be that further consideration of these bills be an order of the day for three sitting days after a draft of the final regulations relating to the bill are laid on the table. That, of course, would mean not only that we would have the opportunity to see the full details of these bills and the commensurate regulations that go with them but equally that we would have the opportunity to consider how this bill interacts with the government’s carbon tax, so we would be able to have a full and complete understanding of the picture of
this—something, sadly, that is so lacking at present.

I move such a second reading amendment not because the opposition has problems with the overall direction of this legislation. It is, of course, key legislation. It is very important and it complements—or could complement, if drafted correctly—the opposition's own policy when it comes to climate change: our direct action policy on climate change, which does place particular store on opportunities to abate carbon through better land management practices and the like. This legislation could achieve that.

The bill has three stated objectives. They are: firstly, to help Australia meet its international obligations under the United Nations Framework Convention on Climate Change and the Kyoto protocol to that framework convention; secondly, to create incentives for people to carry on certain offset projects, being land sector abatement projects, which could be any land management practices or activities that enhance biosequestration or reduce agricultural emissions; and, thirdly, to increase carbon abatement in a manner that is consistent with the protection of Australia's natural environment and improved resilience to the effects of climate change. These are, we believe, all worthwhile objectives. That is why our concerns about this legislation do not lie at the heart of its being, are not about the goals which it seeks to achieve or implement, but are about the detail of the legislation and how it will actually be implemented through the regulations and through its interaction with the carbon tax.

We do welcome the fact that the government through this measure are pursuing a form of direct action, are pursuing an activity that is not unlike the policy of the coalition. I note that, so far as we can pick up any details of what the government are proposing for their carbon tax regime, we see that more and more parts of it start to resemble the direct action policy. I read in today's *Age* newspaper that in fact there will be a separate clean energy finance corporation established as part of the government's carbon tax regime. It would be nice if we knew all the details of this and if we did not have to pick titbits out of newspapers and actually could question the government on it, using the full parliamentary procedures of this place to have a real debate about the carbon tax today, tomorrow and Thursday while parliament is still sitting. The government obviously know the details and they are just choosing to hide them from the Australian people and, of course, from scrutiny in this place by this parliament. Only the government know why they are afraid to front up to question time today, question time tomorrow and question time on Thursday and actually answer questions about their carbon tax. Instead, they are waiting until Sunday to release it when they know the parliament will not be sitting for many weeks. They hope, of course, to avoid as much scrutiny of this proposal as they possibly can.

But we learn from these titbits that are dripped out through coordinated leaks to try to make the government look a little bit better—a strategy that I would suggest is not working terribly well at present—that apparently a new clean energy finance corporation will be created to oversee up to $2 billion a year in seed funding loans for projects trialling large-scale renewable energy technology. It is further understood, according to these leaks, that it will include a multimillion dollar tender round to buy out and shut down about 2,000 megawatts in brown coal power generation, an offer that is expected to interest the owners of Hazelwood and Yallourn plants in the Latrobe Valley.
There we have it; it is going to include a tender round to provide funding to achieve emissions abatement or reduction. What does that sound awfully like? It sounds awfully like the coalition's emissions reduction fund, a tender driven process through the market to find the most efficient means of actually delivering emissions reductions.

Senator Feeney: The command economy!

Senator BIRMINGHAM: That, of course, is what we have been proposing for quite some period of time, since February last year. Throughout that time line, as Senator Feeney would well recall, the government has had a policy of flip-flopping on what it is going to do on climate change, a policy that back in February last year was still committed to having an emissions trading scheme under Mr Rudd. Then we saw Mr Rudd convinced, by Ms Gillard, that he did not want an emissions trading scheme. Then we saw Ms Gillard roll Mr Rudd and promise there would never, ever be a carbon tax under a government she led. Then we saw Ms Gillard sit down with Senator Brown and Senator Milne and suddenly say, 'There will be a carbon tax and I am happy to call it a tax', until last week when she said: 'I'm no longer happy to call it a tax. It is not a tax.'

This week I think she is back to calling it a tax, but perhaps he can answer that for us.

Senator Feeney: I'd be delighted to; I'd love to.

Senator BIRMINGHAM: I welcome the fact that it appears the government are slowly coming round to the coalition's policy. I just wish that the government, through this tender process that they are going to have, through their clean energy finance corporation, through their commitment to carbon farming, would actually accept that there is a better way than a carbon tax. It appears as though the only reason for your carbon tax at present is going to be to fund direct action initiatives like this clean energy finance corporation.

It would appear as though you are going to implement a carbon tax so you can raise the dollars to be able to fund these activities. Here is a clue: go back to the budget, cut the waste out and fund it that way. Then you will truly be embracing the coalition's alternative policy of direct action. You will truly be implementing a policy that then does not cost the Australian taxpayer, the Australian economy, put at risk Australian investment and Australian jobs—does not do all of those negatives and as a result rakes in billions of dollars, which you are now going to use for your own direct action purposes. How about you go back and run an efficient government? You can commit the money that way to pursue these types of projects.

The coalition, of course, does not just welcome where the government is embracing direct action; in this regard we support the principle of carbon farming. The idea of providing incentives to farmers and other land managers to undertake projects which reduce greenhouse gas emissions is a very important one. But we do have significant concerns about this bill. We highlighted a number of those concerns during the Senate committee inquiry process. Coalition senators actively participated in that, and I pay particular tribute to my colleagues Senator Colbeck, Senator Nash and Senator Fisher, who were active participants in that inquiry and indeed have followed very closely the detail of this legislation. Senator Colbeck, in particular, has highlighted a range of very valid concerns about this legislation, many of which were encapsulated in the report. Even the government in its report made not just the usual passing recommendation that the bill be passed; the
government itself made nine recommendations in the body of the report. So we see amongst the government's own members and senators a range of concerns about the process for the development of this legislation and about things that actually need to be changed in this legislation. I note that at this stage I have not been provided with or seen any proposed government amendments, but I would hope that the government listens to its own senators on this legislation and that we will see in the course of debate some government amendments to complement those that the coalition will be moving and those that the Greens will be moving. We all want to see this legislation work, but for it to work it has to provide an appropriate framework—a framework that, yes, allows the emissions abatement and reductions that are so important but does so in a manner that preserves and protects our prime agricultural land and that has the certainty for those who choose to participate in carbon farming so that they know what the benefits, opportunities and risks will be and can make certain judgments there. In making those judgments they are also, of course, going to need to have knowledge at a level of detail that is not in this bill but will fall within the regulations.

The government has started consultations on what are called the positive and negative lists that will complement this. Those consultations are important, because those lists are critical. They will essentially identify projects or activities that are approved for inclusion under carbon farming and those that will be restricted. But, until those consultations are complete and we see the final set of those regulations, we have serious concerns.

Government senators, Greens senators and coalition senators highlighted issues regarding the proposals for NRM groups to be involved. We came at them from slightly different perspectives and we have some concerns on this side about whether these groups have the planning expertise and the like to make sure they can do the jobs that they are tasked with here. We do note that recommendation 6 in the majority report urges that those requirements should be finalised, as a minimum, before the passing of this legislation. We highlighted in the other place during the debate on this legislation particular concerns around state sovereignty and Indigenous land rights issues. These are very serious issues, and I foreshadow that there will be amendments from the coalition in this regard that will be pursued particularly by my colleague Senator Cormann. There are direct concerns that come especially out of Western Australia on this matter. Dr Washer spoke at length on this in the other place, and we will be making sure that we pursue those issues thoroughly in the debate in this place as well.

There are questions and concerns about definitions of 'permanence' in terms of the storage of carbon and how long that storage must be guaranteed in regard to the recognition of those credits and those units. These are serious issues, because the liability created for a party by saying they have created these units but they have to guarantee them for 100 years may in many cases be too great and simply scare people out of participation. This was one of the strange things about the inquiry into these bills. We heard in many ways two conflicting arguments as to why it would not work or why it was a risk. One was a concern that the legislation had too much potential or capacity to open up farming land in a manner that could see it taken over as carbon sinks and in doing so, of course, deprive Australia of some of its key farming lands. On the other hand, we heard from a lot of witnesses during the inquiry into this legislation that
the requirements for people to engage in and benefit from the Carbon Farming Initiative were so onerous that you probably would not see anybody participating and that in fact this legislation could be a wasted opportunity. Once again, so much of that will hinge on getting the regulations right as well as getting this legislation right. That is why we see it as so important to see everything and get it on the record before we allow this legislation to pass through this place.

So I foreshadow a range of amendments from the opposition. In particular, I move the second reading amendment that I foreshadowed earlier:

At the end of the motion, add:"and further consideration of the bill be an order of the day for 3 sitting days after a draft of the final regulations relating to the bill is laid on the table".

That amendment would see debate on these bills adjourned until a time three sitting days after the draft of the final regulations relating to the bill are laid on the table. We think this is the most sensible way to go. We do not propose it to be obstructionist. We do not propose it to propose unnecessary delays. We propose it simply because we think that it is important that everyone get to see the full story before we finalise these bills. It is absolutely critical that we understand the regulations, their interaction with the legislation and the overall interaction between this Carbon Farming Initiative and the government’s carbon tax. This government has too much of a track record of approaching these issues in a piecemeal way and has too much of a track record when it has come to implementing climate change policies, be they the Green Loans program, the Green Start program or the Home Insulation Program—climate change policies that have gone terribly, terribly wrong.

It is time the approach to managing climate change in this country is put on a holistic basis and that we actually look at the interaction of one set of legislation with another set of policies. This government says it is committed to having carbon pricing—a carbon tax—whilst we think there is a better way. If it is determined to proceed down that path, we believe we should be looking at this Carbon Farming Initiative in the full context of the carbon tax, how that should eventually turn into an emissions trading scheme, how it will relate and how the potential use of credits could relate. These are not totally unrelated matters. That is why it is important that they be considered together. So I would appeal to the house to give serious consideration to the second reading amendment that I have proposed. I would urge all senators to see there is wisdom in waiting; wisdom in ensuring that we actually have all the cards before us; wisdom in giving all of the stakeholder groups—be they the farming groups, the forestry groups, the environmental groups, the natural resource management groups; all those who are key stakeholders in this process—the chance to see the full package and make their decisions based on that. We should inform our debate based on that. It would allow us to make sure the legislation is right and allow the government to make sure the regulations are right and the interaction with whatever their carbon tax will be—should it, sadly, pass this parliament—is right. That would be the appropriate thing for the Senate to do. I hope that senators will support this amendment.

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (12:52): Mr Deputy President, may I take this opportunity to congratulate you on your election by the Senate to the role you now have; I am confident you will carry it out with aplomb. I now wish to address the matter in hand, and that is the Carbon Credits (Carbon Farming Initiative) Bill and associated bills. I note with interest the contribution of the coalition and recognise
that it is actually the government coming to the rescue of the coalition here because, under the coalition's plan, 60 per cent of the effort in abatement to achieve five per cent below 2000 levels by 2020 is coming from soil carbon and yet the coalition has absolutely no methodology and no suggestion for the pathway to achieve that. We are now in 2011. There is no methodology; it will not happen unless somebody actually does the work. And that is where the Carbon Farming Initiative comes into play.

The Australian Greens are passionate about reducing greenhouse gas emissions as quickly as possible, and the land sector has a major role to play. Not only do we need to protect our natural environment, build resilience in natural ecosystems and restore them so that we can maximise the opportunity for species to survive the impacts of climate change and for the land to be productive in agriculture, but we also have to make sure that we protect our carbon stores. If you protect the stored carbon in the landscape, particularly in our forests, then you actually reduce the amount of emissions going to atmosphere. That is a critically important component of what we need to do.

When the government announced the Carbon Farming Initiative in August 2010, just prior to the federal election, it was really an attempt to address the vacuum created when the Greenhouse Friendly scheme ended in July and left businesses in the voluntary carbon market in limbo. So what the government did in the last week of the election campaign was go to Queensland and announce the Carbon Farming Initiative to effectively plug that gap. It was an announcement that included very little detail about the scheme. There was no proposition at that time for either Labor or the coalition to introduce a price on carbon emissions prior to 2013. The Carbon Farming Initiative was just envisaged as a policy measure to give modest support to projects and businesses in the voluntary carbon market, and I am confident that neither government nor the coalition thought it would play any role in a domestic compliance market for many years.

After the 2010 election that all changed after the Greens secured an agreement with Prime Minister Gillard to provide her government with confidence and supply. One of the concessions, if you like, that we achieved in relation to that was the agreement to establish a multiparty committee to deliver a carbon price mechanism in this term of government. Subsequently, the government decided to expand the role of the Carbon Farming Initiative by linking it to an emissions trading scheme much earlier than had been anticipated. Hence, the complexity in this issue took on a whole new meaning because we are dealing with carbon in the landscape in a very uncertain global environment.

First of all, we have got the United Nations Framework Convention on Climate Change, and the first Kyoto commitment period ends in 2012. Is there going to be a second Kyoto commitment period? And what happens to the land use, land use change and forestry rules if, indeed, there is not a second commitment period? What if the REDD scheme, reducing emissions from deforestation and forest degradation, gets up and what are the rules that are going to apply? What does that do for the compliance market? Let us assume for a moment that the Kyoto protocol does have a second commitment period or that the land use, land use change and forestry rules continue. There is then the option for Australia to opt in to article 3.4, making what are now non-Kyoto-compliant credits compliant. That would create a whole lot of new credits that would be available under this scheme to be sold into a compliance market, either domest-
ically or globally when you go to a flexible trading environment.

We ended up with the situation where the questions were: what is going to happen internationally; what is Australia going to do in relation to article 3.4; what is going on with the national scheme and a fixed-price period; how many of those permits would be available, either Kyoto compliant or non-Kyoto compliant, to be brought into this scheme; and what would that do to an overall market mechanism? We also had, at exactly the same time, the forest principles process going on in Tasmania, determining what those arrangements might be in protecting forests and how that might relate to both the global and national scene in terms of the United Nations Framework Convention on Climate Change and also the emissions trading scheme.

So this became one of the most complicated areas to think through in terms of how you maximise carbon abatement in the landscape. How do you do it in such a way that you promote biodiversity outcomes? How do you do it in such a way that you get benefits into rural and regional Australia? And how do you do it to prevent perverse outcomes? The Greens have been very strongly on the record in this parliament saying that we want to prevent perverse outcomes. That is why we voted against the carbon sink forest 100 per cent tax deduction: it was following on from managed investment schemes in creating an uneven playing field in terms of land prices and in setting up the whole scenario that I described at the time as 'managed investment schemes on steroids'. I am glad to say that the 100 per cent tax deduction will end next year, and so we can get that out of the way. Nevertheless, we have a crisis in Australia in terms of climate change. We have an energy crisis, we have a food security crisis globally, and we have a water crisis, and we have to make sure in addressing any one of those, whether it is food security, water, climate or energy, that we do not treat them as silos and end up with perverse outcomes, so you incentivise one part of that equation and end up with adverse impacts in the others.

One of the good things about the fact that the Carbon Farming Initiative is now linked to an emissions trading scheme and to a global regime is that there has had to be a huge amount of rigour in thinking through how you prevent those perverse outcomes, how you maximise the benefits for rural and regional Australia, how you maximise the biodiversity outcomes, and how are you maximise the benefits for Indigenous Australia. One of the very good outcomes of this deliberation is that it will enable Indigenous people to be able to take advantage of carbon farming through some of the already established methodologies—for example, savannah burning, which has already been recognised as a methodology to qualify under this particular legislation.

Senator Birmingham talked about the regulations. The regulations are not the critical issue here for the community; it is the methodologies. There will be no permits issued until there are methodologies proven in terms of the carbon abatement, and those methodologies may take years to develop. I do want to issue a word of caution in terms of soil carbon, because I know that the coalition has been out there promising people in rural and regional Australia that they will be able to make a great deal of money out of soil carbon. There is no methodology established for it as yet. That will come. Work will be done on this. It will take a while to do and it is not going to be something that necessarily happens in the very short term. Apart from the financial benefit that might come in relation to soil carbon if that methodology is proven, the good thing about it is that by improving soil
carbon you also improve water retention and agricultural productivity and you reduce dependence on petrochemical fertilisers and inputs. So your marginal cost of production ought to go down and at that level it is a very worthwhile thing to do quite apart from its biodiversity impacts.

So in thinking all this through, the Greens are taking on this issue of how you prevent the perverse outcomes and how you prevent a whole lot of good agricultural land being taken over by tree farming. One of the problems we had with the Carbon Pollution Reduction Scheme was that it only recognised reforestation and afforestation for which there were established methodologies. It did nothing about biodiversity and it could have led to quite significant perverse outcomes. This time around we have thought that through very carefully. That is why I am pleased to see that under the Carbon Farming Initiative biodiversity starts to come into its own. It is key that we have investment in rural and regional Australia in biodiversity that is not just about tree planting.

One of the problems that we did foresee in terms of the Carbon Farming Initiative was that it relied to a large extent on local and state government land use planning laws to avoid negative impacts and, as was evidenced by the Managed Investment Scheme fiasco, you could not assume that local or state governments have got anything half decent in terms of land planning laws. So the Greens were very keen to see that natural resource management groups and NRM plans were brought up to scratch in terms of getting a uniform level of criteria for what constitutes the basics for an NRM plan and getting some capacity building. In our discussions with the government, I am confident now that there is going to be a real effort to bring NRM groups and NRM plans into the land use planning scenarios when we talk about what can be on the positive and negative lists.

The Managed Investment Scheme is an absolute anathema to me and I am glad that when talking to the government we are now able to clearly rule out the possibility of crediting MIS projects under the scheme. We are also confident that plantations for harvest will not be in this scheme either. That would have been an absolute disaster, but we now think that the common practice test will significantly reduce the risk that large areas of prime agricultural land will be lost.

As to the other issues, I am concerned about the risk of reversal buffer—the five per cent—and whether that is enough. Whilst at the moment you might think that a five per cent risk of reversal buffer is sufficient, if you look at the climate science, by midcentury it may well be totally inadequate. But I do take heart from the fact that the government has agreed that the CSIRO will be specifically tasked with examining this question in the first review of the scheme in a few years. The same applies to the fact that because unforested land reflects more radiation into space than dark forested land, the climate benefits arising from sequestering carbon in new forests may be at least offset by the fact that they absorb more heat. The government advice is that that will not be a problem but, as with the risk of reversal buffer, the CSIRO, we think, should be formally asked to report on this question of albedo.

On Indigenous participation, I was very impressed by the evidence that Indigenous communities gave to the Senate inquiry. I recognise that there are two main issues for Indigenous people. First are the legal issues relating to who will be able to access the benefits of the Carbon Farming Initiative in terms of whether they have exclusive or non-exclusive native title, and I can foreshadow
that the Greens have an amendment in relation to that to extend coverage to non-exclusive native title land. But we also want to make sure—and I have been very strongly advocating this—that we get some capacity-building happening in Indigenous communities so that they may not only have the legal ability to access this scheme, but also the capacity to do it. The Greens want to demonstrate that rural and regional Australia can effectively not only improve their agricultural productivity and reduce the risks of perverse outcomes but also enhance biodiversity and take on the weed challenge and take on the feral animal challenge. Whilst some in the coalition have been extremely critical and sarcastic about the camel cull, the issues of weeds and feral animals are critical to maintaining biodiversity and building resilience in landscapes.

Under the CPRS we simply had 'Tree planting—tick' and there was no concern raised about perverse outcomes. Our challenge has been to maintain agricultural land, to use natural resource management plans and groups to have real input into positive and negative lists down to a localised level and to offset the lack of concern that has often been shown in local communities with local government and/or state government. There are issues as to exactly how much abatement is out there. It is fair to say that the Greens have a very different view. We think there is a huge amount of abatement to be had through protecting forests, restoring degraded forests and recognising avoided land clearing. The real question is: how quickly can farmers take up these opportunities? What are the competing interests for farmers and how can they best manage their land to maximum advantage in profitability terms and how can they restore their land in order to continue to be profitable? It is uncertain how quickly the rollout will be taken up. How rigorously and enthusiastically Australians engage the methodologies will determine that.

I see this as a big opportunity to save forests, to avoid land clearance, to deal with weeds and feral animals and to get a real focus on biodiversity in Australia that has been lost in recent years. Creating credits out there in rural and regional Australia to engage in market based mechanisms is one aspect, but this is an opportunity for rural and regional Australia to think about how they can positively engage with reducing greenhouse gas emissions and meeting the global challenge.

I do not agree with Professor Garnaut when he says that this is the new wool industry—that wildly overstates the likely uptake in the time frame—but I do think this is a landmark piece of legislation in connection with an emissions trading scheme. The fact that the two are being considered together in the context of global agreements means that this legislation has had examination with a level of rigour that is rarely seen in this parliament.

I thank the departmental officers with whom I have spent many hours talking about these issues: how you avoid these perverse outcomes, how you protect agricultural land for agricultural production and how you make sure that you are looking at the energy challenge, the climate challenge and the water challenge at the same time as guaranteeing food security. It is complex, it is difficult, but it is a worthy challenge. This is an opportunity for the land sector to really make it onto the climate agenda in Australia.

Senator COLBECK (Tasmania) (13:12): I rise to make a contribution to the Carbon Credits (Carbon Farming Initiative) Bill 2011. If ever there was an example of how not to progress a piece of legislation or how not to progress a policy, this is it. It is a great demonstration of how not to do something. I
remember thinking, and I might even have tweeted, on the morning of the hearings by the Senate Environment and Communications Legislation Committee into this legislation that this government could not organise a lolly scramble in a candy store. The lack of information, the lack of preparation and the lack of final preparedness of this legislation—along with all of the other very important things, as Senator Milne has just said, that go with this legislation—could not be more stark.

There was some critical documentation that was not available to the committee. CSIRO and ABARES were tasked by the government to do some work on the impacts of this legislation, which was very important for the committee in preparing its deliberations. Senator Milne is correct in saying that we spent a lot of time on this legislation and we tried to give it due deference, because it is important legislation and it provides enormous opportunities for carbon storage in our natural environment, if it is done right. Those two critical pieces of information from ABARES and CSIRO were not available to the committee. The CSIRO information was released the day before the committee reported. This gave very little time for the committee to properly consider how this legislation, this policy, might impact on rural and regional Australia. The ABARES research is still not available and is subject to Treasury's discretion. Treasury commissioned the work, so we do not have access to that work. ABARES have done some very good work in the past and been very cooperative with the Senate and its committees in working towards some indications of the impact of some of these policies. During the debate on the CPRS they did some work and when some concerns were pointed out about it ABARES went back and did some additional work to clarify their information. They have been very cooperative. Yet none of that data is yet available to the Senate or to the parliament in considering this very important legislation. It provides enormous opportunity for rural Australia, regional Australia, to participate in a carbon market. But you would think, when you go through this legislation, that the government are actually frightened to really allow people to store carbon in the landscape. What they have done is effectively taken every single sensitive element and regulated it out of the legislation.

In fact, the most telling thing as part of this piece of legislation is a response from the National Farmers Federation. They talk about the fact that, under the proposed ineligibility criteria, a windbreak on a farm is regarded as common practice. Therefore, as something that is common practice, it is not a new way to store carbon in the environment and it is ruled out. I would have thought that encouraging farmers to plant trees as windbreaks to break up their farms and to put some native trees back into the environment would have been one of the things that we would be encouraging. That is the coalition's view.

There is enormous potential for carbon storage in the natural environment through things like windbreaks and hedgerows on farmland to bring back the percentage of vegetation in these areas that have been largely cleared over the last 100 or 150 years in the face of agriculture. We know, the science tells us, that we can do this without having a huge impact on our agricultural capacity. In fact, in some cases it will improve our agricultural capacity because it has the impact of lowering salt pans and salt levels in the environment and reviving land that is degraded because of our past agricultural practices. Those sorts of things are ruled out by this legislation and quite rightly the National Farmers Federation
cannot understand why. I certainly cannot. But that gives a clear demonstration of how timid the government have been in preparing this legislation in that they have effectively ruled everything out as part of the preparation of the bills.

We then go on to some other elements of the legislation that Senator Milne and Senator Birmingham have covered that also again give no reason for the rush to pass this legislation through the parliament. As Senator Birmingham has said, we have a second reading amendment to say that this legislation should not be finally considered before the regulations are laid on the table. In the context of the development of the regulations—basically, the positive and negative lists—that is a very sensible amendment that we are proposing. Effectively, this legislation is nowhere near ready. Those lists are a long way from being finalised because the negotiation process is still ongoing, but also some of the work that underpins them is a long way from being prepared.

Senator Milne talked about the relationship with NRM groups. The NRM groups potentially play a very important role in this legislation. This legislation effectively makes them pseudo-planning authorities. We know that the NRM plans vary enormously and there is no consistency across the country. They are developed at a local level, albeit under national guidelines, and there is enormous variability across them. There is enormous variability in the structures of the NRM groups, and what we are doing in this circumstance is effectively making them pseudo-planning authorities with powers that they were never set up to have. The negotiations with those groups, as I understand it, have not even started yet and yet here we are trying to pass a piece of legislation that would enshrine this responsibility on those groups.

It may be that they are the best organisations to deal with this. I am not sure that that is the case. This is really the minister fobbing off his responsibilities down the chain so that he has a bit of deniability, in my view, but what should be happening is that those negotiations, those processes, should be taken into account as part of the development and passing of this legislation. It is going to take a considerable time to deal with those particular groups in the way that they are structured and the way that their plans are designed. One thing that could very well happen is that you could get interest groups inserting themselves into the NRM groups and creating even more perverse outcomes.

Senator Milne talked about perverse outcomes and protection of agricultural land and yet it is the Greens that are actually providing a lot of the threats to that by trying to push forestry out of our native forests and into plantations. Those plantations have to be grown somewhere. There is only one place for them to go and that is on agricultural land, and yet the science is very clear. If you want to store more carbon, if you want to protect biodiversity, if you want to have better water quality, if you want to use fewer chemicals, if you want to mitigate bushfires, if you want to protect scenic landscape values then you will have long-term rotations in your native forests and you will store more carbon over time. You will store more carbon in a native forest than you will in a plantation. The science is very clear.

Yet here we have the Greens trying to push our forest industries out of our sustainably managed native forests and into our agricultural landscape, and there they are at the other end complaining about the plantations that are going to be developed as part of that process. You cannot have it both ways. I know the Greens often try to do so but you cannot have it both ways and the
science, I repeat, is very clear. In fact a report released only a couple of weeks ago by Forest and Wood Products Australia gives a clear demonstration of that very fact. It would be very interesting to see whether the Greens might read that. In respect of the positive and negative lists, I have great concerns about the way they are currently structured. For the first time that I have seen, on the negative list is a requirement for a plantation to have a full high-security water licence. That introduces something very new into the overall process for growing plantations in this country. I know there is a range of views on that, but it is, in my view, the thin edge of the wedge. It potentially sets the agricultural sector up to have to have high-quality water licences, high-reliability water licences for a whole range of other dryland crops. I know this is a contentious issue, but it is something the farming sector should be very concerned about. Too often we have seen the farming sector sit back while the forest sector is pushed around by the environmental groups, only to find out later that they are going to get hit down the track with exactly the same issues. We have seen it with agricultural chemicals on a number of occasions, and this is one that needs to be looked at very carefully.

I have mentioned before the terms about common practice, and the complete stupidity, in my view, of effectively ruling out windbreaks on farms. I cannot understand why perhaps the most viable way for farmers to gain an income—and for this country, if it wants to, to store some carbon—is effectively ruled out by the regulatory process of this piece of legislation. It just does not make sense. And it shows how timid this government has been in trying to remove any sort of concern that might be raised, particularly by the Greens, who we know are now wagging the dog. This legislation effectively will not do anything. That is the really disappointing thing about this piece of legislation. It rules out access to native forests, and yet the science is very clear: responsible long-term management of native forests will, over time, store more carbon. There is no question about that. Okay, you get a loss at the beginning, but you get a return. And things like the fantastic furniture in this place are all carbon sinks. The carbon stored in those products is locked away for the life of that product. Then the next incarnation of the native forest is regrown, which is the way that we do it here in Australia—you do not just cut it down and leave it or do something else with it; you regenerate the forest and you store more carbon. Those are the sorts of things that should be considered as part of this legislation, and yet they are locked out because of the timidity of the government.

There is also the issue around state sovereignty and land rights. Senator Birmingham has mentioned this, and even Senator Milne has mentioned it, and there will be amendments about it. Again, there is a failure of consultation in relation to this piece of legislation. I, too, was impressed by the presentation of the Indigenous groups, who want to participate in this process but feel that they are not able to. But I am equally concerned that states like Western Australia feel obliged to challenge the design of this legislation because it impinges on their state rights. Again, the government wants to pass this legislation in a rush, perhaps to give the impression that it is doing something, but there is so much around this legislation that has not been resolved. That is one of the major concerns the opposition has about this legislation, and it is why our second reading amendment asks to delay it until all of the information is on the table so that we can properly consider it. I think that is reasonable. The government talks about quality legislation based on
quality information, and yet we do not have the information. We do not have the
modelling from ABARES that talks about the potential impacts of this because the
government, through Treasury, will not release it. We got the CSIRO information
only the day before the committee reported.

I want to move on to the issue of permanence. It is a complex issue and one
that needs modification as part of this legislative process. It is interesting that some
farmers who came in to talk to us, who are all about storing carbon in their landscape,
brought in to us presentations demonstrating how they were changing their farming
methodologies to store carbon in their landscape. They talked about the
improvements in productivity. They discussed with us the carrying capacity of
their land as a result of their different management practices. And yet Mr Kiely,
who came before the committee to give us evidence, says that permanence is 'the deal
killer'. He said:

"No farmer would be silly enough to agree to 100 years for soil carbon or 100 years for
anything. A finance lender would want to know seriously the impact on the value of the property
of agreeing to such a thing. We did some research into the 100 years thing and discovered it was a
policy decision, not a scientific measure …"

These are people who are committed to carbon storage, who are practising the sorts of
tings the government wants to encourage, and they are saying that the
government processes are a 'deal killer'. And
these are the sorts of people who the
government should legitimately be listening
to as part of this process. It is only common
sense that practitioners, who have spent time
and effort in trying to develop their farms
and who actually practice these things, and
have some expertise, should be listened to by
the government.

I want to talk for a moment about the risk of reversal. Senator Milne raised some
concerns about this and said she is comforted by the fact that the CSIRO will look at this in
its review of the legislation. That work
should be done now, because I believe that the five per cent in the legislation is a real
risk and that the risk-of-reversal process
should be a risk based approach, because we
know that different forms of sequestration in the landscape bear different risks. It should
be designed in as part of the methodologies.

Senator Milne has mentioned those. I would
like to see the government make some
amendment to this legislation to reflect that.

We know that with, for example, sequestration in forests, there is a higher
security in those, although there are risks—
bushfire, drought and those things. But there
is a much higher risk in storing carbon in the
soil itself—in the landscape. There is a much
higher risk of reversal. So rather than having
just a blanket five per cent, in my view there
should be some changes to the way that the risk of reversal is dealt with so that it can be
genuinely risk based process. There are
some reasonable proposals that are being
suggested from industry in relation to this. I
think the government should consider them.

The other issue relates to additio
The unfortunate part of this legislation—and
I suppose whenever you commence
something you go down that track—is that
early movers are effectively disadvantaged
by this process. Those who have in place
methodologies that are already storing
carbon in their landscapes are effectively
locked out because it is not regarded as being
additional. I accept that there is a need for an
additionality process, but there needs to be
some consideration given to people who,
because of the way they like to look after
their landscape, might already have, for
example, a 25-year farm management plan in
place. They should be able to access some of
the process under this legislation. But, again, because of the additionality clauses, they are effectively locked out. I am not saying, 'Do not have additionality clauses,' because that is a reasonable requirement. But when you get the situation, as I indicated earlier, that planting a windbreak on your farm, which is a win-win for everybody, is effectively locked out of this legislation, it shows, as I have said a number of times, how timid the government has been in preparing this legislation and how poorly it has prepared for passing this legislation at this time. In closing, I again urge the chamber to seriously consider the coalition's second reading amendment to put this legislation off until after the regulations are available. (Time expired)

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (13:32): I rise to speak on this legislation and support my colleagues, especially Senator Colbeck after the points he made in his presentation just then. Why do we have this legislation in front of this parliament now when we have not got the details of the carbon tax? Isn't it a case of having the cart before the horse? We know that wonderful things can be achieved by carbon. Many on that side refer to carbon as a 'pollutant'. It is amazing; when you actually google the list of pollutants, you do not find carbon dioxide or carbon listed as a pollutant. You find carbon monoxide; we are very familiar with that from the exhaust fumes of motor vehicles. You find carbon tetrachloride and carbon disulphide. We do not actually find carbon as a pollutant. I can understand that, because 60 per cent to 70 per cent of the food we eat is actually carbon. So, under the theory that the government puts out about 'carbon pollution', that would mean that each even we are having a meal of pollution. I do not think we eat pollution; we actually eat something that is healthy and good for us and keeps us alive. No doubt many people see the smog over cities at times. That is not carbon dioxide. Carbon dioxide is actually invisible. It is an odourless, colourless, non-toxic gas invisible to the eye. When we see that carbon is not even listed as a pollutant, we understand the spin in this whole debate about the carbon tax et cetera.

How do we know how many dollars a tonne the tax is going to be under this legislation? Obviously the government knows, because on Sunday—when parliament has risen, when they are away from scrutiny or questions from the opposition—they will release the details. We have had the very good details, the popular details, leak out, like no carbon tax on petrol for family vehicles and for the tradies' and smaller vehicles. We are still yet to find out about diesel for the transport industry. No doubt it will go on to diesel, to the bigger businesses—those very people who carry our nation. In the town where I live we do not have railway lines. We used to, many, many years ago. Everything comes into the town by road, everything goes out by road—whether it be the export of beef from our abattoir in Inverell or groceries, food and clothing for the stores in Inverell. But we are yet to know the detail of this tax. We will know on Sunday. Why can't we know now? Yet here is this bill being brought forward on the Carbon Farming Initiatives.

Carbon is a great ally to the soil. In fact, the greatest carbon sinks on this planet are the soil and the oceans. That is where the most carbon is stored. I see it in farms I visit out in the Moree and Wee Waa areas—that magnificent rich, black farming soil. Many years ago that soil contained five per cent carbon. In many areas now it has been reduced to just 0.5 per cent carbon—a huge reduction—and we know why. There were
farming practices such as fallowing, and digging and working the soil back to kill the weeds before chemicals such as Roundup arrived. We know that nitrogen has been poured on the soil and when you put nitrogen on the soil that makes the microbes hungry and they eat the humus. And, of course, 60 per cent of humus is carbon.

You would be well aware, Acting Deputy President Marshall, that the coalition's policy is to build soil carbon. I gladly took opposition leader Tony Abbott to Spring Ridge on Australia Day last year. We visited the property of Cam McKellar. In just 12 months Mr McKellar has raised the carbon in his soil in one of his paddocks by one per cent. Doing some figures, one per cent of carbon in the top six inches of a hectare is about 15 tonnes of carbon. Cam McKellar increased the carbon in the soil by around 15 tonnes per hectare. That is equivalent to around 50 tonnes of CO\textsubscript{2}—there are about 3.77 cubic tonnes of CO\textsubscript{2} to one tonne of carbon in the soil. So he stored 50 tonnes of CO\textsubscript{2} per hectare when he raised his carbon by one per cent. If we were to raise that carbon by three per cent over a hectare of land, 150 tonnes of CO\textsubscript{2} would be sequestered per hectare. We have 450 million hectares of agricultural land in Australia. If we raised the soil carbon over that 450 million hectares by three per cent, that would equate to the sequestration of 65 billion tonnes of carbon dioxide. Here is the win-win situation: the more carbon in the soil the better and less reliance on chemical fertilisers. I can take you back 30 years ago to Moree where they farmed the country for years and never put fertilisers into it. It was just good country. But, as the carbon reduced, they then had to put fertiliser in.

Think about 65 billion tonnes of CO\textsubscript{2} sequestered in the soil. Australia produces around 560 million tonnes of carbon dioxide each year. That sequestered carbon would neutralise 100 per cent of Australia's emissions for more than 100 years, not five per cent by 2020 or 10 or 15 per cent as proposed by the Carbon Pollution Reduction Scheme—the emissions trading scheme that the Senate thankfully voted down. There are these mistruths and false statements out there that this would cost $30 billion a year. It would not cost that at all.

The incentive for farmers to build the carbon in their soil is simply the cost of fertilisers. Two years ago MAP fertilisers cost $1,700 a tonne. Currently, MAP fertilisers cost $1,200 a tonne. The more carbon in the soil, the less chemical fertilisers you need. That is the incentive. As you know, we have also put up a tin of money, $800 million a year, as an incentive for people to raise the carbon in their soil.

My big concern is that when this carbon tax package comes out on Sunday—and, as everyone knows, we are not allowed to know about it this week; we are only allowed to know about the good parts: the compensation and the increase to pensioners above the actual costs—as Professor Ross Garnaut said, families will pay for it. That is who it will eventually come back to. The government is going to tax 1,000 polluters. Can you imagine if Caltex diesel is taxed. If Caltex is taxed on its diesel, is it going to say, 'That is fine, that is a couple of billion dollars tax; we will cop that in the neck and we will not pass that onto our consumers'? No, it will not work like that. We know full well it will pass the cost of diesel onto the farmers, to the transport industry and to everyone using diesel.

We do not know any of the details of the carbon tax. We will find this out on Sunday after the parliament has risen. The costs will be passed on. Macquarie Generation in the Hunter Valley, New South Wales, between Singleton and Muswellbrook, produce 40 per
percent of the electricity for New South Wales. Each year they produce around 25 million tonnes of CO$_2$. When they get hit with a price of $20 a tonne, it will cost them $500 million. It is a government owned enterprise, so do you think the New South Wales government is going to say, 'Well, we will just cop that $500 million cost to that generator there in the Hunter Valley'? No, they will pass it on through the electricity prices to the consumer. Some consumers may be compensated under the package, but what about the businesses, what about the abattoirs, what about the ordinary businesses going about their work, what about the engineers running their mid-welders or stick welders and what about the farmers running their businesses? They will pay. Someone will pay.

We come back to this legislation about the Carbon Farming Initiative. There is a great incentive to build carbon in the soil if we do it properly over a 10- or 15-year period working with our landowners. I say our landowners because, when you look at a map of Australia, I would guess 50 per cent or 60 per cent of this whole nation, the whole landscape of Australia, is in the hands of farmers and graziers. That is the environmental issue. That is where we have to look after our environment, to protect our soil for future generations. Our greatest asset of all is our soil—it grows our food.

This is a health issue. If you do not have healthy soil, you do not grow healthy food and you do not have healthy people. This comes back to health in the soil. I know what we have done to the soil. I have been a part of it. I can take you back to the 1970s when I was driving transpots in South Australia. I would take a load of sheep from Peterborough across to Donald in Victoria. Driving through the Mallee country, I would see a wheat crop two inches high with a good germination rate where it came up well. When I went back two weeks later it would have been blown away. Why had it blown away? Overclearing—there were no windbreaks left. They were fallowing the light, sandy-soil country. I am sure Senator Back is familiar with much of that country in Western Australia. To sow a wheat crop in May, we would farm it in October the year before. It was left bare and open to the wind. The soil would blow away. It was bad practice. Now farmers use direct drilling and use chemicals to kill the weeds, which keeps cover on the soil so that it does not blow away. The farming practices were so wrong for many years, but now it has all been turned around. The farmers are now the environmentalists and they look after the soil to the absolute best of their knowledge.

Under this legislation, it is amazing that you cannot claim carbon credits if you plant a row of trees around every paddock on your property to block the wind, which causes dryness across the countryside. A windbreak tree that sequests carbon is different from a tree that you grow in some forest or somewhere else. That is simply wrong. The issue here is the price of carbon and how much farmers are going to be paid for growing trees. What farmers do on their property, in my belief, is their business. There are many farms in Australia that have a lot of good country and some rough country on them. The farmers might choose to plant trees on the rough country. It will not affect their gross production at all. That is their business. But it will be a sad day when a farmer gets paid more to plant a tree than he does to grow a tonne of wheat or to produce beef, mutton, lamb or whatever. It will be a sad day when farmers say to the bank manager, 'I can make more money out of planting trees on my country than I can out of farming it.' We simply cannot live on trees. We actually have to grow food.
Professor Garnaut has had a lot of input into this whole policy. This is the very man that suggested that farmers do away with their sheep and cattle and run kangaroos. What a farce. I can just imagine trying to muster a paddock of kangaroos, putting them in the yards and putting them on a truck. Hypothetical and simply outrageous are how I would describe it. Senator Milne referred to this legislation as a way of saving our forests. I see the national parks in our country; one of my pet hates is country locked up and left, not managed, not grazed, with fuel levels just building up higher and higher. We cannot control the temperature of the day. We cannot control the wind speed or the strong winds of the day. We can control the fuel levels on the ground. But we are not allowed to graze in national parks. Just recently we saw Senator Ludwig kowtowing to the Greens when the new Victorian government put grazing up in the alpine regions to reduce the fuel levels to prevent savage bushfires in Victoria. They had enough on Black Saturday two years ago, where roughly 50 per cent of the country burnt, and it just happened to be national park. I do not know if the Greens are out there helping to put the bushfires out. I have certainly spent a fair bit of my time at bushfires in my life, especially in South Australia. We had 90 million tonnes of carbon dioxide put into the atmosphere in the Black Saturday bushfires.

The message here is that we must manage our country. We must keep the fuel levels down. While the Greens have this policy of locking up country, leaving it and not allowing grazing, they will simply destroy the country, destroy the forests and destroy the animals that live in that environment. If you have ever seen a koala on the ground, you will know that they are pretty hopeless at moving. I have seen them there around the paddocks at Inverell and where I was grazing up there. They are good up trees but very slow to move on the ground. We saw the Pilliga burn from one end to the other. I wonder how many koalas were sizzled in that fire—like in the Goonoo fire the year before; we are going back a few years now, probably four or five years ago—and how much carbon dioxide that put into the atmosphere.

The point I make is that building carbon in the soil is a win-win situation, and I cannot emphasise enough the importance of our soil. We have seen over many years the state governments wind back on land conservation programs and funding for the Soil Conservation Centre. I know that many of them were running bulldozers around, doing earthworks with 20,000 to 25,000 hours on the bulldozers; they have not even been able to afford to upgrade them or replace them, to put in proper contour banks and soil conservation. That has been the neglect that New South Wales has had for many years. Hopefully, with the new government in New South Wales, things will change and they will actually get to address the important issue of our land and looking after it.

The soil carbon is not expensive and not difficult to do. The main thing you have to do in raising the carbon in your soil is to balance your magnesium and calcium levels. Most of our farm land has lower levels of calcium. Simply spread lime on the country. Many farmers are doing that. Once you build your calcium levels and you have magnesium and calcium in balance, those little microbes in the soil break down the humus into carbon and they multiply, to huge numbers that actually do the job better. That is what it is about: balancing the magnesium and calcium in the soil, building that microbe population, and good farm management. That is where we can store the carbon.
As I said—and even Senator Milne agrees with me—more carbon in the soil means less reliance on chemical fertilisers. Take some of those chemical fertilisers: sulfate of ammonia is one—a chemical for nitrogen. It was actually used in the Second World War to put on the countryside to harden the soil to make airstrips. Now it is a common fertiliser. Perhaps we need to revisit what we are putting into our soil. That was the original use of sulfate of ammonia: to spray on the countryside to harden the soil so they could use it for airstrips during the Second World War. Now it is a fertiliser.

We need to get off the reliance on chemical fertilisers and get back more into nature, and building the carbon in the soil is one way to do that. These days we manage the soil using Roundup, a magnificent chemical that is not resilient in the soil but has good control over weeds. The simple fact is that you cannot grow a crop of wheat and a crop of weeds together; you grow one or the other. For your crop to yield and be profitable, it must not have weeds in it. With the chemicals now, which are much safer in many regards, we can manage the country better, we can store the carbon in the soil and we can keep our soil on a road of improvement, if I can put it that way, increasing the productivity and the quality of our soil so that future generations can benefit. We do not want to leave this country to the next generation and say: 'Well, what a mess we made of that. We destroyed our soil, our greatest asset.' Australia with its growing population has to keep its food production up, and even growing. That is why we were so critical when the government cut back funding in the federal budget to the CRCs, who do a magnificent job in many industries, whether it be red meat or poultry or whatever.

This bill is rushed. It should not be here yet. Surely we should wait until the next sitting of parliament, when we actually know the details of the carbon tax, until we know what is going to come before parliament, and then bring this forward. But this bill is about a Carbon Farming Initiative, when we do not know the details of the carbon tax that is going to supplement or pay for it. As I said, my greatest concern is that we will have farmers earning more money out of planting trees than they will out of growing food. Then, we will have a serious problem.

Senator BACK (Western Australia) (13:50): I rise also to speak on this bill and to put on record the coalition's very strong support for the practice of storing carbon in our soils and in the landscape. For those who did not have the benefit of listening to the data provided by my colleague Senator Williams, with his permission I am going to repeat it. For every one per cent that we can increase the carbon in soils in Australia, in our soil profile, in our low-phosphate soils, we capture 15 tonnes per hectare of carbon, which is the equivalent of 50 tonnes per hectare of carbon dioxide. As Senator Williams went on to say, there being 450 million hectares of arable land in this country, if we could raise the level of carbon across that soil profile by three per cent, we would be looking at 65 billion tonnes of carbon dioxide. That is 65 times 10^9 tonnes of carbon dioxide stored in our soils. If ever there was a time when we needed to improve the fertility of soils across this country, it is now. Senator Williams went on to say that 560 million tonnes of carbon dioxide are produced by Australia each year and that if we could achieve merely that three per cent figure of which he spoke we would be dealing with this issue for the next 100 years.

I come from a family of pioneer farmers whose clearance practices were by today's standards radical; but at that time, of course, the farmers did not know that. Most of Western Australia is light land which is
deficient in trace elements in many areas, and I and my colleagues during my young
days as a veterinarian in the department of
agriculture watched soil fertility decline in
the wheat belt areas of our state. We used
different tilling techniques then that, whilst
appropriate for the killing of weeds, were
clearly leading to a decline in soil fertility,
mainly because we were killing soil
microbes. We then saw, through the late
1970s and 1980s, the introduction of
minimum tillage. I was part of the Muresk
Institute of Agriculture at Northam, where
there was a process of research over some
years, during which we watched the
improvement in the quality of the soils as
measured by soil microbes and earthworms.
In control areas in which tillage was still
conducted according to the old, traditional
means such as ploughing, scarifying, seeding
and scarifying back, we saw soil fertility
continue to drop. For example, the number of
earthworms, an indicator of fertility,
dropped. But in other paddocks and plots,
through the use of minimal tillage along with
chemicals such as Roundup and through
sowing into areas that had not previously
been disturbed, we saw a radical increase in
soil fertility.

What an opportunity we now have to
work collaboratively—imagine that!—across
this parliament to achieve an outcome. If
ever there has been validation of the direct
approach to the question of carbon in soils
and carbon dioxide in the atmosphere, it has
been expounded today in this place by
Senator Williams, and I support it. It is the
common-sense approach, and it is going to
achieve an outcome.

Why am I so distressed that this
legislation is coming before the chamber
today? It is deja vu; in October and
November 2009 we were debating the
Carbon Pollution Reduction Scheme prior to
the then Prime Minister and his then climate
minister going to Copenhagen. We pleaded
on this side of the chamber—and a colleague
sitting in front of me made this point last
night on national television—for there not to
be a debate on the issue until we knew what
the world was doing. We were ignored—our
plea was not listened to—and, of course, the
rest is history. If only we had been able to
defer any further discussion of the topics
raised by that legislation until we knew the
outcome of Copenhagen and until we knew
what the rest of the world was going to do,
including our competitors and those in our
region, how much better would this place be
today?

I plead that we not go forward with this
legislation until we have heard from the
Prime Minister on Sunday about what her
carbon taxing program is. We are being
asked in this legislation to address one
element of her program—that is, carbon
farming—which is critically important and
could have a very significant effect on our
country. Dare I say it, this is an area in which
Australia has always excelled. As I said in
the CPRS debate, we have always excelled
in undertaking research and development to
prove up our technologies in this country and
then make them available to others. We
make technologies available at a price that
developed countries can afford to pay and
give to developing countries the technology
and the wherewithal so that they themselves
can utilise this technology in a way that can
benefit them. Having worked in the Middle
East and in India, I can assure you that there
is a demand for knowledge in those places—
there is a demand for the results of research
and development—and any positive impact
that Australia has, producing as it does a
mere 1.5 per cent of the world's carbon
dioxide, will be through the research and
development that we undertake in this
country and pass on to others, whether for
fee or for free. But anything we do to the
exclusion of other countries will be negative—in fact, it may even add to world carbon if you believe the leakage issue—and may place our industries and the employment prospects of the workers of this country at a significant disadvantage because we will be at a loss compared to our trading competitors, who will continue to be able to put products onto Australian shelves without having to reckon with the imposition of a carbon tax.

We have heard it said here this afternoon—and I repeat—that we do not yet possess sufficient information on the basis of which to be able to make decisions attendant upon this legislation. The point was made that we still do not have access to, for example, the ABARES information which was so important when this issue came before a Senate inquiry. Most importantly, we do not yet know what will be in the Prime Minister's carbon statement on the weekend. She must know what she is going to say—surely she is organised enough at this stage on Tuesday afternoon to know what she is going to say on Sunday—and she should therefore stop treating the Australian people and this chamber with the arrogance with which she is treating it and come out and tell us what is in this legislation before we are asked to judge, act and vote on carbon farming, which is a very small element in it.

Again I say that the coalition is strongly supportive of the practice of storing carbon in our soils and in the landscape. We want to be part of that process. The Greens are engaging on it and the Australian Labor Party—the government—is acting upon it. But do not treat this place like a mushroom; do not treat this place the way that the government of the day treated it with the Carbon Pollution Reduction Scheme in 2009. We begged Senator Wong to not bring that legislation forward until you had been to Copenhagen. But you came home with your tails between your legs, having failed. If only that legislation had come before this place early in 2010 you would not have been made to look so foolish and, more to the point, you would not have made Australia look so foolish.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Live Animal Exports

Senator SCULLION (Northern Territory—Deputy Leader of The Nationals) (14:00): My question is to the Minister for Agriculture, Fisheries and Forestry, Senator Ludwig. Is the government aware of reports that the Moola Bulla Station in Western Australia must comply with a destocking order and dispose of over 3,000 head of cattle, and that many other stations in Northern Australia will shortly have to do the same?

Given that there is no export market for these cattle and they are essentially worthless to sell, the owner will start shooting cattle at the rate of 200 a day, starting tomorrow. The only viable solution other than shooting cattle is to sell them into the live export marketplace. Given this, and that the government are aware of abattoirs and supply chains in Indonesia that meet their desired standards, when will the government fix the looming disaster that they have created and reopen the live export trade with Indonesia?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:01): I thank Senator Scullion for his question. I do understand that the media are reporting that the owners of a Kimberley station say that they will be
forced to cull about 3,000 cattle in the wake of the ban on live exports to Indonesia. Nico Botha from Moola Bulla Station near Halls Creek has indicated that they will start that culling tomorrow. Mr Botha says that there are currently about 25,000 head of cattle on his property and that those are the numbers that need to be reduced.

As soon as I became aware of these claims by Mr Botha, I did the following. My office asked the ABC for the contact details for Mr Botha so that we can see what assistance we can provide to him. I have asked Centrelink, through the Minister for Human Services, to make contact with Mr Botha and, once again, to be provided with contact details from the ABC. My office has also alerted the Cattle Council of Australia to Mr Botha’s comments and has asked them to make contact with him to see what assistance is available. And, of course, I will continue to monitor the circumstances.

There are, as I indicated, three types of assistance that have been provided. Firstly, there is a $30 million aid package which provides for payment for hardship through Centrelink. In addition to that, there is assistance through the Cattle Council of Australia for onshore supply issues that may arise of $5 million. In addition to that, there is industry assistance for those who have been made unemployed as a consequence of the suspension. I also indicate that those opposite—(Time expired)

Senator SCULLION (Northern Territory—Deputy Leader of The Nationals) (14:03): Mr President, I ask a supplementary question. Given the fact that these cattle are worth approximately $600 a head, can the minister explain which program this grazier should turn to in order to compensate him for the loss of around $120,000 a day that he will lose through shooting rather than selling cattle due to the government's decision to end the trade?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:03): I indicated in answer to the primary question that there are two specific packages. There is a $30 million package for a two-part payment which is provided for this type of assistance. In addition to that, there is also onshore supply assistance which is designed to assist with feed, watering, agistment and defraying the costs of transportation, which the Cattle Council of Australia has provided a $5 million outline for. In this instance, the contact details for Mr Botha will be made available to us and, as I have indicated, we will be in contact with Centrelink to provide that assistance.

What those opposite are obviously asking for is that the trade be resumed immediately. What we have indicated is that when there is supply chain assurance in place, the trade can recommence. (Time expired)

Senator SCULLION (Northern Territory—Deputy Leader of The Nationals) (14:04): Mr President, I ask a further supplementary question. Having presided over this human tragedy and animal welfare catastrophe, will the minister now resign?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:04): What those opposite did in the 10 years that they were in government—and they had the ability to address this animal welfare issue—was nothing. They did nothing. What this government has done is sought to ensure two
things. It has sought to ensure that we have a supply chain assurance in place which maintains animal welfare outcomes. What we are keen to ensure is that that area provides for a supply chain assurance. The opposition have now just abandoned their—

Senator SCULLION: Mr President, I rise on a point of order on relevance. The question was very simple. This minister has presided over a complete human tragedy and an animal welfare catastrophe. We simply ask him: will he now resign?

The PRESIDENT: That is not a point of order. Senator Ludwig, you have 22 seconds remaining.

Senator LUDWIG: Of course, the Australian cattle industry is an area where we do want to continue this trade for the longer term. Those opposite want to ensure that it does not continue for the longer term. It is at risk without the suspension in place. The industry has an opportunity to ensure animal welfare outcomes. (Time expired)

Carbon Pricing

Senator SINGH (Tasmania) (14:06): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. How will the government's plan to take action on climate change through pricing carbon see lower carbon pollution, more tax cuts and assistance for families and pensioners?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:06): I thank Senator Singh and congratulate her on her first question in this place.

Honourable senators interjecting—

The PRESIDENT: Senator Wong, resume your seat. When there is silence on both sides we will proceed.

Senator WONG: As I said, I congratulate Senator Singh on her first question in this place. I am sure she will make an outstanding contribution to this place on behalf of her state and on behalf of the Australian Labor Party. I am very pleased to take the opportunity to respond to the senator about why it is important for us to price carbon and why we must reduce pollution. The government plans to ensure we do this in a way that very much recognises Labor values.

As the Prime Minister has said, on Sunday the government will announce the full details of the carbon-pricing package. The government is pursuing a market mechanism for putting a price on pollution because this is the most effective way to reduce pollution. As we have approached the path of designing this package and the challenge of tackling climate change, as always we are guided by our Labor values of fairness and equity. That is why we have been working to ensure that in this package nine out of 10 households—some seven million households—get assistance through tax cuts or increases to payments or a combination of both. The vast majority of these households will not pay an additional cent as a result of pricing carbon. In addition, as we have made clear, we will put in place a buffer for three million low-income households of 20 per cent. We have made commitments to pensioners and to self-funded retirees who hold Commonwealth healthcare cards that they will also get assistance.

This is a big reform, but it is a necessary reform. It is important we price pollution so we can reduce it, it is important we price pollution so we can drive investment in clean energy and it is important we price pollution to recognise our responsibility for future generations. (Time expired)

Senator SINGH (Tasmania) (14:09): I have a supplementary question, Mr President. Can the minister outline to the
Senate the implications for the budget of taking a different approach to tackling climate change? Will these flow through to households?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:09): This is a major economic reform, an economic reform that will transform our economy, and like previous reforms those on this side will approach it in a fiscally responsible manner. We know of course that is not reflected in the policies of the other side. We know that the direct action plan promulgated by those opposite is, as Mr Turnbull says, a recipe for fiscal recklessness. Senator Joyce interjecting—

Senator WONG: Senator Joyce, that is what Mr Turnbull describes your policy as. As Mr Abbott himself admitted on 7.30 last night, the coalition's plan will be a hit on the budget. It will cost some $30 billion funded out of the budget, funded out of higher taxes—$720 per household in this country. That is the fiscally reckless plan promulgated by the opposition. (Time expired)

Senator SINGH (Tasmania) (14:10): Mr President, I have a further supplementary question. Can the minister outline to the Senate what support, if any, she has seen for taking an alternative approach to tackling climate change?

Senator Joyce interjecting—

The PRESIDENT: Senator Joyce! Yes, that is you. There is no need to look behind.

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:11): There is very little support for the opposition's alternative plan. In fact, even within the opposition there is very little support for this alternative plan. We heard Senator Joyce himself making it very clear publicly that the opposition's plan would be ineffective. Unlike the government's policy, which has been supported by many leading economists—and I note a price on carbon was supported by, amongst others, former Liberal leader John Hewson—not a single economist of any reputation supports the opposition's scheme. Do you know why, Mr President?

Senator Ian Macdonald: What about the 60 per cent of Australians?

Opposition senators interjecting—

The PRESIDENT: When there is silence we will proceed.

Senator WONG: The Liberal Party used to believe in market mechanisms, but that legacy has long gone. The reason for it is clear: Mr Abbott will always put politics over policy; pragmatism over policy every time. (Time expired)

Carbon Pricing

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:12): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency. Given the government's claim that only the fine details of the carbon tax still need to be settled, will the minister provide the Senate with some basic information, such as what will be the carbon price?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:13): As the Prime Minister made clear in the announcement last night, the full details of the carbon price package will be announced this coming Sunday. What is really interesting is the clamour from the other side for detail because we know they have no interest in the detail of this debate whatsoever. They have no interest in good policy. They have no interest in sound economics. They have no interest in tackling
climate change. They are interested only in trying to play politics with this issue.

Honourable senators interjecting—

The PRESIDENT: Senator Wong, just resume your seat. People are wasting question time by constantly interjecting.

Senator WONG: There was a time when the coalition took a responsible approach to this policy. People might recall in 2006 former Prime Minister John Howard being prepared to address this policy sensibly. People might recall in 2007 the coalition going to an election with a sensible policy to price carbon. But now what we see is the coalition led by a man who will always put pragmatism and politics over good policy and over what is important for Australia's future. No-one watching 7.30 last night could be in any doubt about what sort of leader Mr Abbott is: politics first and never the national interest—always the politics first. I would say this: in years to come—in five or 10 or 15 years time—people will judge those on that side of the chamber very harshly by the lack of responsibility they showed when it came to this important issue of tackling climate change.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:15): Mr President, I ask a supplementary question. Given that the government have been working on their carbon tax for many months, why are the government trying to avoid parliamentary scrutiny by refusing to announce the details of their carbon tax until after the parliament has risen for the winter recess? Will the government recall the parliament for the announcement and to subject the carbon tax to the appropriate scrutiny rather than trying to bully the commercial networks to broadcast the Prime Minister's carbon tax statements?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:15): I am sure the parliament will have plenty of opportunity to scrutinise the legislation which underpins the package, just as the parliament had an extraordinary amount of time to scrutinise the government's previous attempt to put a price on pollution. I would remind those opposite that I think that we had had at last count—and I could be wrong, but this is my recollection—some 17 parliamentary inquiries of one sort or another looking at pricing pollution. In addition, our legislation was presented to this chamber no fewer than three times. That was after—

Opposition senators interjecting—

The PRESIDENT: Order! Senator Wong, just resume your seat. Senator Wong, continue.

Senator WONG: Thank you, Mr President. The three times the legislation was presented were after public consultation processes on a green paper, a white paper and draft legislation. You know what, Mr President? For those like Senator Abetz, who cannot countenance taking action, such scrutiny never made one iota of difference.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:17): Mr President, I ask a further supplementary question. Given that the government has decided to keep the Australian people in the dark until after the parliament has risen, will the minister assure the Senate that Sunday's statement will contain all the details people need to know, all the exemptions, all the inclusions and all the exclusions and that Sunday's announcement will be the complete and final package?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:18): The Prime Minister has made clear that the government has decided to keep the Australian people in the dark until after the parliament has risen, will the minister assure the Senate that Sunday's statement will contain all the details people need to know, all the exemptions, all the inclusions and all the exclusions and that Sunday's announcement will be the complete and final package?
Multi-Party Climate Change Committee on Sunday. We have been very clear as a government that we do want to have a conversation with Australians about how this reform will affect them. Unlike those opposite—

**Senator Brandis:** Your contempt for the Australian people knows no bounds, Penny.

**Senator Wong:** I am being lectured by Senator Brandis about being contemptuous. This is again one of those ironic moments. It apprises itself! Even those on your side are finding it hard to hide their smirks, Senator Brandis. But I would say this—

**Opposition senators interjecting—**

**The President:** Continue, Senator.

**Senator Wong:** Thank you, Mr President. I would say this: unlike those opposite, we will not engage in fearmongering. We will present the facts and we will have the discussion. *(Time expired)*

**Honourable senators interjecting—**

**The President:** Order! I am waiting to call Senator Brown so he can be heard in silence.

**Iraq**

**Senator Bob Brown** (Tasmania—Leader of the Australian Greens) *(14:19):* My question is to the Minister representing the Minister for Defence. I refer to the massive cover-up by the Howard government of events at Abu Ghraib. I ask the minister: is it true that Major O’Kane was involved in drawing up the rules of conduct for interrogating prisoners within Abu—

**Opposition senators interjecting—**

**The President:** Wait a minute, Senator Brown. Those on my left, I cannot hear Senator Brown. Senator Brown, continue.

**Senator Bob Brown:** Is it true that Major O’Kane was involved in drawing up the rules for interrogation of prisoners at Abu Ghraib? Is it also true that his guiding principle was, ’If you break someone down, you don’t need them drawing strength from a Red Cross visit’?

**Senator Chris Evans** (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) *(14:20):* Thank you—

**Senator Bernardi:** Who drew up your donation list, Bob?

**Senator Bob Brown:** Mr President, on a point of order: I would ask you to ask the opposition to have the decency both to allow a question to be asked without that sort of interjection and to allow the answers to be heard.

**The President:** Senator Brown, I did not hear any interjections. There is noise down that end of the chamber. It is disorderly; they know it.

**Senator Chris Evans:** I thank Senator Brown for the question in my capacity representing the Minister for Defence. I have seen the reports in the press in the last few days about these matters and the treatment of prisoners at Abu Ghraib. All senators were shocked, I know, at the time at the terrible abuse and mistreatment that occurred in that centre, and it was the subject of much questioning in the Senate estimates process. Senator Faulkner and, I think, Senator Bishop and I spent a great deal of time—I think I was shadow defence minister at the time—questioning Defence officials about these matters. I think Senator Hill was the minister at the time. We attempted to get to the bottom of what Australia’s involvement was in these matters. But I would point out that the key point here is that, in contrast to the arrangements in
Afghanistan, the ADF did not act as the detaining power during joint operations in Iraq. We were not the detaining power. As you know, Senator—through you, Mr President—Australian personnel are required and trained to treat detainees humanely and with dignity and respect. My advice is that ADF personnel consistently acted in accordance with international and Australian domestic law on those detainee issues. In terms of Major George O’Kane's role in this matter, all I know is that he did provide situation reports which did not contain reference to incidents of abuse and that those reports were made through our reporting channels. I am not aware of any role in drafting regulations regarding treatment of detainees, but I again make the point that we were not the detaining power for those detainees.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (14:22): Mr President, I have a supplementary question. I ask the minister: will he find out if Major O’Kane was involved in drawing up the rules for prisoner care in Abu Ghraib? I ask the minister: is it not true that the Geneva convention means the detaining power is the power that arrests the prisoner, not the power to whom that prisoner is transferred? And I ask the minister: why did Prime Minister Howard refuse Democrat leader Nancy Pelosi’s request for— *(Time expired)*

**Senator CHRIS EVANS** (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:23): I will take on notice any question that I cannot answer that is part of that question from Senator Brown. I do not have details about Major O’Kane's role. I would like, though, to again stress that we were not the detaining power and that there was an attempt to have accountability on these matters at the time, with Labor pursuing these matters at Senate estimates. But it is also the case that Mike Kelly, our parliamentary secretary for agriculture, who was quoted on 7.30 last night, was a legal officer who was deployed in Afghanistan and he made the point that the detainee management regime in Iraq suffered from a very poor lack of preparation and a very bad tactical approach and strategic approach to counterinsurgency. It is quite clear that there were failings in the way this process was managed. The images from Abu Ghraib were shocking. I am happy to take on notice the specific issues the senator raises.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (14:24): Mr President, I have a further supplementary question to follow up on the Public Interest Advocacy Centre's revelation. I ask the minister: will he hold an independent inquiry into what is clearly a cover-up by Prime Minister Howard and Defence Minister Hill at the time of Australia’s role in events at Abu Ghraib which put at great danger our troops in Iraq and allied troops in Iraq?

**Senator CHRIS EVANS** (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:25): I am not aware of any plans to conduct an inquiry into these matters. I will take the question from Senator Brown on notice and ask Minister Smith for any further advice. As I say, there was an attempt in this parliament to hold the defence department accountable for any involvement we might have had. I stress again that we were not the detaining power, but there were legitimate concerns about what advice was being provided and the reporting of the treatment of those detainees. It was a matter handled by the previous government. The minister has no personal knowledge of those matters and members of this government have no personal knowledge of those matters. But, as
I understand it, there is no current intention to conduct an inquiry following the information released in the last couple of days. I will refer the question to Mr Smith and seek feedback from him for you. *(Time expired)*

**Carbon Pricing**

*Senator BERNARDI (South Australia) (14:26): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to the Prime Minister's statement on the carbon tax yesterday:*

More than half the revenue raised will be used for tax cuts and increased payments to households …

*I also refer the minister to Senator Pratt's statement in the Senate yesterday where she said:*

… all revenue from a carbon price will be used to provide households with fair and generous assistance.

Can the minister confirm whether the Prime Minister has again misled the Australian people or whether Senator Pratt has misled the Senate?

*Senator WONG (South Australia—Minister for Finance and Deregulation) (14:26): I am sure that Senator Pratt will be quite possibly flattered that Senator Bernardi is following her every word. I know she speaks a lot of sense. Certainly on climate change Senator Bernardi would, in fact, do well perhaps to listen to some of her arguments.*

*Government senators interjecting—*

**The PRESIDENT:** Order on my right! Senator Bernardi is entitled to hear the answer. Senator Wong, continue.

**Senator WONG:** The senator might recall that at the National Press Club, I think it was, the minister for climate change talked some time ago about our commitment regarding the proportion of revenue which would be specifically allocated to households. In addition, since that time further detail has been added to the government's commitments in this area, and I outlined some of them in answer to Senator Singh's question. They include the commitment that nine out of 10 households will get a combination of tax cuts and increased payments, that pensioners will also benefit, that some three million Australians from lower income households will also get what has been described—

**The PRESIDENT:** Senator Wong, resume your seat. Senator Bernardi?

*Senator BERNARDI: Mr President, I raise a point of order on relevance. I simply sought confirmation as to whether Senator Pratt had misled the Senate or the Prime Minister had again misled the Australian people. I would like an answer, please.*

**The PRESIDENT:** There is no point of order. Senator Wong, you have 50 seconds remaining.

**Senator WONG:** Senator Bernardi—through you, Mr President—I think I very squarely addressed—

**Senator Ian Macdonald:** Is it Pratt or Gillard? That's what we want to know.

**The PRESIDENT:** Senator Wong, continue.

**Senator WONG:** Through you, Mr President, I think I outlined very clearly the Prime Minister and government's commitment around the proportion of revenue to households. That has been articulated on a number of occasions and obviously the full details of that will be announced on Sunday, as the government has previously indicated. I was proceeding to go through—because I thought the senator might be interested—some of the detail which has been released in broad terms about the priorities within that household...
assistance package. But clearly, from Senator Bernardi’s interjections, that is not something he is particularly interested in.

Senator BERNARDI (South Australia) (14:29): I ask a supplementary question, Mr President. I also refer the minister to comments yesterday made by Senator Sterle that truck drivers get help to ensure ‘hard-working men and women in the transport industries are fully protected and compensated for their efforts’. Can the minister explain why the Prime Minister has refused to exempt truck drivers from petrol price increases as a result of the introduction of the carbon tax?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:29): As I have said now on a number of occasions, the full package in relation to pricing pollution will be announced on Sunday. I am sure that the senator will be interested to see detail on some of the issues which he has raised in this chamber. I would invite Senator Bernardi perhaps to consider that detail when it comes forward.

Opposition senators interjecting—

The PRESIDENT: Order! When there is silence, we will proceed.

Senator WONG: Mr President, I do think that it is ironic that two parties that were totally disinterested in any of the detail when this was last before the parliament, were only interested in opposition and did as much as they could to change their leader so they could oppose, are now lecturing us about the importance of scrutiny this week. It would not make one iota of difference to you and everyone knows that, and the package will be announced on Sunday. (Time expired)

Senator BERNARDI (South Australia) (14:31): Mr President, I ask another supplementary question. If the Prime Minister is not at least willing to listen to her own colleagues, will she at least listen to the Australian people in rejecting this obnoxious carbon tax?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:31): We believe on this side of the chamber that it is important to look to the national interest and not to the short-term politics that is being played by those opposite. As I said, there is no doubt that this is a very difficult reform. There is no doubt that this is a controversial reform. I would remind those opposite that when you were led by people who actually cared about the future, when you were led by individuals who actually cared about good politics—

Honourable senators interjecting—

The PRESIDENT: Order! When there is silence, we will proceed.

Senator WONG: When the Liberal Party was in fact led by people who actually cared about good policy and what was in the national interest, when they were led by Mr Howard or subsequently by Mr Turnbull, they too supported a price on carbon. I think that says something very significant, that they have walked so far away from the policies they used to pursue because they knew they were in the national interest. Now they are simply led by people who want to play short-term politics over long-term interest. (Time expired)

Broadband

Senator CAMERON (New South Wales) (14:33): My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Is the minister aware of any economic studies that look at economic growth effects of modern telecommunications networks?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister
Assisting the Prime Minister on Digital Productivity) (14:33): I thank Senator Cameron for his genuine interest in this policy area. The Senate may be aware that the Economic Journal, widely considered the leading economics journal in the United Kingdom, published a paper titled Broadband Infrastructure and Economic Growth. Of course those opposite and their leader are known to dislike economists so it is entirely reasonable to assume that they have not bothered to read this document. But like many other studies before it, it found that an increase in broadband penetration would raise annual per capita GDP.

Interesting, and a much more relevant finding to Australia, was that it also found that fibre-to-the-home technology is the only broadband technology that can provide general-purpose technology benefits. General-purpose technologies like fibre to the home and electricity create ongoing improvements in GDP because they underpin other technologies and multiply their value. The paper explains:

They do this by accelerating the distribution of ideas and information, promoting innovation and competition and aiding the introduction of new products, processes and activities.

This paper was discussed in an article today in the Australian Financial Review and the authors found that they could apply the paper to Australia and the NBN. They said:

The NBN will provide enormous potential for people in regional and remote locations to access a large suite of facilities and services including educational, commercial, social, entertainment, health and other opportunities.

(Time expired)

Senator CAMERON (New South Wales) (14:35): Mr President, I have a supplementary question. Can the minister advise the Senate on why the government's reforms in the telecommunications sector will deliver greater productivity benefits?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:35): This government has not shied away from tackling the tough reforms in the telecommunications sector, the tough reforms that will lock in productivity and social benefits that we believe that this country deserves. We all know that genuine competition will lead to more choice, more affordable prices and higher quality services for all Australians no matter where they live.

Those opposite took a public monopoly, turned it into a private monopoly, and called it reform, and Australians were left to suffer the consequences of a broken industry structure which failed to deliver the investments in high-speed broadband, which the Gillard government is now delivering. It has taken the Gillard government to understand that true reforms of the telco sector and building the NBN will bridge the digital divide, assist in better educational outcomes— (Time expired)

Senator CAMERON (New South Wales) (14:36): Mr President, I ask a further supplementary question. Can the minister provide the Senate with additional information demonstrating how the national broadband network continues to help small businesses in those towns where it is already being rolled out?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:37): We on this side of the chamber make no apologies for improving access to technology that improves the quality of life for families and businesses
small and large. Just yesterday, I spoke about a young family who moved to Minnamurra from Sydney because of the advantages that the NBN offered them at work and home. I am happy to advise that another small business has relocated part of its operations to the Minnamurra-Kiama Downs region, given the poor broadband they had previously experienced. Shepherd and Shepherd, a small consulting business, is now looking at expanding into international operations through remote training and videoconferencing. This is what they had to say in yesterday's *Illawarra Mercury*: 'We could have that workshop without the physical presence of that instructor in the room.' *(Time expired)*

**Carbon Pricing**

**Senator CORMANN** (Western Australia) *(14:38)*: My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. Could the minister explain why the government has exempted petrol but not electricity from its carbon tax even though electricity is a critically important service for families and businesses and is responsible for significant cost-of-living pressures?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) *(14:39)*: I am sure the senator would be aware that I have said previously in this place that the details of the package will be announced on Sunday.

*Honourable senators interjecting—*

**The PRESIDENT:** Senator Wong, ignore the interjections; they are disorderly.

**Senator WONG:** I am interested that Senator Cormann has asked me about taxing petrol, because I was surprised to find his comments in the chamber, in September 2007, where he said of Mr Howard's emissions trading scheme: 'This will be the most comprehensive ETS, in the world, broader in coverage than any scheme currently operating anywhere; a world-leading scheme to cover 70 to 75 per cent of total emissions. By including large emitters alone, the scheme would cover 55 per cent of total emissions; however'—and this is the best bit, Mr President—'by including transport and other fuels the coverage of the scheme is significantly increased.' So Senator Cormann used to back an ETS which covered petrol.

What happened? Senator Cormann used to come into this chamber and say, 'Yes, we are going to have a great scheme.' and: 'We would have had a great scheme under Mr Howard. We would have had a scheme that covered 70 to 75 per cent of total emissions, including transport and other fuels.' So when Senator Cormann stands up in here and tries to play a bit of politics with the carbon price, one might recall that in this chamber he previously supported an emissions trading scheme with wide coverage, including transport and other fuels. People can judge the legitimacy of his question knowing that background.

*Honourable senators interjecting—*

**The PRESIDENT:** Just wait a minute, Senator Cormann. You are entitled to be heard in silence.

**Senator CORMANN** (Western Australia) *(14:41)*: Mr President, I ask a supplementary question. Clearly, unlike former Prime Minister Kevin Rudd, the minister did not understand that Copenhagen was one big failure. Can the minister explain why the government considers that carbon emissions from coal are more harmful than carbon emissions from petrol?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) *(14:41)*: The government has made very clear its view about the importance of pricing pollution, and the reason we want to price
pollution is so we start reducing it, because—and this is pretty intuitive—as long as something is free, it will keep occurring. And as long as polluting is free, businesses—

Opposition senators interjecting—

The PRESIDENT: Senator Wong, resume your seat. Senator Wong, continue.

Senator WONG: The reason we want to price pollution is that, unless we put a price on it, we will keep polluting. The whole point of pricing pollution is to give an incentive to pollute less, to invest in clean energy and to tackle climate change. It is true that we have to work through how you transition a very highly carbon-intensive economy like Australia to a low-polluting economy. As we have taken this policy forward, the Australian people will have seen that we have been very focused on how we do this efficiently, effectively and at lowest cost.

Senator CORMANN (Western Australia) (14:43): Mr President, I ask a further supplementary question. The Prime Minister said that there will be no carbon tax on petrol under the government she leads, because people in outer suburban areas have no choice other than to use petrol. Given evidence that, irrespective of a carbon tax, the main electricity generator in Western Australia, Verve Energy, will not have any choice but to use more coal to generate all the necessary electricity to ensure Western Australia's energy security, can the minister explain why the government would impose a carbon tax on electricity generation when all it does is push up the cost of electricity without doing anything to reduce global emissions?

Senator Sterle: Just like Colin Barnett! Honourable senators interjecting—
an emissions trading scheme as 'a positive and sensible approach to addressing global warming'. I assume the reason he supported it at the time was that, as we know, putting a price on pollution is the most economically efficient way to ensure we reduce our pollution and shift to a lower carbon economy.

Honourable senators interjecting—

The PRESIDENT: Senator Wong, resume your seat. It is very hard to hear the answer because of the interjections from both sides. It is not much use asking for me to listen to the answer when you continue to interject. Minister, you have 16 seconds remaining to answer the question.

Senator WONG: Thank you, Mr President. The point I was seeking to make is that I suspect the reasons why Senator Cormann used to support putting a price on carbon are the same reasons why this government and this Prime Minister want to put a price on pollution and why we believe it is in the national interest. (Time expired)

James Price Point

Senator LUDDLAM (Western Australia) (14:47): My question is to Senator Conroy representing the Minister for Sustainability, Environment, Water, Population and Communities. It is in regard to a decision by Western Australian Premier Colin Barnett to forcibly remove locals from a road blockade at James Price Point in the Kimberley, which has led to the arrest of at least a dozen people, including elderly women, local small business people, traditional owners, custodians and their supporters. Why is the minister allowing 20 hectares of land to be cleared and for drilling to commence at James Price Point prior to the completion of the heritage assessment and prior to the granting of Commonwealth and state environmental approvals?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:48): I thank Senator Ludlam for his question. The government is working with the Western Australian government on a strategic assessment of this proposal. The strategic assessment process requires all potential environmental, heritage and social impacts to be fully assessed.

Honourable senators interjecting—

The PRESIDENT: Senator Conroy, when the discussion at the front of the chamber has ceased I will ask you to continue. Senator Conroy.

Senator CONROY: The proposal will only proceed if approved by both the Western Australian government and Minister Burke. Minister Burke visited the Kimberley in November last year to meet with local groups with different views on the James Price Point proposal, and public comment on the strategic assessment closed on 28 March this year. Recent reports have noted that a majority of traditional owners agreed to support a liquefied natural gas precinct at James Price Point. The proposal is subject to an assessment under national environmental law. Minister Burke will be in a position to make a decision on the plan to develop the precinct once all matters required by the terms of the strategic assessment have been appropriately investigated, which I understand will be in the not too distant future.

Senator LUDDLAM (Western Australia) (14:49): Mr President, I ask a supplementary question. The minister is obviously well aware that the strategic impact assessment is underway. Will he reconsider his decision not to assess the land-clearing that is underway at the moment—or that Woodside
would like to undertake—and immediately declare it a controlled action so that these activities cease until such time as the strategic assessment has been conducted?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:49): Minister Burke is advised that there have been two referrals in relation to a road to James Price Point. The first was for a four-metre wide access track. Minister Burke is advised that a departmental delegate in November last year determined that the proposal was not a controlled action. This decision was made as the department determined that the access track was unlikely to have a significant impact on matters of national environmental significance. The second was a proposal from the Western Australian government for a 45-kilometre sealed road from the Broome-Cape Leveque Road to James Price Point. On 26 May 2011 a departmental delegate determined that this proposal was not a controlled action if carried out in a particular manner. No further federal environmental assessment will be required as long as measures are in place to minimise impacts on the greater bilby, which is listed as vulnerable.

Senator LUDLAM (Western Australia) (14:51): Mr President, I ask a further supplementary question. Does the minister acknowledge any Commonwealth responsibility at all for the situation having deteriorated to the degree that we now have Aboriginal people being forcibly removed from country during NAIDOC Week? Can the minister cite any action that he plans to take to defuse the situation, including, as I put to the minister in my previous question, reviewing and revoking his decision not to assess the existing land-clearing proposals?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:51): There have been a number of reports, as I am sure Senator Ludlam is aware, of protestors damaging sacred sites at James Price Point. Minister Burke is aware of these reports. This, overall, is a matter for the Western Australian government. But if there is any further information that Minister Burke would like to add, I will take that on notice and get you an answer.

**Carbon Pricing**

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (14:52): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer to Senator Wong's reply to Senator Cormann, where she said that pollution is free. Does she therefore believe that coal is free, fuel is free and power is free? Additionally, I refer to the Prime Minister's comments that a carbon tax will not increase the prices for families, trades and small businesses.

_Honourable senators interjecting—_

The PRESIDENT: Order! Senator Joyce is entitled to be heard.

Senator JOYCE: I refer to the Prime Minister's comments yesterday that the carbon tax will not increase petrol prices for families, tradies and small businesses. Can the minister confirm that the electricity that oil refineries and service stations use will be exempt from the carbon tax? If not, won't the carbon taxes applied to these sectors increase the petrol price in contravention of the Prime Minister's promise?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:53): I will seek to answer the parts of
that question I can. I will answer what I think was the first part of the question. The question related to pollution being free. I think the economic point is that unless you price pollution there is no incentive to reduce it. It is a very simple economic point: unless you price pollution there is no incentive to reduce it. Currently there is no incentive—

Honourable senators interjecting—

The PRESIDENT: Senator Bernardi and Senator Faulkner, it would be very helpful to Senator Joyce—

Honourable senators interjecting—

The PRESIDENT: He was not on the phone, I can assure you.

Senator Faulkner interjecting—

The PRESIDENT: You are now; I will concede that.

Senator WONG: I was making the point about price signals that as long as pollution is free there is no incentive to reduce it. I think that is, frankly, self-evident. The whole reason that you put a price on pollution is to give a price signal incentive to business to reduce its pollution and to look to find lower-polluting ways of doing business and to give an incentive to invest in clean energy and in cleaner technologies. We are a very highly carbon-intensive economy. That is as a result of the nature of our economy. That means we have to transition if we agree that we have to reduce pollution. As I recall it, the opposition agree on that.

Senator Joyce: Mr President, I rise on a point of order regarding relevance. She seems to be eluding the question. Does she believe that they use electricity in the refining of fuel, or not?

The PRESIDENT: Senator Joyce, there is no point of order. It was a far-ranging question. I believe that Senator Wong is addressing the question or questions. Senator Wong, you have 45 seconds remaining.

Senator WONG: I was making a point about why we want to try to give an incentive to business to reduce its pollution and to invest in clean energy, cleaner ways of doing business and cleaner goods and services. In relation to price impacts the government has been clear: there is a price impact once you price something that is currently free. That is obvious. The question is: how do you do it, and how do you ensure that you assist Australian households? How do you ensure that you look to lower-income families and how do you provide tax cuts and increases in payments to recognise that price impact? We are up-front about that, Senator Joyce, unlike you who are imposing a tax on Australian families to fund your direct action policy.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (14:58): Mr President, I ask a supplementary question. In this I will be very specific. The Prime Minister mentioned that families, tradies and small businesses will be exempt. Will the government claim an exemption for farmers or will they pay a higher price for diesel under the carbon tax? Will you or won't you be exempting diesel for farmers?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:58): As I have said on a number of occasions, the government will be announcing the details of its carbon package on Sunday. I will say this: Mr Abbott at least had a rare moment of honesty last night on the 7:30 Report when he acknowledged that the coalition's commitment, which is also to a five per cent reduction, will involve a cost to the budget—

Senator Joyce: Mr President, I rise on a point of order. The minister has confirmed that she is not prepared to answer the question, so everything she says from that
point forward is irrelevant and you should sit her down.

The PRESIDENT: That is not a point of order.

Senator WONG: It is unsurprising that Senator Joyce is embarrassed by his policy and embarrassed by the reminder that he also is in a party that supports a five per cent reduction by 2020. The only difference is that their policy will cost taxpayers money and will cost the budget money. Senator Joyce, this is some $30 billion out to 2020 to make a five per cent reduction. I would be interested to know from Senator Joyce whether farmers will be exempt from spending cuts or tax hikes to fund that policy. *(Time expired)*

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (14:58): This is a new form of question time where, apparently, the minister asks me questions! Mr President, I have a further supplementary question. Can the minister confirm whether interstate truck companies, which I know Senator Sterle will be very interested in, will pay a higher price for diesel under the carbon tax by reducing the fuel excise rebate they claim? How large will a transport company need to be before they are up for a higher diesel price under the carbon tax?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:58): I am afraid I was not able to hear the person's name to whom Senator Joyce was quoting—

Senator Conroy: He usually quotes himself!

The PRESIDENT: Senator Joyce, do you have a point of order?

Senator Joyce: The person I was quoting was Senator Sterle. He is just behind you. He was in the Transport Workers Union—

The PRESIDENT: Senator Joyce, resume your seat. Senator Wong, continue.

Senator WONG: The government has made clear that families, tradies and small business will not pay a carbon price on petrol—not now, nor in the future. In relation to other aspects of the package, including—

Senator Joyce: Mr President, I rise on a point of order on relevance. This question is absolutely about interstate truck companies and whether they will pay a higher price for diesel. I do not know whether the minister intends to answer that question or whether she does not intend to answer that question.

The PRESIDENT: That is not part of a point of order. You did take a point of order. The minister has 30 seconds remaining to address the question that has been asked. Minister, you have 30 seconds now remaining on the clock.

Senator WONG: What I was trying to assist Senator Joyce with was what the government has made clear, which is that families, tradies and small businesses will not pay a carbon price on petrol—not now or in the future—and that is a commitment relating to petrol, diesel and LPG for passenger motor vehicles and light commercial vehicles. The Prime Minister has outlined the reasons why. But, in relation to further details, obviously these will be available after the government has announced them. *(Time expired)*

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Forestry

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (15.01): Mr Deputy President, I take the opportunity to congratulate you. I
think this is the first time I have addressed you in your new role.

On 4 July 2011 I undertook to provide additional information on questions by Senator Milne about government funding for Aprin Logging to acquire the Triabunna Woodchip Mill from Gunns Ltd. The Australian government has not been approached about providing funding for the sale of the Triabunna mill. I am advised that a loan is under consideration by the Tasmanian Development Board, which was established by the Tasmanian government. The Australian government has not been involved in discussions with the Tasmanian government and individuals from Aprin Logging. Questions about any potential loan arrangements should be addressed to the Tasmanian government. Finally, I am not aware of any requests for funding from the Australian government. They can, like any entity, lodge applications under relevant government programs, should they meet eligibility criteria.

**ANSWERS TO QUESTIONS ON NOTICE**

**Superannuation (Question No. 598)**

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (15:02): I have, and I assume Senator Cormann is going to raise this, an answer to question No. 598, given on 15 April. Senator Cormann did notify my office and I have spoken to Minister Shorten's office. I assume this is the matter he is raising. Firstly, I apologise on behalf of Minister Shorten's office. The answer should have been provided but, inadvertently, has not been. I seek leave to have the answer incorporated in *Hansard*.

Leave granted.

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The answer read as follows—

**TREASURY**

**SENATE QUESTION**

Notice Given: 15 April 2011

(Question No. 598)

Senator Cormann: To ask the Minister representing the Minister for Financial Services and Superannuation—

(1) 'How many applications have been received by the Minister for grants of financial assistance under Part 23 of the Superannuation Industry (Supervision) Act 1993, in each of the following financial years:

(a) 2007-08;
(b) 2008-09;
(c) 2009-10; and
(d) 2010-11 (to date).

(2) In each of these years, how many applications were approved and how many were rejected.

(3) For each case in which a grant of financial assistance was made, can the following details be provided:

(a) the actual amount of the eligible loss claimed;
(b) the actual amount of the financial assistance granted and paid;
(c) the name of each entity or person to whom the financial assistance was paid; and
(d) the name of each entity or person whose actions were responsible for the accrual of the eligible loss.

**ANSWER**

Senator Sherry: The Minister for Financial Services and Superannuation has provided the following answer to the honourable senator's question.

Questions One and Two.

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*Original application did not provide sufficient information and was not pursued further by the applicant.

Question Three.

One grant of financial assistance has been made in 2010-11. The details requested are provided below.

(a) The actual amount of the eligible loss claimed was $54,994,079.

(b) The Minister for Financial Services and Superannuation made a determination on 13 April 2011 under Part 23 of the Superannuation Industry (Supervision) Act 1993 to grant an amount of financial assistance of $54,994,079.

(c) The financial assistance was granted to ACT Super Management Pty Limited (as acting trustee of the Astarra Superannuation Plan, the Astatta Personal Pension Plan, the My Retirement Plan and the Employers Federation of NSW Superannuation Plan).

(d) Investigations by the regulators into Trio Capital Limited and the events leading up to the losses incurred by the superannuation funds are continuing.

**Question Nos 437, 541, 601, 603, 604, 605, 606 and 607**

Senator CORMANN (Western Australia) (15:03): Mr Deputy President, this is my first opportunity to congratulate you on your ascension to high office. My best wishes in the role.

Pursuant to standing order 74(5), I ask the Minister representing the Treasurer for an explanation as to why an answer has not been provided to: question on notice No. 437, regarding how much of the stimulus package remains to be spent in 2010-11, 2011-12 and 2012-13; question on notice No. 541, regarding the now failed health proposal, which was based on taking $50 billion worth of GST revenue away from the states; question on notice No. 601, regarding the proposed mineral resource rent tax, which was asked on 15 April; question on notice No. 603, regarding the impact of a proposed carbon price on farming land, which was asked on 19 April 2011; question on notice No. 604, regarding the impact of a proposed carbon price on employment in the food production industry, asked on 19 April 2011; and question Nos 605, 606 and 607, all asked on 19 April, in relation to the impact of a proposed carbon price on employment in the mining and minerals exploration industries, the impact of a proposed carbon price on the steel industry and the impact of a proposed carbon price in the tourism and hospitality industries.

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:04): Thank you to Senator Cormann for advising my office prior to asking the question. However, I note that we were faxed his letter at 2.19. In that time frame, I attempted to get some additional answers on these questions prior to the conclusion of question time. I regret I am not in a position to provide those immediately, but I will certainly be making inquiries of the Treasurer as soon as I am able.

A number of questions by Senator Cormann were asked previously, and I just make the point that quite a number of questions on notice have been responded to subsequent to those issues being raised, obviously in the context of Senate estimates. My recollection is that on the last occasion I indicated there were some 844 questions asked of Treasury and, at that time—it was some time ago—all but 55 had been responded to. I understand a significant number more have been finalised since that time. But, as I said to Senator Cormann, through you, Mr Deputy President, I will endeavour to get a response from the Treasurer as soon as I am able to.

Senator CORMANN (Western Australia) (15:05): I move:
That the Senate take note of the Minister's explanation.

The Treasurer is treating the Senate with absolute contempt. We have a question here which has been on the Notice Paper. These are not questions from estimates, Minister; these are questions which were put on the Senate Notice Paper. One question here, in relation to how much of the stimulus package remains to be spent in the financial years 2010-11, 2011-12 and 2012-13, has been on the Notice Paper not for 30 days, 40 days, 50 days or 60 days; it has been on the Notice Paper for more than 115 days.

I have written to the minister about this twice now. I signed the letter to the minister first thing this morning, so I apologise if it went through later in the day. But I wrote to the minister back on 25 May asking why all these questions, some of which have been on the Notice Paper since 11 March 2011, had not been answered. These are pretty straightforward questions, such as: how much of the stimulus package remains to be spent?

We have a Treasurer who has delivered four successive deficit budgets. We have a Treasurer who has taken a budget that was in surplus, had no government net debt and was in very good shape and given Australia a budget of four successive deficits, including two of the highest deficits in the history of the Commonwealth—a $55 billion deficit in 2009-10 and a $50 billion deficit last financial year. And there will be a $22.3 billion deficit this financial year. We have a Treasurer who has made a complete mess of our public finances. We have a Treasurer who has imposed more than $46 billion worth of new taxes in the first four budgets he has presided over. We have a Treasurer who has created $107 billion worth of new government net debt, after he inherited no government net debt. We have a Treasurer who sought to get from the states and territories, at the expense of the states and territories, $50 billion worth of GST revenue to prop up the government's finances. Yet this Treasurer is not capable of providing an answer to a very basic question: how much of the stimulus spending remains unspent?

The finance minister says that this is a government that, supposedly, is being fiscally prudent and is sticking to very tight fiscal targets and restraining its spending growth, because spending growth over the current forward estimates remains below two per cent. What the finance minister of course does not tell us is that over the last two years spending in real terms went up by 17 per cent. Under this government over the last two financial years, spending went up by 17 per cent. We were told that that was based on the fiscal stimulus—on the fact that we needed to spend more to keep Australia out of an economic recession—but the minister is now using what were supposed to be crisis levels of spending as the new base for government spending moving forward.

I have to make a little observation here. One of the many promises broken by the Prime Minister is that she told Australia that under her leadership Australia would move forward. But my perception of Australia's current state is that it is like groundhog day: the things that we are talking about today are the things that were in a mess when the Prime Minister took over the government. At that time she said she would fix the mining tax, she would fix the carbon tax and she would fix the fiasco at our borders—but everything is still in a mess.

Here we have a whole series of questions in relation to the government's reckless and wasteful spending through the fiscal stimulus package, the government's failed attempt to take $50 billion worth of GST revenue away from the states and dress it up as health reform and the government's failed and bad
proposal to impose a massive new tax on the mining industry—an industry which is very important for our economic prosperity moving forward—and the government is incapable of providing straight answers to those simple questions. We get this from the government. Minister Wong herself was asked some very basic questions in question time today, and the record will show that the minister did not even try to get anywhere near answering the questions. But for the Treasurer of Australia to be so unaccountable to this parliament that he does not even respond at all to questions put on notice through the proper processes of the Senate is bordering on complete and utter arrogance.

This is a government led by a Prime Minister who promised that this would be a new era of openness and transparency; this is a government led by a Prime Minister who promised that she was going to let the sun shine in; and one of the most basic accountability mechanisms available to the Senate is not being observed. One of the most basic opportunities the parliament has to hold the government to account is to ask questions of the government, and we are entitled to expect timely and appropriate answers from the government.

The Treasurer is a repeat offender. Whenever he is in a sticky situation—whenever he wants to cover up one of his many failings; whenever he is embarrassed about the information that he might have to release—he will duck and weave and try to avoid it. He will do everything he can to avoid answering the question. But the Australian people deserve an answer to the very specific question of how much of the fiscal stimulus package remains unspent.

We have a government which is telling us that we need to have a mining tax, a carbon tax, a flood tax and a student tax. As soon as the Greens arrived here to support the government and the government knew it had the numbers in the Senate, in a flash they were here to get this student tax legislation, a $1 billion slug on students across Australia, back before the chamber. Students across Australia are being asked to pay the price for this government's reckless spending. The mining industry is being asked to pay the price for the government's fiscal recklessness. The government wants the states and territories to pay the price for this fiscal recklessness. Of course, generations of Australians to come will carry the burden of the fiscal recklessness of this government.

Senators on the Labor side of the chamber will go down in the history of Australia as having been the most reckless when it comes to looking after our public finances. We have seen record levels of debt and record levels of deficit and yet they are not prepared to answer some basic questions about it. We are in a situation where, over the current forward estimates, we—that is, Australia; this government—will be spending $26 billion just on interest to service the debts that this government has accumulated. Just imagine: $26 billion worth of payments on interest to service the debt that this government has accumulated. Why? Because this government cannot live within its means. This government is incapable of making responsible decisions when it comes to our spending and revenue arrangements.

We have Minister Wong out there again and again trying to tell the Australian people how Labor are now the most virtuous when it comes to fiscal responsibility. The minister keeps talking about an early surplus that will somehow come out of nowhere. I say to the government: you can keep talking about surpluses, but you will continue to deliver deficits. People across Australia know that Labor in government always makes a mess of our public finances and that it is always up to the coalition to come in after a period of
Labor in government to fix up the mess. That is what we did in the period between 1996 and 2007, and that is no doubt what we will have to do again when we get the opportunity from the Australian people to again take control of the financial mess that the Labor Party has left behind.

This is a pretty important issue that goes to accountability. If we cannot get any answers at all about some of these very core and fundamental issues, how are we expected to do our job here in the Senate on behalf of the Australian people? The Senate is entitled to get answers from the government—and now very specifically on the mining tax. I asked a pretty important question, dare I say, in relation to the mining tax. There was a recent Federal Court decision, Esso Australia Resources Pty Ltd v the Commissioner of Taxation, in 2011, which raises questions about how much revenue will be raised by the government in the context of the proposed minerals resource rent tax and the proposed onshore expansion of the petroleum resource rent tax.

I asked questions about whether Treasury had done any assessment or modelling to determine the impact of this decision on revenue implications for the government's minerals resource rent tax and asked: 'If so, please provide this assessment or modelling, please provide full details of the projected revenue implications; and, if not, why has it not been done?' That is a very reasonable question, particularly given that the government is basing the illusionary early surplus it claims for 2012-13 principally and nearly exclusively on the revenue that would come out of the proposed mining tax.

But this is, of course, one of the many fiscally irresponsible things that this government are doing. They are proposing a mining tax—which includes a minerals resource rent tax and a proposed expansion of the petroleum resource rent tax—which would raise a certain amount of revenue in the early stages but which will go down over time as the record levels of trade that we are experiencing at the moment go down to more normal levels, whereas the cost of all of the related measures that are linked to the tax, like the government's proposal to phase in an increase in compulsory super, will continue to increase. According to the government's own budget papers, the proposed increase in compulsory super to 12 per cent, once fully implemented—which will not be until 2019-20—will impose a cost on the budget of $3.6 billion. But do not take my word for it; that is the figure in the government's own budget papers—$3.6 billion once the government's proposal to increase compulsory super to 12 per cent is fully implemented.

That same year, according to Treasury modelling, the MRRT—the so-called proposed national profit based mining tax—is expected to raise $3 billion. So here we have the situation where in 2019-20 we have got $3 billion in revenue and one single measure that the government has attached to it as part of its so-called mining tax package will cost more in that financial year than the mining tax is supposed to raise in revenue. But we are expected to take the government on trust. We are expected to just sit back and accept that the government is not providing any answers to any of our questions. We have a situation here where the government is exposing Australia to another fiscal train wreck just because it is so focused on its political short-term interests. It is focused so much on creating this illusion of an early surplus that it is exposing Australia to another fiscal train wreck.

The structural deficit of the federal government will continue to worsen as a direct result of the mining tax that the government are putting forward; yet we are not supposed to get answers from the
government to the questions that we are asking. Towards the end of last year Treasury put out a paper to say that the federal government in Australia will be in a structural deficit position until 2019-20. That was in October-November last year. Treasury officials put out a paper to say that Australia will be in a structural deficit at a national level until 2019-20. And here we have the mining tax proposal which, on the basis of the government's own figures of $3 billion in revenue and $3.6 billion in expenses related to the proposal to increase compulsory super—without even talking about the proposal to action in the company tax or a whole range of other measures that are attached as part of the package—will clearly make that structural deficit worse.

Of course, that Treasury paper came out before we were told about the significant deterioration in our budget position, between the budget update towards the end of last year and when the budget was delivered. In the six months between MYEFO, the Mid-Year Economic and Fiscal Outlook, and the budget being delivered in May, the budget position for 2010-11 had deteriorated by $8½ billion. Before Christmas 2010 we were told that the deficit for 2010-11 would be $41.5 billion. Six months later it was nearly $50 billion. We were told before Christmas 2010 that the budget deficit for 2011-12 would be about $12.3 billion, but in the budget six months later we are told that it is going to be $22.3 billion—another deterioration of $10 billion. Then we are asked to believe that somehow in 2012-13 out of nowhere there is going to be this significant turnaround.

There has been a deterioration in every single budget before. Labor have delivered four deficit budgets in a row under Wayne Swan's stewardship as our Treasurer and delivered five deficit budgets before that under previous governments. But we are asked to believe that there is somehow going to be this significant turnaround in 2012-13. On the basis that the Treasurer is so reluctant to provide an answer to a basic question about how much money remains unspent from the stimulus package and that he is not prepared to give us an assessment of what the impact of that particular court decision that I quoted would be on the revenue from the proposed minerals resource rent tax package, I smell a rat. I think the Treasurer has something to hide. I think this government have something to hide.

This Treasurer has always got something to hide. This is a Treasurer that is never up-front. When he first came out with the revised mining tax proposal, he did not tell anyone. That was the one that was negotiated exclusively and in secret with the three biggest mining companies, excluding all of the competitors from the process. Everybody was surprised. Given all the changes that have been made between the resource super profits tax and the minerals resource rent tax, how come there is such a small fiscal impact? We were told only $1.5 billion in revenue was lost. The Treasurer never volunteered that there was a significant change in commodity price assumptions. The Treasurer never volunteered that until he was shamed into it, because the Treasury secretary let the cat out of the bag. Of course, ever since we have been trying to find out what the government's assumptions were to estimate the revenue from its proposed mining tax. Do you think we have got an answer about that? No. The Treasurer has a track record, again and again, whether it was in the past parliament when we were chasing information about assumptions around the modelling of the Carbon Pollution Reduction Scheme, whether it was in relation to assumptions used to estimate the revenue from the mining tax or whether it was around basic questions about how much remains unspent from the
stimulus package. This is not a Treasurer who knows how to be open and transparent.

Openness and transparency is in the national interest. Openness and transparency makes for better government. Secretive government, like we are getting from this government, makes for bad government. This is a shocking government. Whatever this government touch, they stuff up. The reason is that they cannot think things through, because they cannot afford to expose themselves to proper scrutiny. If they opened themselves up to questions put to them by the Senate, they would probably be a better government. There is a question mark around that, but at least there would be a chance that it would actually force them to think things through a bit more.

I think I have made my point. I can well understand—Senator Wong interjecting—Senator Cormann:

I can see that Senator Fifield would like a further explanation and I can well understand why Senator Wong would like me to finish, because Senator Wong is clearly as embarrassed as all of her colleagues on that side of the chamber about the parlous state of the public finances after four years of a Labor government. After four years of a Labor government, our public finances are in as bad a shape as they were when they last lost government. It is high time that there was a better government here in Australia. It is high time that Australians had a government that can bring back good financial and economic management.

The reason the government are incapable of answering questions properly is that they are worried about what the answers would reveal about their terribly incompetent way of managing our public finances. That is the reason why Wayne Swan is incapable, after 115 days, of answering a very basic question which goes to the core of the government's fiscal strategy, and that is: how much of the fiscal stimulus spending remains unspent? We need that information to be able to make a proper assessment of the fiscal strategy for Australia moving forward.

Senator Wong (South Australia—Minister for Finance and Deregulation) (15:25): That really was a very long rant, I have to say—not quite the stream of consciousness as in Senator Joyce's questions today. I will give Senator Cormann that. I shall attempt to respond to some of this—Senator Fifield: This is like a replay of Q&A.

Senator Wong: I do not think we will be answering some of the questions that we were asked on Q&A, Senator, but I will attempt to answer some of the erroneous propositions that Senator Cormann put forward, many of which had very little to do with the matter before the chamber. First, on the accountability question, the senator suggested, amongst many incorrect assertions, that the Treasurer had not made an effort to answer any questions. That is simply untrue. I have been in this chamber where I have outlined very many hundreds of questions asked of Treasury to which answers have been provided. I also explained to Senator Cormann that, for whatever reason—and I make no accusation around this; it may have been at our end—I was not made aware of the letter from him indicating that he would be questioning me, as the Minister representing the Treasurer, until the fax was received while question time was still proceeding. Hence, I indicated to him that I would obviously need some time to get a response from the Treasurer. Those are the facts as opposed to the rhetoric.

The second set of facts that go to Senator Cormann's comments is about the lack of
legitimacy that Senator Cormann has. Everyone who listens to this or watches this should be aware of that. The coalition have made it clear that they stand for smaller surpluses. Mr Hockey has said that they will run down the surplus, they will risk the surplus, in order to provide tax cuts. Another point that Senator Cormann does not talk about is that the coalition have a $10.6 billion black hole from their election policies, found by Treasury and Finance, which they have never filled, and they have simply added to it by their botched savings package for the flood tax and by their opposition to a range of savings measures the government have put up in this place. That is why there are those on the coalition side—and I would have thought that Senator Cormann should be one of those; he prides himself on being a fiscal conservative—who would understand the importance of the coalition voting responsibly and sensibly when it comes to savings measures. Previously in this place I have spoken about the comments made by Senator Minchin, which have been reported publicly, about the need, if the coalition oppose savings measures, to find other savings measures to respond to them, and I have also spoken about the fact that even coalition MPs are speaking publicly to the papers about the coalition's failure to be fiscally responsible and how it just does not stack up.

Every time Senator Cormann comes in here and attempts to give a speech, beating his chest about fiscal responsibility, what ought to be recalled is that his side stands for smaller surpluses—those are not my words; those are Mr Hockey's words. His side has a $10.6 billion black hole in its election policies, which was found by Treasury and Finance after the election had been finalised. That side is blocking savings measures, thereby imposing further costs on the budget, and that side has botched its savings package for the flood levy, also adding to its parlous fiscal position. As I said, I agree with the anonymous coalition MP who told the Adelaide Advertiser on 28 May:

'We can't keep agreeing with government spending measures and opposing savings and revenue measures and keep our financial credibility intact.'

I would suggest to Senator Cormann as one who is part of the economic team of the coalition that perhaps he should listen to whoever that, I suspect somewhat senior, anonymous MP speaking to the Advertiser was. I would make the point also that whenever the coalition come in here and talk about deficits—apart from the fact that they would have a bigger deficit and smaller surpluses—there is one glaring omission and that is the global financial crisis.

We as a government made the right economic call at that time, which was to ensure that the economy did not fall into recession. We did ensure that stimulus was put into the economy and that did impose a cost on public finances. That is the case. We are working our way through that to come out of it at the moment and we would welcome the coalition's assistance in that, but to ignore the global financial crisis, to ignore the 200,000 Australians who would have been in the unemployment queue if the government had not intervened and put stimulus in the economy is really not sensible economics. When Senator Cormann stands up in this place and bangs on about the very many things that over 20 minutes he banged on about, people should remember the coalition stands for higher deficits and smaller surpluses, as the shadow Treasurer said. The coalition wants to forget—

Senator Cormann: Not even you believe that.

Senator WONG: I will take that interjection. Senator, I do not need to believe
it; Mr Hockey said it. Mr Hockey said, 'We fund tax cuts through smaller surpluses.' You might not like that, Senator Cormann, but I would suggest that you should go into your shadow cabinet and perhaps explain to the shadow Treasurer that tax cuts have an impost on the budget. You might not like it, but interjecting at me across the chamber is not going to avoid the fact that that is what your shadow Treasurer said.

Senator Cormann interjecting—

Senator WONG: I end on this point—

The DEPUTY PRESIDENT: Order! Senators on my left.

Senator WONG: Senator Cormann always likes to bang on about the mining tax. There are a couple of things I find interesting about this. The first is this: one of the significant economic challenges that we have in this nation at the moment is that we are effectively exchanging a non-renewable capital asset for an income stream. That is what the sale of resources is. That side of politics would say that we do not deserve a better income stream for Australians is extraordinary. The second point that I always think is interesting is that Senator Cormann likes to rail against mining tax but only the federal one. He is very quiet if it is an increase in mining royalties proposed by a Liberal state government. All of a sudden the sovereign risk, the sky falling in and all of the calamitous things which will occur if there is a further tax imposition on mining go out the window if it happens to be a Liberal state government imposing it. That is an extraordinary double standard, Senator Cormann.

Senator MARSHALL (Victoria) (15:33): I would like to speak to this motion because Senator Cormann actually made the point in his rant that went for the full 20 minutes that if we as a government answered all of the opposition's questions, we would be a better government. Of course, the precondition that we would expect from the opposition is that the questions have some honesty to them and are not fabricated, not figments of their imagination and that they do not doctor the public record as their basis.

For example, we had the rather appalling question asked by Senator Bernardi today where he contrasted a quote from Senator Pratt to the announcement made by Prime Minister Gillard today and went on through his questions and supplementary questions to suggest that either Senator Pratt was misleading the parliament or Ms Gillard, the Prime Minister, was misleading the parliament. This was absolutely fabricated. It was a totally dishonest question put before this parliament because the quote that Senator Bernardi used from Senator Pratt's speech was this:

We also know that the government has committed to using every cent raised through putting a price on carbon to get our biggest polluters to pay for providing the household assistance to help with family budgets, …

In the Hansard there is a comma there. Senator Bernardi did not go on to say that Senator Pratt made more comments; he simply finished there with a full stop and then contrasted that with what Ms Gillard said in an attempt really to mislead the Senate and to misrepresent totally and maliciously Senator Pratt's position. Senator Pratt went on to say, after the comma:

… protect jobs and businesses as they make the transition to a clean energy economy, tackle climate change and invest in new clean technology.

That is where the full stop is. It is really very dishonest of any senator to come in here and take part of a single sentence and mis-represent the position of a senator in this place to try and pursue their own opposition to anything. It is an appalling position for any senator to do that and Senator Bernardi
really should come back into this chamber and apologise to Senator Pratt, because that is not behaviour we should expect from any senator.

We do not mind robust political debate but it really needs to be well grounded in some sort of fact and some sort of argument. Simply taking part of a sentence, using it to contrast with an announcement by the Prime Minister and then suggesting that Senator Pratt was misleading in this Senate in itself is a very dishonest act. Senator Bernardi should come in here and apologise. Senator Macdonald should come in and apologise too, because all through that he was interjecting in this chamber, suggesting to Senator Pratt that the Hansard does not lie. Of course, the Hansard does not lie but we know that lies were simply told about this process. Senator Macdonald should also come in here and apologise personally to Senator Pratt for the malicious and dishonest way in which he has attacked and misrepresented this senator. I look forward to that and I hope that those senators would have the decency to actually come in here and do that. I do hope they were handed that question by someone who is fairly low down on the food chain in the coalition tactics committee, because it would be even more disappointing if Senator Bernardi had come up with that question himself. That would really suggest just too much. I certainly hope that Senator Bernardi comes in and apologises and asks for an explanation from his own tactics committee as to why he was given such a dishonest question to ask in this place in Senate question time.

Question agreed to.

PERSONAL EXPLANATIONS

Senator PRATT (Western Australia) (15:38): I seek leave to make a brief personal explanation as I claim to have been misrepresented.

Leave granted.

Senator PRATT: Thank you, Mr Deputy President Parry, and congratulations on your appointment to the post. I did not call a point of order during question time because I did not have the Hansard in front of me, but I do believe that Senator Bernardi did misrepresent my statements during question time today and did mislead the Senate in doing so. I would like to thank Senator Marshall for also helping me clarify the record. I would like to read to the chamber what it was I did say:

We also know that the government has committed to using every cent raised through putting a price on carbon to get our biggest polluters to pay for providing the household assistance to help with family budgets, protect jobs and businesses as they make the transition to a clean energy economy, tackle climate change and invest in new, clean technology.

Senator Marshall's statement highlights how my statement has been misused and misrepresented. I would like to thank the chamber for its indulgence in making this explanation.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Live Animal Exports

Senator SCULLION (Northern Territory—Deputy Leader of The Nationals) (15:39): I move:

That the Senate take note of the answer given by the Minister for Agriculture, Fisheries and Forestry (Senator Ludwig) to a question without notice asked today.

I take this opportunity to congratulate you, Senator Parry, on your ascension to the deputy presidency. I know that on this side we consider it to be practice for the real job very shortly.

One of the questions I asked the minister was: what could Nico Botha do and what access to what programs would he have with
regard to him now having to shoot 200 animals every day until 3,000 animals have been culled? As part of the answer—I am sure the minister was not being glib about it—he said, 'We've referred this to Human Services and Centrelink are going to give him a call.' He would know from my question that I have done the arithmetic for him: it is some $125,000 in losses every day. Sadly the $5,000 that would be provided to Mr Botha would only just cover his bullets. It smacks of arrogance to simply say: 'We'll just ring Centrelink. It'll be all right.' It is a completely blinkered government that cannot understand the human tragedy that is happening out there in North Australia.

We now see this coupled so closely to animal welfare issues, the terrible irony that we were trying to prevent. The motive for that prevention was good, but the way this government has gone about it means it has completely and utterly bungled it. That is one demographic—that is, property owners right across North Australia. If that is the government's response, to 'ring Centrelink', I do not think any sort of comfort in the future for the amelioration of these decisions is going to be very satisfactory.

There is another demographic right across North Australia that are very close to my heart—that is, the Aboriginal Australians who are working on so many of these cattle stations across the country. I have spoken to them in Timber Creek, in Lake Nash, in Newcastle Waters and in Beetaloo recently. There are 7,000 Aboriginal participants across North Australia in this industry. Those 7,000 support nearly 17,000 people in extended families and communities that are absolutely dependent on this, ensuring they have pride because they are part of an extended family that earns their money instead of getting it off welfare, pride because they know the alternative is Centrelink. They do not like to have anything to do with Centrelink. They have moved away from that in the pastoral industry.

It is a great irony that they now own some 55 stations in the Northern Territory, 22 in Western Australia and six in North Queensland. They own them. They started out as the backbone of this industry. It is not the Kidmans of the world that developed the cattle industry; it was the Aboriginal stockmen, the Aboriginal managers. They are the backbone of and provide the framework for an industry that they have only recently, in historical times, had the opportunity to own. They own their own land, own their own cattle stations, provide for their own employment. They have some independence and some pride. They own a stake in their own business, a very important business, a business that has brought spin-offs for people who used to expect they would go on CDEP or expect that they would be intergenerationally poor. The expectation was they did not go to work, they went to Centrelink. But that cycle has been broken. They have ownership of their land and pride in how they can provide for their people and for their country. But the great sadness is this—they have asked me: 'What will I do? Where can I go?' I have said, 'I'm sorry, it's back to Centrelink.'

Here we have a government that has made a knee-jerk decision that has not only affected the pastoral industry and the people within it in a fiscal sense, but has also emasculated our First Australians. It has taken away those vestiges of pride they have worked so long to achieve. For the past couple of decades their plans have slowly come to fruition; they are slowly getting back to where they should be. They are so proud of the work they have done. They enjoy this work so much. If you ever want to see a bloke enjoying his job, who seeks for no more than to get up every day and work
on a pastoral station, talk to an Aboriginal stockman. They love their work. This government has said, 'Sorry about that.' Instead of putting people from welfare into employment, they have managed very well to take people from perfectly good jobs and stick them on welfare. (Time expired.)

Senator MARSHALL (Victoria) (15:44): Thank you, Deputy President Parry, and congratulations on your election to that position.

I do not think farmers, cattle producers or anyone involved in this industry wants cattle to be treated in the way we saw on Four Corners in Indonesia—or any other country, for that matter. I think they want action taken to ensure that the cattle are treated and slaughtered appropriately—that they do not go through undue pain and suffering in circumstances which I think appalled everybody that saw the footage on Four Corners. It is a terrible situation, but it is a situation where the government had to act.

It is a pretty easy target for the opposition simply to blame the government. Of course, from their point of view, the government is ultimately responsible for everything. That is what an opposition does. Often they will exaggerate things and make things up in order to make those points. That is unfortunate. This government is trying to work very hard with the industry and with Indonesia to ensure that we can get a resumption of the live cattle trade.

I had the opportunity to visit Egypt a number of years ago where we saw a closed-loop abattoir that took a long time to develop—four years—after the previous Howard government closed down the live trade to Egypt when there were similar concerns and public outrage about those issues. This government has acted in a very similar manner to the way the previous government acted with very similar circumstances. It took a long time to develop that. We do not believe we will take anywhere near as long as it took to reopen the trade with Egypt. They eventually got a closed-loop system, which is what we require with Indonesia.

We are confident that the work we are doing with Indonesia and with the industry will soon lead to the ability to reopen some of the trade. It is simply not enough to say that there are some abattoirs somewhere that will meet the international standards that we expect for our cattle to be slaughtered in Indonesia. You actually have to guarantee that when the cattle are shipped to Indonesia they are in a closed-loop situation where they can be tracked to ensure that they go to the international-standard abattoirs which they are expected to go to and not diverted to other places where the current practices which appalled everybody will continue to operate. That is what we need to avoid.

It is very disappointing that the live trade industry itself has seriously let down the farmers and cattle producers of this country. It was an industry that was aware for some time about some of the treatment that was occurring to the cattle. Instead of trying to address the issue in a long-term process—where we could get closed-loop systems, have appropriate standards and assist the Indonesians and work with them to achieve it—they simply continued to export cattle, with no regard for the way that they were treated and slaughtered. The live cattle trade industry itself has let down the cattle producers and the farmers of this country. And, of course, it has let down all Australians.

This is of interest to all Australians. We know that there has been an enormous public outcry. In fact, there is an enormous campaign to never reopen the live cattle trade, but this government is committed to it.
for many of the reasons that Senator Scullion identified. We accept those reasons are there. We accept that the livelihoods of many people, including Indigenous companies and stockmen, are reliant on this particular trade at this point in time. The government is moving to ensure that we get an adequate compensation package to address some of those issues.

Whenever a decision like this is made, it always has flow-on consequences, but the government was in a position where it needed to act and act quickly and responsibly in the best interests of the long-term trade. That is what people, I think, fail to understand: if we do not get this right, this trade will never reopen. Simply doing what the opposition says—ignoring the reality on the ground and simply reopening the trade without having the proper safeguards, the appropriate closed-loop systems in place—would jeopardise the longevity of this industry in the future. *(Time expired)*

**Senator BACK** *(Western Australia)* *(15:49)*: It is not unreasonable that Senator Marshall would not understand the industry, and the words he has used indicate very clearly that he does not understand the industry. It is my regret to have to quote from a letter from a young lady, Jess Sullivan, whose father, Rohan Sullivan of Cave Creek station, is the President of the Northern Territory Cattlemen's Association.

She said:

Yes the slaughtering was confronting, yes it was horrific, we don’t accept it, and we don’t condone it.

She goes on to say:

The Federal Government’s suspension of live export was a direct response to the reaction to the Four Corners program, and proof that agriculturalists were right to feel threatened and targeted by the ABC.

They were guests in her home, they were guests on the station. Her father appeared in the *Four Corners* program. She says:

I’m sure the program's makers were delighted with the interest sparked by their production, but the fallout caused by it? They cannot begin to imagine the damage they have caused. Maybe they knew that their ruthless journalism would crush my faith in the good of humanity. They exploited my family to lend their program a false ‘credibility’. But did they really mean to bring an entire industry to its knees, to put us at the mercy of a government whose knee-jerk response has all but destroyed Australia’s relationship with Indonesia? Or to impoverish families, some of who have now had no income since August last year? Was throwing hundreds of stations into an uncertain future, that could see three generations of some families lose everything, what they intended? Because, congratulations to them, that's what they have achieved.

Regrettably, that is what this government has achieved. We now see the shocking prospect starting tomorrow of up to 3,000 cattle on Moola Bulla station being destroyed. I hope nobody else in this chamber—I know there are one or two who have—is ever faced with the problem of having to shoot livestock. As a veterinarian associated with bushfires and other emergencies, I have. For those of you that do not understand the psychological impact that occurs to a person when they stand and shoot livestock, it is an horrific circumstance.

I feel greatly for that family on Moola Bulla and for the many other stations because these livestock now have no option but to be shot. They have no value in the south. It would be an animal welfare disaster for these cattle to be trucked to the south. They are too light for southern markets. It is too cold in the south for Bos indicus cattle to be brought down to the south. They will now go out onto the range lands and, as they get to 350 kilograms of body weight, they will be unsaleable. They cannot go away in a
month or two months time because they will be unsaleable. They are the 2010 calf drop. Their mothers are due to start calving now for this year’s calf drop.

If those cattle are not shot, what will happen to them? They cannot be brought south and they cannot be shipped to Indonesia. They will remain on the range lands on the stations. Their mothers, as I say, are starting to calve. That feed might not run out this year, but if we have a light rainfall year into the summer we will have no feed on the range lands this time next year. There will be more feed on this carpet than there will be on the range lands next year.

Why is Moola Bulla in this situation? Because one of the conditions of pastoral leases is that there be a certain stocking rate. If those cattle are not dispatched to Indonesia, if they are not sold off the place, then not only will the range lands be at risk from a natural environmental disaster but also they will be at risk from the animal welfare disaster of starvation. The pastoralists, if they are still on the stations, will themselves be in the circumstance of being in default under their pastoral leases.

As I made the point before, the pastoralists on leasehold land have no equity. They have no collateral to offer to a bank. If and when they walk off their stations, they will walk off with the shirts on their backs and what they can contain in their utilities because their livestock have got no value, their leased properties have got no value and, after generations, they will leave their places with nothing. That is what will happen. That is why I begged the Minister for Agriculture, Fisheries and Forestry not to completely suspend this trade. The door has now been locked. The door is closed and it is all up to the Indonesians. I know this was not the minister's intention, but it is an inevitable consequence of what happened. As this lass says, she bore witness to the lies of the ABC, who deliberately misquoted the man and made him look like a fool. The ABC has some responsibility in this, and this is not the last we will hear of the ABC. *Time expired*

**Senator BILYK** (Tasmania) (15:55): Mr Deputy President, this is the first opportunity I have had to publicly commend you on your election as Deputy President. As a fellow Tasmanian senator, albeit from the other side, I am sure you will represent not only Tasmania well but the whole of the Senate.

**Senator Fifield**: Only your mother could tell you apart.

**Senator BILYK**: That is a frightening thought, Senator. The government shares the concerns of Australians about animal welfare in the live export trade. We are taking all the necessary action we can to provide for a secure future for the live export trade, and that is important to remember. I can comprehend Senator Back’s very deep and angry concern, but we have to make sure this trade is ongoing for the future.

**Senator Fifield interjecting**—

**Senator BILYK**: Let me remind those opposite who are already starting to interject that they did have 11 years in government and they did nothing to help fix these issues, and I am sure they knew about them. On this side, we are committed to working alongside industry and alongside Indonesia to have trade recommence as soon as possible. It is not a decision the Minister for Agriculture, Fisheries and Forestry has taken lightly. I know those on the other side understand that, but they want to get a few political points out there, which is their game. That is what they do. They are in opposition; they oppose everything. It is a strange concept to oppose absolutely everything and to be so negative and so nay saying about everything.

However, concerns have been brought to light about this live export industry and those
concerns need to be sorted out. While we are working as quickly as possible to get the trade back up and running, it is important that those in the industry, who are doing it tough, are supported. We have offered some assistance measures for those affected.

Senator Brandis: You are driving hundreds of families into destitution, you fools.

Senator BILYK: Senators on the other side are interjecting. Senator Brandis, I have told you time and time again. Thirty three-year-olds can yell at me and I can still keep talking, so your over-the-top—

Senator Bob Brown: Mr Deputy President, on a point of order: that interjection from Senator Brandis, calling another senator a fool, is unparliamentary and should be withdrawn.

Senator Brandis: I was not calling Senator Bilyk a fool, Mr Deputy President. I was calling the Australian Labor Party collectively fools.

The DEPUTY PRESIDENT: Senator Brandis, interjections are disorderly. Do you wish to withdraw the statement?

Senator Brandis: I will not withdraw.

Senator Bob Brown: Mr Deputy President, I ask you to check the Hansard, see if Senator Brandis's submission to you was itself truthful and report back any ruling you might make on the Hansard record.

The DEPUTY PRESIDENT: Thank you, Senator Bob Brown. The matter has been taken on board and will be given to the President. The Hansard will need to be reviewed. If the President does have anything further to come back and indicate to the Senate, he will.

Senator BILYK: As I was saying, 30 three-year-olds can yell at me; I spent 12 years in the childcare industry, so your interjections just wash completely over me. I know you are childish on that side; I saw it all through question time yet again. You are like kids just before Christmas; the trees are under the present, but you are not allowed to open them, so you are getting a little bit tetchy about things. But there you go, that is how it is. As I was saying, if I could get back to the important issue at hand, I am a bit surprised by the two different—

The DEPUTY PRESIDENT: Thank you, Senator Kroger. That will be taken into account.

Senator Brandis: Mr Deputy President, I do not want to prolong this, but we have seen in the last six weeks Senator Bob Brown take a point of order that it is unparliamentary to accuse another senator of impertinence. Now we have seen Senator Brown take a point of order to say that it is unparliamentary for one senator to accuse the adverse side of the parliament of foolishness. I trust that, when the President reviews the Hansard, there will be a very lively concern about the importance of freedom of parliamentary expression. If ever there was one who was not in a position to call into question the right of other senators to be robustly critical of their political opponents, it is Senator Brown himself.

Senator Bob Brown: I ask you now to either rule on the admissibility of a debate as a point of order or to rule Senator Brandis's point of order out of order.

The DEPUTY PRESIDENT: Thank you, Senator Brown. The matter has been taken on board and will be given to the President. The Hansard will need to be reviewed. If the President does have anything further to come back and indicate to the Senate, he will.
Senator Heffernan: Mr Deputy President, I rise on a point of order. Presents are under the tree; the trees are not under the presents.

The DEPUTY PRESIDENT: That is not a point of order.

Senator Bilyk: I will take that correction. You are quite right, Senator Heffernan. Although, in some situations, the trees might be under the presents; you have got a few things all back to front over that side, so maybe that is happening too.

I am a bit surprised when I sit here and listen to the rants and the raves going on over there about this, because it would appear to me that there are two lines once again in the debate from those on the other side. We have heard Senator Back and other senators talk about the issues confronting people in regard to live export trade, but what do they want? Do they want animals to be subjected to cruelty? Are they only interested in providing a short-term fix, not a long-term sustainable solution for the industry? As I said, you did nothing to establish a sustainable live export trade in the 10 or 11 years you were in government. We have committed to carry out substantial reform in the way live exports operate.

These reforms will provide a framework for the industry to deliver internationally accepted animal welfare outcomes. This is not done overnight. It is a difficult, complex set of issues, which, as I have said, the government is working methodically through. We are not putting up a three-word slogan, as is often done by the other side. No, we have asked Mr Farmer to examine each stage of the supply chain, from paddock to the point of slaughter, for all markets that receive Australian livestock, and that review— (Time expired)

Senator Heffernan (New South Wales) (16:02): In five minutes I probably will not get there. The first thing I would like to do is table a document on the impact of the suspension on the live trade to Indonesia, which is out of the working group, with the permission of the—

The DEPUTY PRESIDENT: Senator Heffernan, are you seeking leave to table it?

Senator Heffernan: I am.

Leave granted.

Senator Heffernan: I would also like to indicate that, because of the sensitivity of this document, I will table it in a couple of days, with the permission of the government.

Senator Bob Brown: Mr Deputy President, I wonder if Senator Heffernan, in seeking to table the document, would be good enough to extend a copy of it to the Greens and the Independents as well.

The DEPUTY PRESIDENT: There is no point of order. The document is now public; it has been tabled by leave.

Senator Bob Brown: Senator Heffernan indicated, in relation to the very thick document there, that he will seek to have it tabled.

The DEPUTY PRESIDENT: Senator Brown, you sought a point of order; it was not a point of order. You could have denied leave. Leave was granted. Senator Heffernan had leave.

Senator Bob Brown: I have a new point of order. In relation to the second document that Senator Heffernan has, he has indicated that he will seek permission to table that some days time. I am just asking that it be circulated to the crossbenchers as well.

The DEPUTY PRESIDENT: It is a courtesy and a common practice, which Senator Heffernan would realise.

Senator Heffernan: For those who did not know: in 1988 we exported 81,000
cattle. The cattle trade to Indonesia, or the live export trade, peaked in 2002, with 955,000 cattle. Last year, we exported 821,000. In the 1990-2010 period, Indonesia took 48 per cent of our live cattle exports; the Philippines took 16 per cent; Egypt, eight per cent; Malaysia, seven per cent; and then there are lesser amounts. In the period 2000-10, that was up for Indonesia, to 57 per cent; the Philippines dropped to eight per cent; Egypt dropped to seven per cent; and Malaysia dropped to six per cent.

Can I declare an interest. I have actually shot cattle in a drought situation. I have to tell you that it is not a very nice thing to go through, and I regret, if that is going to happen at Moola Bulla, that there is not another way out. I shot cattle. I went down to save the cows. I shot all the calves. But I did not shoot them all. I could not get through them all. It was too much. I drove out of the paddock and I thought, 'No, I am not going to do this anymore.' I had the rifle under the seat of the car. I opened the gate, then shut the gate. I thought, 'Shit, did I unload the rifle?' I pulled the trigger, and the bullet went out through the door. That is what it does to you. I have experienced that.

Obviously the Indonesian government has said, 'The ball is in your court,' with the letter that Elders and others have got. They are saying they are not going to issue the permits unless we issue the authorisations for export. We could fill 50 per cent. We are talking about abattoirs up there as good as the Wagga abattoirs that kill 1,000 a day. Then you have a whole lot of abattoirs that kill one or two a day, which are never going to be conformist. If we allocated the cattle with NLIS—and I am pleased that the MLA and the Northern Territory cattlemen have learnt the hard way, because for some years I have been trying to convince them that the loophole we have in our NLI system should have been filled. In these regrettable circumstances, now they have agreed to fill it.

When Moola Bulla was a Great Southern cattle property, which was sold to this man from South Africa, it was one of the greatest in that region. I will not nominate the properties—because of the lack of NLIS tags requirement from property of origin direct on the ship, there was a huge cattle-thefting operation there, and the victims were the investors in the Great Southern MIS. Indonesia is waiting on us to do something. Elders have an abattoir which, as I say, is as good as any abattoir in Australia, and they are waiting up there for the cattle to keep coming. They are killing cattle there now, but they will not have a continuum. We have an industry in Darwin that has gone from $1.95 per kilo—and the only live export market out of Darwin at the moment is the Philippines—to $1.40. It has dropped 60c a kilo. I should not name particular companies, but the consolidation of meat processing and the shutting down of a place such as Beef City in Queensland is all about the parity of the dollar, and multinational companies will now fill the Japanese market with boxed meat from America instead of boxed meat from Australia. This will mean even greater pressure on the industry, and it is in the interests of the profitability of Beef City JBS Swift, a family company from Brazil with a sovereign guarantee, to forget about exporting Australian boxed beef cattle to Japan and instead source it from America.

These are further challenges that the cattle industry faces, but we can fix these problems tomorrow morning by exporting NLIS cattle, which are tagged and could go into, for instance, an Elders abattoir in Indonesia, which is as good as an Australian abattoir. By doing so, we could probably maintain 50 per cent of our trade—and we are talking about 57 per cent of our total live export trade, so it is a dire circumstance. It is
difficult for people to understand that no farmer wants cattle treated the way they were seen being treated on the telly, because we have seen a perfect political ambush of the industry: Animals Australia and the RSPCA knew about this last year and did not tell us or the industry. (Time expired)

Question agreed to.

NOTICES

Presentation

Senator BOB BROWN: To move:
That—
(a) the questions in question time be allocated on an equal basis to all members, including the first question; and
(b) an exception be made where any senator, or party, including the Government, ask the President for a less than equal allocation.

Senator SHERRY: To move:
That the following drafts settled with state/territory officials be referred to the Economics Legislation Committee for inquiry and report by 15 August 2011:

Business Names Registration Bill 2011
Business Names Registration (Fees) Bill 2011.

Senator BACK: To move:
That the following matter be referred to the Community Affairs References Committee for inquiry and report by 22 September 2011:
A review of the Professional Services Review (PSR) Scheme provided for under the Health Insurance Act 1973 (the Act) which is responsible for reviewing and investigating the provision of Medicare or Pharmaceutical Benefits Scheme services by health professionals, with particular reference to:
(a) the structure and composition of the PSR, including:
(i) criteria for selection of the executive and constituent members encompassing their experience in administrative review proceedings,
(ii) the role of specialist health professionals in assisting in cases where members lack relevant specialist expertise, and
(iii) accountability of all parties under the Act;
(b) current operating procedures and processes used to guide committees in reviewing cases;
(c) procedures for investigating alleged breaches under the Act;
(d) pathways available to practitioners or health professionals under review to respond to any alleged breach;
(e) the appropriateness of the appeals process; and
(f) any other related matter.

Senator SIEWERT:
Senator LUDLAM: To move:
That the Senate—
(a) condemns the heavy handed tactics of the Western Australian Government which has instructed Western Australian police to forcibly remove locals from the road blockade at James Price Point, arresting elderly women, traditional owners and custodians;
(b) acknowledges the concern in the Broome community about the regional impact of the Browse development at James Price Point; and
(c) calls on the Minister for Sustainability, Environment, Water, Population and Communities (Mr Burke) to:
(i) withdraw his decision to allow clearing to take place as an uncontrolled action before the heritage and environmental assessments have been completed,
(ii) undertake an environmental assessment of the clearing activity,
(iii) accept and table a petition of 3 000 local people opposing the development, and
(iv) undertake immediate consultation with the Broome community.

Senator LUDLAM: To move:
That the Criminal Code Amendment (Cluster Munitions Prohibition) Bill 2010 be referred to the Joint Standing Committee on Treaties for inquiry and report by 7 September 2011.
Senator HEFFERNAN: To move:

That—

(a) the following matter be referred to the Rural Affairs and Transport References Committee for inquiry and report by 30 November 2011:

An examination of the Foreign Investment Review Board (FIRB) National Interest Test (the test), including:

(i) how the test was applied to purchases of Australian agricultural land by foreign companies, foreign sovereign funds and other entities in the past 12 months,

(ii) how the test was applied to purchases of Australian agri-businesses by foreign companies, foreign sovereign funds and other entities in the past 12 months,

(iii) the role of the Government, regulators and receivers, including their obligations under the Corporations Act 2001 and the Foreign Acquisitions and Takeovers Act 1975, including the role of the Australian Securities and Investments Commission, in upholding the test,

(iv) the global food task and Australia's food security in the context of sovereignty, and

(v) the role of the foreign sovereign funds in acquiring Australian sovereign assets; and

(b) in conducting this inquiry, the committee should examine ways of improving the transparency of decisions made by the FIRB under the test and all other rules which govern its operation.

Senator BOB BROWN: To move:

That the Senate calls on the Government to hold an independent inquiry into any Australian involvement in the conduct of the Abu Ghraib prison in Baghdad from 2003, including knowledge of such involvement by the then Prime Minister or other ministers.

Senator BOB BROWN: To move:

That the Senate—

(a) notes:

(i) Sri Lanka's 'killing fields', which aired on Four Corners on Monday, 4 July 2011, is further shocking evidence supporting allegations of war crimes committed during the 2009 civil conflict in Sri Lanka, and

(ii) that British Prime Minister, Mr David Cameron, said in response to the program on 15 June 2011 that, 'the Sri Lankan Government needs that to be investigated, and the UN needs it to be investigated. We need to make sure that we get to the bottom of what happened, and that lessons are learned'; and

(b) urges the Australian Government to support an international call for an independent investigation into war crimes committed by both the Government of Sri Lanka and the Liberation Tigers of Tamil Eelam.

Postponement

The following items of business were postponed:

General business notice of motion no. 316 standing in the name of Senator Mason for today, relating to funding of non-government schools, postponed till August 2011.

MOTIONS

Tax Summit

Senator CORMANN (Western Australia) (16:11): I move that the Senate:

(a) notes the Government's decision to delay the tax summit from June 2011 to October 2011;

(b) considers that any genuine tax summit will properly review and report on Labor's proposals to introduce a national mining tax and a carbon tax; and

(c) decides that no legislation to impose a national mining tax or a carbon tax be considered by the Senate until after the October tax summit has reported.

Question put.

The Senate divided. [16:16]

(The PRESIDENT—Senator Hogg)

Ayes .................31
Noes .................35
Majority .............4

AYES

Adams, J
Bernardi, C

Back, CJ
Birmingham, SJ
AYES
Boswell, RLD
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Ferravanti-Wells, C
Fisher, M
Humphries, G
Joyce, B
Macdonald, ID
Mason, B
Parry, S
Sculion, NG
Xenophon, N
Boyce, SK
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Heffernan, W
Johnston, D
Kroger, H
Madigan, JJ
Payne, MA
Williams, JR (teller)

NOES
Arbib, MV
Bilyk, CL
Bishop, TM
Brown, RJ
Brown, RJ
Collins, JMA
Di Natale, R
Feneley, D
Gallacher, AM
Hogg, JJ
Ludwig, JW
Marshall, GM
McLachlan, J
Moore, CM
Pratt, LC
Singh, LM
Sterle, G
Urquhart, AE
Wright, PL
Bilsky, CL
Brown, CL
Cameron, DN
Crossin, P
Faulkner, J
Furner, ML
Hanson-Young, SC
Ludlam, S
Lundy, KA
McEwen, A (teller)
Milne, C
Polley, H
Rhiannon, L
Siewert, R
Stephens, U
Thistlethwaite, M
Waters, LJ

PAIRS
Abetz, E
Carr, KJ
Cooan, H
Conroy, SM
Nash, F
Evans, C
Ronaldson, M
Farrell, D
Ryan, SM
Wong, P

Question negatived.

Withdrawal
Senator SIEWERT (Western Australia—Australian Greens Whip) (16:20): Mr Deputy President, I wish to withdraw business of the Senate notice of motion No. 1 standing in my name.

COMMITTEES

Foreign Affairs, Defence and Trade References Committee
Reference
Senator XENOPHON (South Australia) (16:21): I seek leave to amend business of the Senate notice of motion No. 3 standing in my name for today.
Leave granted.
Senator XENOPHON: I move the motion as amended:
That the resolution of the Senate of 9 February 2011, relating to the terms of reference of the Foreign Affairs, Defence and Trade References Committee on the procurement procedures for defence capital projects, be amended as follows:
At the end of the motion, add:
(e) assess the effectiveness of the Defence Materiel Organisation, including:
(i) its role and functions,
(ii) its processes, management structure and staffing, in particular as compared to similar organisations in the United Kingdom, United States of America, Canada and other comparable jurisdictions and large Australian commercial enterprises,
(iii) its full costs, assessed against the timeliness and quality of its output and the service it provides to the Australian Defence Force, and
(iv) the extent to which it value-adds to national defence and to the long-term viability of Australian defence industries.
Question agreed to.

Education, Employment and Workplace Relations Legislation Committee
Reference
Senator McEWEN: At the request of Senator Marshall, I move:
That the provisions of the Safety, Rehabilitation and Compensation Amendment (Fair Protection for Firefighters) Bill 2011 be
referred to the Education, Employment and Workplace Relations Legislation Committee for inquiry and report by 15 September 2011.

Question agreed to.

**Migration Committee**

**Meeting**

Senator McEWEN: At the request of Senator Bilyk, I move:

That the Joint Standing Committee on Migration be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 17 August 2011, from 10.30 am to noon.

Question agreed to.

**Public Accounts and Audit Committee**

**Meeting**

Senator McEWEN: At the request of Senator Bishop, I move:

That the Joint Committee of Public Accounts and Audit be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 6 July 2011, from noon to 1 pm, to take evidence for the committee's inquiry into national funding agreements.

Question agreed to.

**Community Affairs Legislation Committee**

**Reporting Date**

Senator McEWEN: At the request of Senator Moore, I move:

That the time for the presentation of the report of the Community Affairs Legislation Committee on the 2011-12 budget estimates be extended to 7 July 2011.

Question agreed to.

**National Broadband Network Committee**

**Meeting**

Senator McEWEN: At the request of Senator Stephens, I move:

That the Joint Standing Committee on the National Broadband Network be authorised to:

(a) hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Tuesday, 5 July 2011, from 6 pm; and

(b) hold a public meeting during the sitting of the Senate on Tuesday, 5 July 2011, from 6.15 pm.

Question agreed to.

**BILLS**

**Migration Amendment (Declared Countries) Bill 2011**

**First Reading**

Senator HANSON-YOUNG: I move:

That the following bill be introduced: A Bill for an Act to amend the Migration Act 1958 in relation to the declaration of third countries for removal of offshore entry persons, and for related purposes.

Question agreed to.

Senator HANSON-YOUNG: I present the bill and move:

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

Question agreed to.

Bill read a first time.

**Second Reading**

Senator HANSON-YOUNG: I move:

That this bill be now read a second time.

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

Leave granted.

*The speech read as follows—*

The Migration Amendment (Declared Countries) Bill (No.2) 2011 seeks to amend the Migration Act 1958 to require that any agreement to send asylum seekers to a third country is brought before both houses of parliament as a disallowable instrument.

Currently under section 198A, an 'offshore entry person' may be taken to a declared country, whereby the minister may, but is not obliged to declare in writing that the specified country:
(i) provides access, for persons seeking asylum, to effective procedures for assessing their need for protection; and

(ii) provides protection for persons seeking asylum, pending determination of their refugee status; and

(iii) provides protection to persons who are given refugee status, pending their voluntary repatriation to their country of origin or resettlement in another country; and

(iv) meets relevant human rights standards in providing that protection.

While all ministers have discretionary powers within their portfolios to make decisions without the need to put something before parliament, any decision to export our international obligations onto another country, can hardly be argued as being discretionary. The very nature of the debate around whether Australia will send asylum seekers who have arrived by boat, seeking our protection, to a third country, be it Malaysia, Papua New Guinea, Manus Island or Nauru, should not be a decision left to the minister of the day.

The fact that previous declarations made for Nauru and Manus Island under the former Howard government were never made public, highlights the importance of this amendment, particularly when dealing with countries that have not signed or ratified the UN Convention on the Status of Refugees, or the UN Convention Against Torture.

Any discussion around the movement of asylum seekers within our region must focus on a genuine protection framework, working towards encouraging the countries of first asylum to sign and ratify the conventions on refugees and torture. While the Greens do not support any attempt to export those who have come to Australia seeking our protection to another country, this bill will ensure that both houses of parliament have the opportunity to debate whether or not it this approach acceptable, and to debate the impacts that any declaration would have on our international and domestic obligations.

It is clear that the act as it currently stands is inadequate when dealing with such an important issue. We cannot simply allow a decision that affects the lives of some of the world's most vulnerable to be left to the minister of the day, with no parliamentary scrutiny.

From human rights activists, legal experts, and members of the community to members of parliament, the proposal for a third country removal agreement has brought with it both concern and criticism.

More than 15 Australian refugee groups recently issued a joint statement condemning federal political leaders for arguing asylum seeker policy was a choice between reopening Nauru or a new detention centre in Malaysia. These groups, like the Australian Greens, condemn that policy, arguing neither is acceptable. The groups also said: 'The question Australian and international policy makers should focus on is not how to stop the boats but how refugees in Asia-Pacific can receive effective protection.'

This amendment to the Migration Act should not be considered controversial, but rather an essential part of our parliamentary process. Signing an agreement with another country to export people who have reached our shores seeking our protection, deserves proper parliamentary scrutiny and transparency, not simply an assurance from the minister of the day that the country in question ticks all the boxes laid out by the Australian government.

Any proposal where humans are exported to another country deserves proper scrutiny, and the Greens’ position on this is clear: we do not support sending people in need to a country where their rights and protection are not guaranteed. While this bill is not about preventing the government from engaging in international affairs, or overriding any attempt to negotiate a genuine regional protection framework, it is about acknowledging that any proposal of this nature is given the attention and debate it deserves.

I urge all sides of parliament to support this bill, and allow both Houses of parliament to appropriately scrutinise any proposed declaration to send asylum seekers who arrive in Australia to another country.

I commend this bill to the Senate.
Senator HANSON-YOUNG: I seek leave to continue my remarks later.

Leave granted; debate adjourned.

MOTIONS

Israel

Senator BOSWELL (Queensland) (16:25): I move:

That the Senate—

(a) condemns the boycott of Israel instigated by Marrickville Council—part of the Global Boycott Divestments and Sanctions—banning any links with Israeli organisations or organisations that support Israel and prohibiting any academic, government, sporting or cultural exchanges with Israel;

(b) acknowledges that Israel is a legitimate and democratic state and a good friend of Australia; and

(c) denounces the Israeli boycott by Marrickville Council and others, and condemns any expansion of it.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (16:25): I seek leave to move an amendment to that motion.

Leave granted.

Senator BOB BROWN: I thank the Senate and I move the following amendment:

Omit all words after "That", substitute, "the Senate recognises the rights of the people of Palestine and Israel to live together as self-governing states based on the 1967 borders.

For clarity, the motion would then read in its entirety:

That the Senate recognises the rights of the people of Palestine and Israel to live together as self-governing states based on the 1967 borders.

The DEPUTY PRESIDENT: It is relevant to the motion, Senator Joyce, but it does change the entire context of the motion. That is what the Senate will now vote on.

Question put:

That the amendment (Senator Brown's) be agreed to.

The Senate divided. [16:31]

(The Deputy PRESIDENT—Senator Parry) Ayes ...................... 9

Noes ...................... 33

Majority .................. 24

AYES

Brown, RJ

Hanson-Young, SC

Milne, C

Siewert, R (teller)

Wright, PL

NOES

Abetz, E

Bilyk, CL

Boyce, SK

Colbeck, R

Crossin, P

Furner, ML

Joyce, B

Ludwig, JW

Madigan, JJ

McKenzie, B

Moore, CM

Parry, S

Polley, H

Ryan, SM

Stephens, U

Thistlethwaite, M

Xenophon, N

Question negatived.

Senator XENOPHON (South Australia) (16:35): by leave—I indicate that I did not support the Greens' motion not because it did not have merit, because I believe it does in relation to going back to the 1967 borders, but because it would have wiped out Senator
Boswell's motion which condemned the boycott, and I thought that motion in itself is worthy with appropriate amendment. I indicate to Senator Brown and to the Australian Greens that, if there is a stand-alone motion that is repeated on the Notice Paper in relation to the 1967 borders about the states of Palestine and Israel, I would certainly be happy to support it. I also seek leave to move that an additional paragraph be added to the motion.

Leave granted.

**Senator XENOPHON:** I move:

After paragraph (c), insert:

(d) notes:

(i) the detrimental effect of the Israeli and Egyptian blockade in Gaza on the Palestinian people living in Gaza, and

(ii) that Australia is a good friend of the Palestinian territories and its people.

I seek leave to make a further one-minute explanation.

**The DEPUTY PRESIDENT:** Leave is granted for one minute.

**Senator XENOPHON:** I will need less than that, Mr Deputy President. This amendment to the motion is identical to an amendment which was supported by the coalition that I made to a motion in the Senate on 11 May 2011 that was moved by, I believe, Senator Abetz in similar terms. I seek the support of my colleagues, particularly those in the coalition who previously supported the identical amendment.

Question put:

That the amendment (Senator Xenophon's) be agreed to.

The Senate divided. [16:39]

(The Deputy PRESIDENT—Senator Parry)

Ayes..................10
Noes..................34
Majority................24

---

AYES

Brown, RJ
Hanson-Young, SC
Milne, C
Siewert, R (teller)
Wright, PL

NOES

Abetz, E
Bilyk, CL
Boyce, SK
Colbeck, R
Crossin, P
Furner, ML
Joyce, B
Ludwig, JW
McKenzie, B
Moore, CM
Parry, S
Polley, H
Ryan, SM
Singh, LM
Sterle, G
Urquhart, AE

Back, CJ
Boswell, RLD
Brown, CL
Cormann, M
Fifield, MP
Gallacher, AM
Kroger, H (teller)
Lundy, KA
McEwen, A
McLucas, J
Nash, F
Payne, MA
Pratt, LC
Scullion, NG
Stephens, U
Thistlethwaite, M
Williams, JR

Question negatived.

**Senator XENOPHON** (South Australia) (16:42): Mr Deputy President, I seek leave to make a short statement

**The DEPUTY PRESIDENT:** You are seeking leave to make a fairly short statement?

**Senator XENOPHON:** Just for a minute. Can I indicate that I will, with some reluctance, support Senator Boswell's motion because—

**The DEPUTY PRESIDENT:** Just one moment, Senator Xenophon. Leave was sought, and I am getting that leave is denied. Leave has been denied.

**Senator Cormann:** Who has denied leave?

**The DEPUTY PRESIDENT:** Senator Xenophon, leave has been denied to make a
short statement, so unless you are raising a point of order—

**Senator XENOPHON:** In that case I seek leave to make a long statement.

**The DEPUTY PRESIDENT:** There has been a reconsideration at this end of the chamber. I will ask the question again. Senator Xenophon has sought leave to make a short statement. Is leave granted? Leave has been granted for one minute, Senator Xenophon.

**Senator XENOPHON:** It was the threat of the long statement, Mr Deputy President! Can I indicate that I will support Senator Boswell’s motion with some reluctance. I do not support a boycott of Israel under any circumstances. I note, though, that Marrickville Council has sensibly overturned its previous motion in relation to this, which is welcome. But I am very disappointed that both the coalition and the government could not see fit to note the detrimental effect of the Israeli and Egyptian blockade on Gaza and the Palestinian people living in Gaza, and note that Australia is a good friend of the Palestinian territories and their people. I also note that the coalition did previously support this amendment, on 11 May. I support Senator Boswell’s motion but I am disappointed that the amendment was not supported. I have got 15 seconds to go; I will sit down now, Mr Deputy President.

Original question put:

That the motion (Senator Boswell’s) be agreed to.

The Senate divided. [16:46]

(The Deputy PRESIDENT—Senator Parry)

Ayes.................33
Noes.................9
Majority.............24

AYES

Bilyk, CL
Boyce, SK
Cormann, M
Fecney, D
Furner, ML
Joyce, B
Ludwig, JW
Madigan, JJ
McKenzie, B
Nash, F
Polley, H
Ryan, SM
Singh, LM
Sterle, G
Urquhart, AE
Xenophon, N

NOES

Brown, RJ
Hanson-Young, SC
Milne, C
Siewert, R (teller)
Wright, PL

Di Natale, R
Ludlam, L
Rhiannon, L
Waters, LJ

Question agreed to.

**Same-Sex Relationships**

**Senator HANSON-YOUNG** (South Australia) (16:48): I move:

That the Senate—

(a) notes that:

(i) the New York State Congress has legislated for marriage equality, and

(ii) in doing so, New York has joined the following states of the United States of America, Massachusetts, California, Connecticut, Iowa, Vermont, Washington DC and New Hampshire, along with more than 10 other nations;

(b) recognises that Australia is one of only a few democratic nations that does not provide same-sex couples with equal marriage rights; and

(c) calls on the Government to support marriage equality for all Australian citizens.

Question put.
The Senate divided. [16:50]

(The PRESIDENT—Senator Hogg)

Ayes.......................9
Noes.......................31
Majority..................22

AYES
Brown, RJ
Hanson-Young, SC
Milne, C
Siewert, R (teller)
Wright, PL

Di Natale, R
Ludlam, S
Rhiannon, L
Waters, LJ

NOES
Back, CJ
Bilyk, CL
Boswell, RLD
Cormann, M
Feeney, D
Furner, ML
Hogg, JJ
Kroger, H (teller)
Landy, KA
Marshall, GM
McLucas, J
Parry, S
Ryan, SM
Singh, LM
Sterle, G
Urquhart, AE
Xenophon, N

BILS

Bankruptcy Amendment (Exceptional Circumstances Exit Package) Bill 2011

First Reading

Senator XENOPHON: I move:

That the following bill be introduced: A Bill for an Act to amend the Bankruptcy Regulations 1996 in relation to the Exceptional Circumstances Exit Package, and for related purposes.

Question agreed to.

Senator XENOPHON: I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator XENOPHON (South Australia) (16:54): I move:

That this bill be now read a second time.

I seek leave to table an explanatory memorandum relating to the bill.

Leave granted.

Senator XENOPHON: I table an explanatory memorandum. I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

The Exceptional Circumstances Exit Package (EC Exit Package) was introduced in 2007 by the Howard Government to assist producers and irrigators in severe financial difficulty during the drought.

According to the website of the Department of Agriculture, Fisheries and Forestry (as at 04 July 2011), which administers the package, it is "designed to assist farmers who have a significant long-term personal and financial attachment to their property and choose to leave their long-term family farm".

Question negatived.

COMMITTEES

Community Affairs References Committee

Reporting Date

Senator SIEWERT: I move:

That the time for the presentation of reports of the Community Affairs References Committee be extended as follows:

(a) the funding and administration of mental health services in Australia—to 20 September 2011; and

(b) supply of Pharmaceutical Benefits Scheme medicines to remote area Aboriginal Health Services—to 11 October 2011.
Given this, it is vital that families who make the difficult decision to leave their farms — some of which have been in their family for generations — are able to fully utilise the money they receive under the package so they can start their new lives.

The Package consists of several components, including grants for Advice and Re-training and Relocation. The total value of the Package may be up to $150,000, and is taxable.

In the 2011-12 Budget, the EC Exit Package was extended for another 12 months, and is due to end on 30 June 2012.

However, there have been reports that farmers who have received the EC Exit Package have been threatened by creditors that they will have them declared bankrupt, seeking to capitalise on the funds they have received under the Package.

Under the provisions of this Bill, the EC Exit Package will be exempt from bankruptcy proceedings, so long as the final orders have not been made.

This is to ensure that the intention of the scheme is upheld: to assist farmers to leave their properties, to relocate and to retrain in new employment so they can continue to support themselves and their families.

Ultimately, the significant purpose of the EC Exit Package is to enable farmers who wish to leave the land with dignity to use the funds received under the Package to start afresh. This amendment will ensure that this can occur.

Senator XENOPHON: I seek leave to continue my remarks later.

Leave granted; debate adjourned.

MATTERS OF PUBLIC IMPORTANCE

Carbon Pricing

The PRESIDENT: I have received a letter from Senator Fifield proposing that a definite matter of public importance be submitted to the Senate for discussion, namely:

The Gillard government's continued determination to impose a carbon tax and put Australians under further cost of living pressures.

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

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

The PRESIDENT: I understand that informal arrangements have been made to allocate specific times to each of the speakers in today’s debate. With the concurrence of the Senate, I shall ask the clerks to set the clock accordingly.

Senator CORMANN (Western Australia) (16:55): It gives me great pleasure to speak to the matter of public importance proposed by Senator Fifield for discussion by the Senate:

The Gillard government's continued determination to impose a carbon tax and put Australians under further cost of living pressures.

The government's push to put a price on carbon on the basis that it would help reduce global greenhouse gas emissions is a very expensive hoax. This government has previously sought to mislead the Australian people and has previously sought to take advantage of the Australian people's goodwill towards the environment by trying to impose another cost, which will push up the cost of living.

This is a government which, in the lead-up to the 2007 election, supposedly was committed to doing things to address cost-of-living pressures. Ever since, the cost of living has gone up, up and up. We had the GroceryWatch fiasco and the Fuelwatch fiasco from this government. None of that worked. None of that was thought through. Australian families are dealing with very significant cost-of-living pressures, in particular because of the financial mismanagement of this government. The truth of the matter is that a carbon tax in Australia, in the absence of an appropriately comprehensive global agreement on price emissions, includ-
ing for trading competitors in other parts of the world, would push up the cost of everything. It would make us less competitive internationally—so it would cost jobs—and all of that without helping to reduce global greenhouse gas emissions.

In effect, the government is proposing to make overseas polluters more competitive than even the most environmentally efficient equivalent business in Australia. This is why it is a hoax. This is why the Carbon Pollution Reduction Scheme legislation was defeated in the Senate. Not only did the coalition vote against it, the Greens also voted against it, Senator Xenophon voted against it and Senator Fielding, as he then was, voted against it. Only the Australian Labor Party voted to push up the cost of everything to make us less competitive internationally, to put jobs at risk, to put our energy security at risk—and all of that without helping to reduce global greenhouse gas emissions.

The Minister for Finance and Deregulation, Senator Wong, today outrageously misled the Senate. I asked Senator Wong today why the government was proposing to exempt petrol but not electricity from the carbon tax. Electricity is a very important service for families and businesses across Australia and is responsible for significantly increasing cost-of-living pressures. The minister dishonestly read out a quote which she pretended was a quote from a speech that I had supposedly given to the Senate. The minister lied to this chamber. The minister misled the chamber.

The DEPUTY PRESIDENT: Order! Senator Cormann, you will have to withdraw that remark concerning the minister.

Senator CORMANN: I withdraw the reference to lying but I do seek an apology from Minister Wong, who no doubt deliberately misled—

The DEPUTY PRESIDENT: Senator Cormann, you have to completely withdraw the reference.

Senator CORMANN: I completely withdraw the reference.

The DEPUTY PRESIDENT: Thank you, Senator Cormann.

Senator CORMANN: I just point out what Senator Wong said I allegedly said in a speech in September 2007. Allegedly I said, 'This will be the most comprehensive ETS in the world, broader in coverage than any scheme currently operating anywhere; a world-leading scheme to cover 70 to 75 per cent of total emissions. By including large emitters alone, the scheme would cover 55 per cent of total emissions; however—and she said that this was the best bit out of my alleged speech—by including transport and other fuels the coverage of the scheme is significantly increased.' Minister Wong told the Senate only two hours ago that allegedly these are comments that I made in this chamber. I absolutely deny that I have ever said any such thing, so the minister should correct the record at the earliest opportunity.

Let me make the broader point: I actually happen to support effective action to reduce global greenhouse gas emissions. The coalition happens to support effective action to help reduce global greenhouse gas emissions but the government's carbon tax, the government's proposed emissions trading scheme, the government's proposed Carbon Pollution Reduction Scheme in the last parliament, are not effective strategies to help reduce global greenhouse gas emissions. The reason that they are not effective in helping to reduce global greenhouse gas emissions is that they move to reduce emissions in Australia in a way that will increase emissions in other parts of the world. This is where people across Australia are taken for fools. They are being asked to
make a sacrifice. They are being asked to pay more for electricity, they are being asked to pay more for food—they are being asked to pay more for everything, even though this government knows that it will not lead to a reduction in global greenhouse gas emissions. The reason it will not is the failure in Copenhagen to reach agreement between relevant countries around the world around schemes to price emissions.

The government's economic modelling assumed that a whole series of countries would have emissions trading schemes in place in 2010. The government assumed that Canada, Japan, the US, the Russian Federation, Bulgaria, Romania, Switzerland, the Ukraine, Iceland, Lichtenstein, Monaco—all of them—would have emissions trading schemes in place with similar policy settings as the emissions trading scheme then proposed here in Australia. Of course, none of them do. The government assumed that China would have an emissions trading scheme in place by 2015 and of course they will not.

I do refer the minister to some comments that I did make in my first speech, and I urge her to be more accurate and more precise in reading the comments that I have made in this chamber on this issue. This is what I said in my first speech in this place:

Climate change is a challenge we are facing as a global community. If we take a sensible and considered approach—

I emphasise 'considered approach'—to meeting that challenge, Australia can play a pivotal role in facilitating the production of clean energy for the world.

......

we are blessed with immense reserves of clean energy in the form of gas and uranium. No other place in the developed world has such reserves. Moreover, the growing bulk of this energy is being exported directly or indirectly in the form of processed resources to China, the epicentre of the world's growing energy challenge.

Our greatest possible contribution to addressing climate change is to export more energy. Each unit of clean energy exported from Australia reduces the consumption of less clean energy in China and elsewhere and, therefore, reduces greenhouse gas emissions.

That is actually something that would make a positive difference. It would help us to reduce global greenhouse gas emissions while also growing our economy in Australia. But it is actually something that would be harder under the government's scheme. If the government puts a price on carbon here in Australia when other comparable countries around the world do not, when our trading competitors do not, it will make it harder for us to attract investment to increase our energy production here in Australia. It will make it harder for us to maximise our opportunity from producing LNG, exporting it to China, Japan and other places, displacing coal in those markets and reducing emissions in the process.

What the government proposed to do was counterproductive then and it is still counter-productive now. It will be very interesting to see, given that the Greens voted against the Carbon Pollution Reduction Scheme because they shared our judgment that it was inadequate, whether and why the Greens take the view that this tax that is going to be announced on Sunday is going to be more adequate.

The government's modelling of all of this is also completely flawed. The government is not only inconsistent with all of this; the government is actually dishonest as well. In relation to the modelling of the impact of a price on carbon in Australia the Treasurer said that Treasury modelling showed that it would not have an impact on jobs. The Treasury modelling did not show anything of the sort. The Treasury modelling assumed it.
The Treasury modelling included a technical assumption that over the long run a price on carbon in Australia would not have an impact on employment. If you include an assumption in a model you cannot then turn around and say the modelling shows that. If you tell a model that jobs are not going to decrease, that jobs are going to continue to increase, that unemployment is not going to be impacted then it is entirely dishonest to turn around and say the modelling shows this. The other thing the modelling shows is that the government expects lower real wages as a result of the carbon tax. Lower real wages together with the increases in the cost of living as a result of this toxic tax are a very toxic combination, which is why the Gillard government stands condemned for its broken promise not to introduce a carbon tax under a government that Prime Minister Gillard leads.

Senator CAMERON (New South Wales) (17:05): I just find it absolutely hypocritical for Senator Cormann to come in here and complain about Senator Wong in question time when Senator Bernardi stood up and completely misrepresented in such a blatant way what Senator Pratt said in a speech here on Monday, 4 July. Senator Bernardi had the opportunity to apologise to Senator Pratt, because it was quite clear that Senator Marshall completely demolished what was being put. Senator Bernardi should be in here apologising to Senator Pratt for what he said. But it is typical of the coalition to come in here and misquote the reality. They take parts and extracts out from a speech. We can all do that. I have Senator Cormann's first speech in the Senate in front of me now, the speech that he just quoted from.

He quoted the start of the speech. What he did not do was to go on and say how much he supported a national emissions trading scheme in that speech. He said:

The government's recent announcement—

remember, this is the Howard government—of a national emissions trading scheme, including offsets for trade exposed industries, is a positive and sensible approach to addressing global warming.

He just goes in there, he picks little pieces out without giving the full picture of the backflip that he is involved in at the moment. It is a big backflip on his position at the moment.

And what did Sir Robert Menzies say about behaving like this? He said:

Nothing could be worse for democracy than to adopt the practice of permitting knowledge to be overthrown by ignorance.

Let me tell you, knowledge is being overthrown by ignorance every day of the week in the coalition. You only have to look at the Leader of the Opposition when he stands up and says every economist in the country has got it wrong. He goes on to say that every scientist in the country has got it wrong. What is happening on the other side of this chamber is anti-intellectual. It is all about short-termism, about short-term politics that will not last. It cannot last because they will be exposed for the misrepresentations they are putting forward.

When they talk about cost of living, again the hypocrisy from the coalition is huge. The coalition mounted the biggest attack ever on the cost of living of Australian workers when they introduced Work Choices. We know that Work Choices is on the rise again. We know that the Leader of the Opposition's trickery has been exposed by Peter Reith. The opposition leader was exposed for the trickery of promising Peter Reith that he would support him, and then doing a show-and-tell with Peter Reith's opponent and saying: 'I'm voting for you. Even though I asked Peter Reith to stand, I'm not going to be there for Peter Reith.' We saw the sort of trickery that is within the Leader of the
Opposition and we know that Peter Reith stood up and belled the cat. He said that Work Choices will come back. That is what is underpinning what Peter Reith is about.

And what about Work Choices? What about AWAs? In 2006 the majority of AWAs—89 per cent—removed basic award conditions; 70 per cent of the AWAs, which were the pride and joy of the Howard government, removed shift loadings; 68 per cent removed annual leave loadings; and 65 per cent removed penalty rates. Those opposite have the hide to come in here and argue that they are concerned about the cost of living for Australian families when they were ripping away shiftwork loadings, ripping away annual leave loadings and ripping away penalty rates. Sixty-three per cent of AWAs removed incentive based payments and bonuses; 61 per cent removed days to be substituted for public holidays; 56 per cent removed monetary allowances; 50 per cent removed public holiday payments; 49 per cent removed overtime loadings; 31 per cent removed rest breaks; and 25 per cent removed public holidays. That is the kind of consideration that the coalition has for the living standards of Australian workers. Get rid of their penalty rates, get rid of their shift loadings, get more industrial relations so-called ‘reform’ under the banner and say that this is flexibility. That is what happens to workers under coalition flexibility, and workers will soon understand that despite all of the arguments that are being put up by the Leader of the Opposition—that is, that he cares about working families and the forgotten few—he is all about returning to Work Choices. We know that is the position, and we know that is exactly what will happen.

Australia, in my view, does need to deal with global warming. What we are saying is that our position is far superior, and that is backed by every economist of note in this country. In fact, the coalition’s direct action policy has been costed by the Treasury to be $30 billion. Who is paying that? It is not the polluters who will pay; it is the taxpayer who has to find $30 billion for this nonsense of a policy that those opposite would put in place. A coalition government would then try to pick winners in the market. There will be no investment certainty for industry. A much-needed economic reform will be ignored and replaced by a stopgap political position. That is all it is, because there are many on the coalition side who know that the market approach is the best way. They understand how the market works, and they understand that the market approach is the best approach.

But the problem is that the extremists, the climate change deniers, are in control. It is the climate change deniers who will certainly be leading the charge for the coalition on this issue. We have a Leader of the Opposition who is one of the few leaders of any political party in the country, or in the world, who would meet with Lord Monckton. It is a bizarre position for someone who tries to say that they are concerned about the future of this country to meet with someone who is described as a bag carrier for Margaret Thatcher, who is described as someone who has absolutely no credibility in the UK. Lord Monckton has claimed he is a member of the House of Lords when he is not, he has claimed to be a Nobel laureate when he is not, he has claimed to have single-handedly won the Falklands War by persuading the British Army to use germ warfare on the Argentines and he has claimed to have invented a cure for Graves' disease, multiple sclerosis, influenza, food poisoning and HIV. That is the sort of people that the leader of the coalition is mixing with. Is there any doubt as to why his views would be so mixed up and so bizarre on these issues? I understand that Senator Cormann attended a
conference where Lord Monckton spoke. I am told that he actually stood in the queue to get Lord Monckton's autograph. He stood in the queue to get Lord Monckton's autograph! What a bizarre position for anyone who would try to claim some economic credibility or some credibility on climate change—to be queueing up to get Lord Monckton's autograph. Imagine doing that.

Senator Fifield interjecting—

Senator CAMERON: Coalition senators are now interjecting, because it is so embarrassing that you have got a coalition frontbencher queueing up to get Lord Monckton's autograph. That shows you the level of debate and the level of competence in the coalition. It is absolutely nil; it is zero. You have got no credibility at all. (Time expired)

Senator FIFIELD (Victoria—Manager of Opposition Business in the Senate) (17:14): Thank you, Acting Deputy President Ludlam.

Senator Cameron: If you had been there, you would have asked for his autograph as well.

Senator FIFIELD: I am certain that Senator Cameron has lined up for Hugo Chavez's autograph in his time.

At the outset can I say how delighted I am to see Senator Feeney rejoining his Labor Party colleagues. There was a very large picture in the Australian today of Senator Feeney as the 10th member of the Australian Greens. He had a big smile on his face, but I am sure he was a little distressed when he saw the paper.

Senator Feeney: My leadership skills are needed everywhere!

Senator FIFIELD: That is right, you are much in demand! It is, of course, that unholy alliance that we see on the other side of the chamber that brings us to this matter today:

The Gillard Government’s continued determination to impose a carbon tax and put Australians under further cost of living pressures.

The story of the carbon tax is really one of deceit, political incompetence, administrative incompetence, policy incompetence and a desire to avoid scrutiny. I think it is important that we start with deceit. It has almost become a cliche, but that does not take away from the outrageous nature of the statement of Julia Gillard before the last election, declaring—and let us say it again: 'There will be no carbon tax under a government I lead.' There were no ifs, there were no buts, there were no qualifications; it was meant to be taken as a statement of fact. I wonder how many Australians would have voted for the Australian Labor Party—

Senator Williams: A lot less.

Senator FIFIELD: A lot less would have voted for the Australian Labor Party if, before the election, Julia Gillard had said, 'There will be a carbon tax under a government I lead.' Because, if they heard those words, they would have been quite justified in thinking: 'Prices are going to go up; cost-of-living pressures will increase.' The result of the election could well have been different.

The Australian people were denied the opportunity at the last election to have a say on this particular policy. On this side of the chamber we have sought to provide a mechanism for the Australian people to have a say. We have proposed a bill for a plebiscite so that the Australian people can have their say. We think that that is an opportunity that the Australian Labor Party should embrace. If they really have the strength of their convictions, if they really believe in their policy, if they really believe in the rightness of their cause, then they should have no hesitation in putting it to the Australian people. In fact, they should relish the opportunity to argue their case in a
campaign before a plebiscite to convince the Australian people of the rightness of their cause. But they will not, because they know that the Australian people would reject that plebiscite. It is for the same reason that they failed to come clean with the Australian people at the last election, because they knew that the Australian public would reject the proposal for a carbon tax.

I also referred to political incompetence. It is bad enough that the Australian Labor Party lied to the people at an election, but you would think that they might at least have a political objective in mind. They might be sneaky, they might be tricky, but you might have thought that it was part of some grander political scheme, some grander political tactic to give effect to their policy. Yet, since the announcement of the proposal for a carbon tax we have seen the greatest display of political incompetence which you have to go a very long way back to find the equal of. The government has, time and again, said that this is a major economic reform. It is not. Economic reforms have a number of characteristics. They lighten the burden on business or they lift productivity or they see more people employed. This policy does none of those things, yet the government persists in saying that this is an economic reform and likening it to the introduction of the GST and the new tax system.

When the coalition sought to do real economic reform on the scale of the new tax system, we spent the year making the case for change. Then, after having done that, we then released a complete package accompanied by 500 fact sheets that provided answers to every question. People might not have liked the answers but at least there were answers. We released cameos for every household type to show the net benefit for every sort of Australian household. This government has not done that basic work. This government has not done—just look at it in terms of pure politics—what is the politically smart thing to do when you are prosecuting a case. When you want to make the case for change, you make the case for what is wrong then you present your solution and then you argue the solution. This government has comprehensively failed to do that.

This has also been an exercise in policy and administrative incompetence. We have heard the government declare—they have leaked out bit by bit, tiny bits of this policy—that petrol will not be subject to a carbon tax, that the carbon tax will not increase the cost of fuel for Australian motorists. But when you ask the government, 'Well, what will be the effect on small business?' they cannot tell you what small businesses might be in, what small businesses will be out. They cannot tell you whether farms will automatically qualify as a small business. They cannot tell you what will be the effect on major transport companies or what will be the effect on major trucking companies. These questions cannot be answered and yet they then have the temerity to accuse the opposition of running a scare campaign. Asking basic questions, asking legitimate questions of detail is not running a scare campaign; it is seeking information on behalf of the Australian public.

The government have declared, 'Trust us. At no stage will there be any effect on the price of petrol.' Very curiously, this government have announced a Productivity Commission inquiry into the taxation of petrol. Mr Acting Deputy President Ludlum, I know this is something that your party sought and I know why your party sought it—or I could hazard a guess. You would only propose a Productivity Commission inquiry into the taxation of petrol if you wanted the taxation of petrol to increase.
I do not believe for a second that this government will honour their commitment that petrol prices will not be affected by a carbon tax. The government lied about imposing a carbon tax in the first place, so why would we believe them on this? Let me be generous for a moment and assume that we can take the government at their word. Why have this Productivity Commission inquiry if the intention is not to increase fuel excise? The question that this government need to answer is: will they guarantee that the current rate of fuel excise will not increase under this current administration?

The government also need to answer the question: will the freeze on the automatic indexation of fuel excise, which the coalition government introduced, continue during the life of this government? The other question that the government have to answer is: will any fuel go up in price as a result of tax increases due to the government's response to the Productivity Commission inquiry? If the government cannot answer to each of those questions no, no and no then we know what the real agenda is. The real agenda of the Australian Labor Party and the Greens will be for petrol to go up in price. It may not be as a direct result of a carbon tax but, as sure as night follows day, the fuel excise will be increased. Automatic indexation: I would not be surprised if that made a comeback.

Australians are worried, genuinely worried, about cost-of-living increases because this government went to the last election declaring there will not be a carbon tax. Guess what? There is going to be a carbon tax. This government have said that petrol prices will not increase as a result of the carbon tax. It might not be because of a carbon tax; it may well be because of an increase in fuel excise. This government need to answer those three questions that I put today. This government stand condemned for their dishonesty. This government stands condemned for its attempts to evade scrutiny.

How curious it is that the government will release, we hope, the complete and final package two or three days after the parliament rises, as we enter the biggest parliamentary break of the year. There is only one reason for that: this government want to avoid scrutiny. The Australian public will see their tactic for what it is. The government should abandon this carbon tax and they should listen to the Australian people.

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (17:25): I rise in today's matters of public importance debate with great pleasure because there is no government which has done more to ease the cost-of-living pressures faced by Australians. In my contribution, I will highlight the significant policies and initiatives implemented by the Labor government to tackle cost-of-living pressures.

Whilst the Labor government has been steadfast in our commitment to support jobs and the Australian economy, this is not the case with those opposite. The biggest threat to jobs in Australia is the coalition. The biggest threat to the cost of living is the coalition. The biggest threat to the economy is the coalition, and it is because of their decision to refuse to tackle climate change in any real way.

The coalition policy of direct action poses a real threat to Australia by taxing Australian families. This is in stark contrast to the Labor government. We have been clear about our intention to tackle climate change and to place a price on carbon. A price on carbon is a price on pollution. The carbon price will mean Australia's 1,000 biggest polluters will be required to pay for every tonne of pollution they emit. As the government has
outlined, this is the most effective and cheapest way for us to build a clean energy economy.

It is important that those opposite take note of this as it goes right to the very heart of their ill-conceived MPI motion. All of the revenue raised from the carbon price will be used to provide households with fair and generous assistance to support jobs in the most affected industries and to invest in clean energy. I will go into further detail on the household assistance package later in my contribution but I want to come back to the point that, right from the beginning of our announcement that the Multi-Party Climate Change Committee would investigate placing a price on carbon, the government have consistently said that we would provide generous household assistance to offset any price increases incurred under a carbon price.

Whilst the Labor government have strongly committed to supporting households while we are taking action on climate change through our carbon price, this does stand in stark contrast to the direct action policy championed by Mr Abbott, the Liberal Party and the Nationals. The direct action policy will cost families, will hit the budget, is environmentally ineffective and is virtually friendless among economists and the business community. In fact, the Liberal Party's direct action plan will cost the average family $720 and will cost the budget over $30 billion. Figures show that the direct action policy would actually cost $30 billion, not the $10.5 billion claimed by those opposite. This means that when the direct action policy is fully implemented, the average Australian family would be $720 worse off under Mr Abbott's direct action policy—not to mention that the direct action policy is totally ineffective. Figures show that it is so environmentally ineffective it will not go anywhere near reaching the bipartisan target of minus five per cent. What we have with the direct action policy is that it will cost $30 billion, it will be the taxpayers who are left footing the bill, householders will not receive any assistance and it is totally environmentally ineffective. As highlighted by the Labor government, Mr Abbott's policy represents a climate change con job. This is hardly surprising, considering the Liberal Party is led by a man who does not believe in climate change and whose only political tactic is to oppose through dishonest scare campaigns and mindless negativity. Compare this to the Gillard Labor government. As I mentioned earlier, we have said right from our announcement that our intention is to put a price on carbon, and households will be generously assisted under our carbon price plan. The Prime Minister and the Treasurer will release further details of this assistance on the weekend.

We have already announced that all fuel, including petrol, diesel and LPG for passenger vehicles and light commercial vehicles, will not be subject to a carbon price. This is because the government is acutely aware that petrol and fuel costs are a major expense on the family budgets. Those opposite have spent months trying to convince Australians that petrol would be included as part of the carbon price. This was nothing more than fearmongering, a scare campaign of the highest order.

The government is also putting place generous household assistance to support Australian households. The Treasurer has already announced that about nine out of 10 households will receive some form of assistance through a combination of tax cuts and an increase in their pension or family payments or other forms of payments to help them with cost-of-living pressures. The vast majority of those households will not lose a cent because of the carbon price.
We are also introducing a buffer to further protect low-income earners. We will provide a safety net of 20 per cent to assist these low-income households. Over three million income earners will get a buffer of up to 20 per cent in tax cuts and payments over and above meeting the price impact of the carbon price.

We are also ensuring that self-funded retirees, who have worked hard all of their lives and provided for their own retirement, are supported through the transition to a carbon price. The government is acutely aware that a number of self-funded retirees have had a tough time in recent years with the impacts of the GFC on their retirement savings. So the government is providing financial help for around 280,000 self-funded retirees, equal to the extra payments that we are providing to pensioners, part-pensioners and carers.

We are implementing a comprehensive assistance package to support Australian families when the carbon price is implemented. This government has a strong track record of supporting Australians with cost-of-living pressures. Since coming to government in 2007, we have implemented a number of policy initiatives designed to reduce the cost-of-living pressures faced by Australians.

In order to support our families and ease this pressure on cost of living, the government is committed to returning the budget to surplus in 2012-13. Even as Australia experiences some devastating natural disasters, we remain committed to delivering this budget surplus, and we are on track to do so.

To ease the pressures on the cost of living for Australian families, Labor is first and foremost delivering a sound fiscal strategy. We have offset new spending to deliver savings that will hold the bottom line and combat any write-down in government revenue as a result of the high dollar. As part of this year's federal budget the Treasurer has announced that we will provide more tax assistance to Australian taxpayers on lower incomes. This will help encourage work and provide some modest help with cost-of-living pressures.

The government will increase the low-income tax offset from 50 per cent to 70 per cent. This will put something extra in the weekly pay packet—whilst it is a modest amount, we know that every little bit helps. The increase to the low-income tax offset will mean that someone with an annual income of $30,000 will get an extra $300 during the year in their regular pay.

When coming to office, we delivered the most significant pension reform since the introduction of the pension system 100 years ago. We gave over three million age pensioners, disability pensioners, carers, wife pensioners and veteran income support recipients increases in their pension payments. Since the reforms began, in September 2009, the pension has increased by $128 per fortnight for singles on the maximum rate and $116 for couples combined on the maximum rate. We have also changed the way the pension was indexed, to better keep pace with the cost-of-living pressures faced by those people on income support. Those opposite had over a decade to do something for age pensioners and they failed. They rode high on the economic boom, and failed to look after Australian pensioners.

This government has also increased the childcare rebate from 30 per cent to 50 per cent, to better keep in line with the rising costs of child care. As part of the budget, we announced changes to the way the childcare rebate payments are made. Parents now have the option of the rebate being paid directly to
the childcare service or direct to the parent, as well as a range of options as to when the rebate is paid, whether it is fortnightly, quarterly or yearly. We recognise that Australian families need more help with their childcare costs and we have acted to support them. The latest changes provide greater flexibility to better assist Australian families with cost-of-living pressures.

Time does not allow me to continue with the list of initiatives that the government has introduced to support Australian families, but let us be clear: the Labor government is delivering significant reforms to reduce cost-of-living pressures by also providing improved public services for the Australian people.

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (17:36): I rise to speak on the matter proposed for discussion by the coalition to the Senate today concerning the cost of living. Remember, prior to the 2007 election, that Mr Rudd said, 'I will put downward pressure on grocery costs,' just like he said, 'I will put downward pressure on fuel prices.' So we had Fuelwatch—about $13 million was wasted on that—and GroceryWatch. And, of course, the big cost to everyone is the interest rates that they have to pay on their home loans. There have been seven interest rate rises. Why? Because the government is stimulating the economy to the outrageous extent of borrowing money and spending it. We know about the waste of the programs: the pink batts program, Building the Education Revolution and Green Loans—what a farce the green loans were. So what is the biggest concern of the average Australian family, out there, working, today? The cost on their home loan. Seven interest rate rises—the next thing you know, we will be heading back to the days of the Keating administration, when Mr Keating was federal Treasurer and we were paying 25.25 per cent interest. Those were scary days. But the cost of living is going to go up because now we have a price on carbon being introduced. That is despite the promise which all of Australia has heard, time and time again: 'There will be no carbon tax under the government I lead.' That was the famous statement made by the Prime Minister. It was, of course, supported by the Deputy Prime Minister and federal Treasurer, Mr Swan. He said words to the effect, 'These are hysterical claims by the coalition,' during the election campaign, 'that somehow if we win government we will bring in a carbon tax.'

Well, the opposition at the time, the coalition, was correct—because now, this Sunday, we will get the details. We cannot get them this week while parliament is sitting! No, do not be scrutinised by the parliament! Wait until the long winter break when we all leave Canberra, and bring it out on Sunday! It must be all summarised; we are getting all the nice things about it, like no increase in the price of petrol. What about the diesel for the truckies? As I said earlier on in my speech today in this very chamber, in many, many country towns we do not have rail; everything comes in by road. If the price of diesel goes up for the truckies, the price of freight goes up for everything going into the towns: groceries, food, clothes, hardware—you name it; all of them will go up in price. That is another addition to the cost of living. And for what?

I must make this point: Senator Carol Brown, in speaking earlier on, said our policy, the direct action policy, is going to cost so much money. That is simply wrong. To get farmers to increase the carbon in our soil will cost virtually nothing because they are saving on the cost of fertiliser—$1,200 a tonne for DAP at the moment. That is where the saving is. More carbon, less fertiliser—
that is the incentive for farmers to increase their carbon.

Senator Carol Brown interjecting—

Senator WILLIAMS: I will run you through it, if you like, Senator Brown. Simply balance the magnesium and calcium in your soil, increase your microbe population and let nature do its job. And, for every one per cent by which you increase soil carbon, that is 50 tonnes of CO₂ into the soil. Do that over the 450 million hectares of Australia’s agricultural land by three per cent and you 100 per cent neutralise—not five per cent; 100 per cent neutralise—Australia’s emissions for more than 100 years. But, no; we want to go down the road of this $10 billion or in $11 billion tax—or whatever the figure is going to be; they will not tell us, Mr Acting Deputy President Ludlam. We will find out on Sunday when we are out of this place.

Compare that to Europe with its emissions trading scheme. Thirty countries in total are in the emissions trading scheme in Europe. Those 30 countries between them produce 14 per cent of the world’s greenhouse gases—10 times more than Australia, which produces 1.4 per cent. Those 30 countries combined in Europe produce 14 per cent. And what is the total cost of their emissions trading scheme? Five hundred million dollars a year over 5½ years. Compare that to Australia: $10 billion a year? If we get a $20 tax it is going to be $10 billion plus.

So we are going to tax 20 times more in Australia for 1.4 per cent of emissions, compared to those 30 countries in Europe that produce 14 per cent of emissions. Is that fair? Of course it is not fair. Then we will see it: if these businesses do not get financial relief, we will see them pack up and move overseas—the cement industry, the brick industry, the aluminium industry, the steel industry. We all know the cost of production in Australia and we know what will happen: they will be moved overseas.

And make no mistake about it: the carbon tax will add to the cost of living, as Professor Ross Garnaut, the climate change expert, said. The climate change expert—I do not know what he read; I mean, he is not a scientist himself, but he is such an expert on the climate! He is an economist, but he is a scientific expert! He is such an expert, he ran the idea past us that we should do away with our ruminants. Well, the government is already trying to do away with the cattle industry. We have seen the actions of the last two weeks that have now driven the price of cattle down 30c a kilo live-weight in every market in Australia; $120 to $150 a head. And tomorrow they start shooting cattle in Western Australia, which is an absolute disgrace. It brings back memories for me of the early nineties when I had to shoot 1,000 sheep, and it is not good fun, I can tell you. But that is now what is happening and this is what we are up against. So the idea was: do away with the cattle, and run—kangaroos!

Yes, that is Professor Garnaut's idea. I can just imagine it out there: forget your kelpies and your border collie sheepdogs—bring the greyhounds out to muster the kangaroos! What you do with them then, when you get them in a corner—I know what we used to do with them when we got them in a corner, but I won't repeat that here! Then we will process that, because the kangaroos are not ruminants. That is simply outrageous.

So to get back to the argument on the cost of living: let us take Qantas. What will Qantas do? They are not a small business, so they will not get exemption on fuel, going by what has been leaked to the media. Qantas will pass on the cost of the carbon tax to its passengers, the airline’s CEO, Alan Joyce, says. Mr Joyce says that a carbon price of between $20 a tonne and $30 a tonne would cost the company an estimated $100 million
a year and passengers about $6 on domestic flights. We cannot digest the full cost, he says. That is the point. You are going to tax the so-called polluters. Of course they are going to hand that on.

The Australian Trucking Association—what do they say? Two point six per cent of Australia's greenhouse gas emissions come from heavy vehicles. Every $10 carbon tax will add 2.7c a litre to the price of diesel. So, for each $25 of carbon tax, the price of diesel will increase by 6.75c per litre. Of course, the Greens will want to get more as far as dollars in the tax go. The beef industry is already suffering from the absolute mess this government has made of it and the total knee-jerk reaction of dropping the guillotine down on the whole export industry. The Cattle Council says that beef producers can expect to pay an extra $7,000 a year if fuel use in agriculture is hit with a carbon tax. The Cattle Council says that under a carbon tax price of $35 a tonne—and, remember, the Greens will be happy to see it at $100 a tonne—the average Australian beef producer would lose 11.7 per cent of their net farm income five years after the introduction of a carbon tax. This is just another slug for the beef industry, which employs over 120,000 people a year and contributes $7 billion annually to the economy.

What is going to happen to the brick industry and the cement industry? Brickworks Limited is a major manufacturer and employer in the building industry, operating 31 manufacturing sites nationally and employing around 1,500 people. They have already voluntarily reduced their CO₂ emissions by 30 per cent, but they believe they will be facing a combined income carbon tax of initially 45 per cent, climbing to 60 per cent. Several of their sites will become unsustainable and result in the loss of many jobs.

Whether or not we get this tax, which will add to the cost of living in Australia as Professor Garnaut has said, will come down to the votes of two Independents. The families will pay. It will come down to the Independent member for Lyne and the Independent member for New England. I suggest that Mr Oakeshott and Mr Windsor actually survey their electorates. We just had the results this week of Mr Windsor's survey of his electorate on same-sex marriage and various other issues. It was on everything but the carbon tax: taxes, euthanasia—you name it. But not the carbon tax. He claims he is the people's representative. Well, come Sunday, when the details are released, I look forward to surveying the seats of New England and Lyne and seeing what the people think.

Then, I will forward those results on to Mr Windsor, and we will actually see if he is the people's representative. He attacked us back in 2003, saying that there is nothing wrong with going along with what the people think; we are there to represent the people. Well, Mr Windsor, we will see, because I know from the literally hundreds of people I have spoken to, and the emails and the correspondence, that the people of New England are furious with this whole idea. They are absolutely furious, because they know it will do nothing for the economy as far as creating jobs, it will cost them a fortune and it will do absolutely nothing for the environment. We look forward to those surveys.

Senator FAULKNER (New South Wales) (17:46): The reason to act on climate change, the reason to have a carbon price, is because the earth is warming. And the fact that the earth is warming is not at issue. It is a 100 per cent absolute certainty. I have previously commended to senators, and I do so again, the reports of the Intergovernmental Panel on Climate Change and those
produced by our own scientists at the Bureau of Meteorology and the CSIRO.

The IPCC’s fourth assessment report finds that global warming is unequivocal. Further, the vast majority of the scientific community accepts that greenhouse gases resulting from human activity have been the main cause of global warming. The IPCC reports that emissions of greenhouse gases due to human activities have grown by 70 per cent between 1970 and 2004, and it states that most of the ‘observed increases in global temperatures since the mid 20th century are very likely to be as a result of human activities’. As far as Australia is concerned, the CSIRO and the Bureau of Meteorology have presented the most recent picture of our climate. Both these organisations have decades of experience observing and reporting on Australia’s weather and conducting atmospheric and marine research.

We hear an awful lot of hocus-pocus in the climate change debate, so what about some facts?

Fact: on temperature rises, the CSIRO and Bureau of Meteorology have observed that since 1960 the average temperature in Australia has increased by about 0.7 degrees. Whilst temperatures have varied in different locations, the overall long-term trend is clear and there can be no denying Australia has experienced warming over the past 50 years.

Fact: the number of days with record hot temperatures has increased each decade over the past half century. The decade 2000 to 2009 was Australia’s warmest on record.

Fact: according to the World Meteorological Organisation, last year, 2010, along with 2005 and 1998, were the warmest years on record globally.

Fact: the CSIRO and Bureau of Meteorology have also reported that the rate of sea level rise increased during the 20th century. From 1870 to 2007, the global average sea level rose by close to 200 millimetres.

Fact: over the period of 1993 to 2009 sea level rises have ranged between 1.5 to three millimetres per year in the south and east and seven to 10 millimetres per year in the north and west of Australia.

And, fact: these agencies have also reported that over the period of the last 50 years, the surface temperatures of the oceans around Australia have increased by about 0.4 degrees Celsius.

As for the future, the CSIRO and the Bureau of Meteorology have projected that Australian average temperatures are going to rise by 0.6 to 1.5 degrees Celsius by as soon as 2030. They have also said:

If global greenhouse gas emissions continue to grow at rates consistent with past trends, warming is projected to be in the range of 2.2 to 5.0 °C by 2070.

Now, I acknowledge that no-one can be certain about all the long-term impacts of climate change. But we do know without doubt that the risks are immense. And we know that, in the view of many experts, Australia, more so than other developed country, is particularly vulnerable to the negative consequences of climate change. There will be social impacts, there will be economic impacts and there will be environmental impacts. I believe that it is the responsibility of government to act in these circumstances. I do not come to this debate as a Johnny-come-lately. To a great deal of entrenched opposition at the time—not to mention rampant paranoia—I supported the adoption of a low-level carbon levy way back when I was Minister for the Environment, Sport and Territories during the years of the Keating government. I held the view then—and I remain committed to it now—that as a responsible member of the international community it is essential for
Australia to play its part in reducing global emissions. I have always hoped that our country, as a prosperous and intelligent nation, would be at the forefront of tackling this great challenge.

In many other countries governments of divergent political persuasions have resolved to play their part in reducing global emissions. Take Canada, like Australia a large country with high energy consumption, which has four of its 10 provinces—British Columbia, Manitoba, Ontario and Quebec—partnered in the Western Climate Initiative along with seven USA states. British Columbia has its own carbon tax, due to reach $30 a tonne of CO2 in 2012. Quebec has a carbon price on hydrocarbons. The European Union Emissions Trading Scheme commenced in 2005. Twenty-seven EU countries and three non-EU countries have entered into the scheme, which covers half the EU emissions. Some EU parliaments, of course, have also supported a levy on carbon.

Our New Zealand friends, in the words of their Prime Minister, have an ETS that works. I have to say we sure do have some catching up to do. The New Zealand ETS is a system where one New Zealand unit, or NZU, gives the right to emit one tonne of carbon dioxide. For example, companies that mine natural gas have to surrender NZUs to the government, whereas owners of forests that absorb greenhouse gases earn NZUs from the government.

I believe the Australian economy will be hurt and Australian jobs will be lost if we fail to put a price on carbon. I understand, hear and read that the government's two-stage plan for a carbon price mechanism, starting with a fixed price before transitioning to an emissions trading scheme, will be announced on Sunday. Consistent with my long-standing views, I for one will welcome it.

MINISTERIAL STATEMENTS

Air Safety

Senator FEENEY: On behalf of the Minister for Infrastructure and Transport, the Hon. Anthony Albanese MHR, I table a ministerial statement on aviation safety.

DOCUMENTS

Tabling

The ACTING DEPUTY PRESIDENT (Senator Ludlam): I present the following responses to Senate resolutions:

(a) from the Minister for School Education, Early Childhood and Youth (Mr Garrett) to a resolution of the Senate of 23 March 2011 concerning the Ai-Live system national pilot; and

(b) from the Minister for Foreign Affairs (Mr Rudd) to a resolution of the Senate of 11 May 2011 concerning Palestine and Israel.

Senator FEENEY: I table a document requested by the Senate on 21 June 2011 relating to a report by the Reserve Bank of Australia into bank fees and charges.

COMMITTEES

National Broadband Network Committee

Report


Leave granted.

Senator STEPHENS: I move:

That the Senate take note of the report.

Mr Acting Deputy President, I present the report of the Joint Committee on the National Broadband Network entitled An advisory report on the Telecommunications...
Legislation Amendment (Fibre Deployment) Bill 2011.

The issues presented to the committee during the inquiry provided an overview of industry and community views associated with possible enactment of the Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011. The inquiry was also a forum for receiving industry views on the government’s Fibre in New Developments policy which underpins the proposed legislation.

While the committee made a number of additional findings, the main provisions of the bill are supported by the majority of the committee. Where the committee found areas of dispute, these were less about the bill and more about the underlying policy that has led to this bill.

Major findings of the report include:

1. That NBN Co. put in place benchmarked internal customer service protocols in regard to the timeliness of the issuing of statements;

2. That NBN Co. commit to publishing its performance on the fibre rollout against specific timeframes and that these commitments be subject to regulatory oversight; and

3. That the government investigate the possible impact on risk premiums of regular changes in development regulations and install anticipatory and mitigation measures if required.

In relation to the bill’s possible impact on competition in the existing fibre provider market in new developments, the committee acknowledged the views put forward by industry groups. The industry groups highlighted the potential adverse impact that the government’s existing Fibre in New Developments policy may have for existing smaller fibre providers.

Some of these industry groups reported that they have lodged their concerns with the Australian government Competitive Neutrality Complaints Office. Taking into consideration the findings and recommendations of the Australian government’s Competitive Neutrality Complaints Office report when it is released, the committee believes the government should examine the competition issues put forward by the fibre providers and industry groups in the context of the rollout of the National Broadband Network with a view to rectifying, where possible, any potential adverse impact on competition. On the committee’s behalf, I thank those who contributed to the inquiry and I commend the report to the Senate. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Public Accounts and Audit Committee Report

Senator POLLEY (Tasmania—Deputy Government Whip in the Senate) (18:00): On behalf of the Joint Committee of Public Accounts and Audit, I present two reports of the committee as listed at item 12 on today’s Order of Business: Report 423: review of Auditor-General’s Reports Nos 39 (2009-10) to 15 (2010-11) and Report 424: eighth biannual hearing with the Commissioner of Taxation. I seek leave to move a motion in relation to the reports.

Leave granted.

Senator POLLEY: I move:

That the Senate take note of the reports.

I seek leave to incorporate tabling statements in Hansard.

Leave granted.

The statements read as follows—

Mr President, on behalf of the Joint Committee of Public Accounts and Audit, I present the Committee’s Report 423: Review of Auditor-General’s Reports Nos 39 (2009-10) to 15 (2010-11).

The Joint Committee of Public Accounts and Audit, as prescribed by its Act, examines all reports of the Auditor-General, and reports the results of the Committee’s deliberations to the Parliament.

This report details the findings of the Committee’s examination of five performance audits selected for further scrutiny from the twenty-six audit reports presented to the Parliament between May and November 2010.

These reports cover a range of agencies and identify a number of areas for improvement in administration including:

- the decision making processes regarding infrastructure projects;
- the transparency and accessibility of regional grants administration;
- the failure to achieve value for money in government procurement; and
- poor governance arrangements for key stimulus climate change programs.

Firstly, the Committee reviewed the conduct by Infrastructure Australia of the First National Infrastructure Audit and the development of the Infrastructure Priority List. We were particularly concerned about the lack of transparency regarding decisions made by Infrastructure Australia. The ANAO found that published methodologies were not followed in determining the priorities list and that Infrastructure Australia did not provide clear advice on the factors influencing key decisions. While we note that Infrastructure Australia is not formally obligated to document the reasons for the Council’s decisions, in the interests of transparency we urge the agency to improve its processes in this area. We also support the ANAO recommendation that better advice is needed in the future and recommend that Infrastructure Australia provide clear, consistent advice on both the level of funding and funding conditions for priority projects.

Secondly, we were also concerned at the lack of documentation when we examined the administration of the Strategic Projects Component of the Regional and Local Community Infrastructure Program. In this instance, we would like to register our dissatisfaction with the Department of Regional Australia, Regional Development and Local Government’s failure to provide clear, published assessment criteria for the program. This disregard for basic grants administration practice led to a series of problems and, as a result, the Minister did not receive clear recommendations regarding the eligibility or otherwise of applications from the Department. However, we also note that under the financial framework requirements, ministers are expected to obtain agency advice on the merits of each proposed grant before making decisions. This suggests that the Minister should have taken the initiative to secure such advice. As a consequence of the lack of documentation in this case, there is no way for the Parliament or the public to be sure that due process has been followed. While we accept the Department’s assurance that it has implemented relevant processes and practices to address the ANAO’s concerns, we will expect to see concrete evidence of improved performance in the future.

With regard to grants programs, we recognise that some local government authorities lack access to the necessary expertise to help them comply with stringent application requirements. Consequently, we support any attempts to provide them with the assistance they need. This must include the provision of adequate feedback to unsuccessful applicants. Overall, we reiterate our ongoing concern with the recurring difficulties identified by the ANAO in grants administration both within this Department and across the Australian Public Service.

Thirdly, and another long term concern of this and previous Committees, is the lack of evidence that value for money is being achieved in Commonwealth procurement. Our review of direct source procurement only served to reinforce these concerns. Again, lack of
documentation poses problems, making it difficult to determine if value for money has been achieved. We found that there is a level of confusion over the Commonwealth Procurement Guidelines. We expect clearer, more concise Guidelines as a result of the current review and a greater understanding and application of these guidelines as a consequence of these changes and our review.

We have made a number of recommendations aimed at assisting departments to streamline processes and encourage competency in this area. These include actively promoting the use of Central Procurement Units, investigating the viability of whole-of-government procurement tools and examining the feasibility of regular, mandatory testing to ensure the competency of financial delegates.

Finally, we turned our attention to the Green Loans and Home Insulation programs. We recognised that both of these programs have been the subject of a number of reviews and consequently, we saw our primary role as identifying the lessons learnt from the implementation and delivery of both programs. We were particularly concerned by the inadequacy of governance arrangements and the quality of advice provided to ministers. We acknowledge the difficulties caused by tight implementation timeframes but this does not excuse the lack of executive oversight or the underestimation of key program risks.

The issues identified in this selection of audits provide a number of areas for reflection for APS agency executives and responsible ministers. Those areas include the need for:

- higher quality advice by departments;
- increased documentation to provide transparency and accountability;
- better grants management;
- improved culture, capacity and supporting tools to ensure value for money in procurement; and
- adequate governance mechanisms for critical implementation programs.

We emphasise the importance of applying this knowledge across the APS and encourage all departments and agencies to ensure that a structured approach is taken to implement change and facilitate ongoing effective service delivery across the APS.

In the 43rd Parliament, it is important to emphasise the bi-partisan conclusions drawn from a Committee involving ALP, Liberal and Independent Members of Parliament. I sincerely thank each Committee member for the non-partisan spirit in which work has been done on these inquiries to date, and the focus on better public administration for Australians.

I also thank the Joint Committee of Public Accounts and Audit Secretariat for their on-going diligent and professional work, too much of which goes unnoticed too often.

Mr President, I commend the Report to the House.

**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT 424: EIGHTH BIANNUAL HEARING WITH THE COMMISSIONER OF TAXATION**

Mr President, on behalf of the Joint Committee of Public Accounts and Audit, I present the Committee’s Report 424: Eighth biannual hearing with the Commissioner of Taxation.

This is the first report into the biannual hearings with the Commissioner of Taxation from the Joint Committee of Public Accounts and Audit. The hearings are the result of a recommendation made by the Committee in Report 410: Tax Administration and the rationale for the hearings was to provide a mechanism whereby dialogue between the Australian Taxation Office and the Parliament could be promoted.

Traditionally, the hearings have provided an opportunity for Members of the Committee to scrutinise issues surrounding tax administration. While there have been public hearings with the Commissioner of Taxation since 2007, previously no reports have been tabled. The Committee in the 43rd Parliament is seeking to expand the Parliament’s role with regards to the scrutiny of the ATO. Therefore, in a bi-partisan way, the Committee determined to prepare a report on the biannual hearing to increase scrutiny of the ATO and transparency to the public.
Integrity in tax administration is a critical foundation block of the Australian taxation system. Whilst evidence suggests in the majority of cases this is done well, the Committee is concerned about the increasing number of complaints about the ATO.

In keeping with the goal of increasing scrutiny of the ATO, the Committee will be enlarging future biannual hearings to include public evidence from external scrutiny bodies such as the Ombudsman, the Australian National Audit Office and the Inspector General of Taxation as well as peak industry and consumer bodies. Each of these integrity bodies has expertise upon which the Committee can draw when reviewing the operations of the ATO.

In addition to greater scrutiny of the ATO, the Committee also anticipates that one of its key responsibilities will be monitoring proposed changes to the taxation system and working to ensure that the ATO is sufficiently supported and positioned to implement any proposed changes.

In this report the Committee has made a number of recommendations that are aimed at ensuring the ATO provides the Committee with sufficient and timely advice prior to the next biannual hearing to facilitate improved scrutiny, and ultimately lead to better results. These include recommendations that the ATO provide the Committee with a submission prior to the next biannual hearing that details the number of and reasons for complaints, the activities the ATO is undertaking to ensure compliance with Australian taxation requirements, the input of the ATO into policy implementation and its responses to external scrutiny reports and recommendations.

The Committee looks forward to working with the ATO to build and foster community confidence in the integrity of the Australian tax system. The Committee intends this report to open a dialogue with the ATO and to create a foundation upon which future hearings will build. We look forward to continuing and further cultivating a productive relationship with the ATO, one which encourages and promotes scrutiny and transparency and increases confidence in the ATO’s work.

In conclusion, I would like to thank Committee colleagues for their work on this inquiry, and the hard working diligent secretariat of the Joint Committee of Public Accounts and Audits for their on-going work. I also thank representatives of the ATO who made themselves available to attend the hearing and look forward to a positive response from them to greater interest and oversight from the 43rd Parliament.

Mr President, I commend the Report to the House.

Question agreed to.

DOCUMENTS
Tabling

The Clerk: Documents are tabled in accordance with the list circulated to senators.

Details of the documents appear at the end of today’s Hansard.

COMMITTEES
Membership

The ACTING DEPUTY PRESIDENT (Senator Ludlam): Order! The President has received letters from party leaders requesting changes in the membership of committees.

Senator FEENEY: by leave—I move:

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

Community Affairs Legislation Committee—
Appointed—Participating members: Senators Di Natale, Rhiannon, Waters and Wright

Community Affairs References Committee—
Appointed—Participating members: Senators Di Natale, Rhiannon, Waters and Wright

Economics Legislation Committee—
Appointed—Participating members: Senators Di Natale, Rhiannon, Waters and Wright

Economics References Committee—
Appointed—Participating members: Senators Di Natale, Rhiannon, Waters and Wright
Education, Employment and Workplace Relations Legislation Committee—  
Discharged—Senator Hanson-Young  
Appointed—  
Senator Rhiannon  
Participating members: Senators Di Natale, Hanson-Young, Waters and Wright

Education, Employment and Workplace Relations References Committee—  
Discharged—Senators Bilyk and Hanson-Young  
Appointed—  
Senators Gallacher and Rhiannon  
Participating members: Senators Bilyk, Di Natale, Hanson-Young, Waters and Wright

Electoral Matters—Joint Standing Committee—  
Discharged—Senator Bob Brown  
Appointed—Senator Rhiannon

Environment and Communications Legislation Committee—  
Discharged—Senators Gallacher and Ludlam  
Appointed—  
Senators Bilyk and Waters  
Participating members: Senators Di Natale, Gallacher, Ludlam, Rhiannon, Singh and Wright

Environment and Communications References Committee—  
Discharged—Senators Gallacher and Ludlam  
Appointed—  
Senators Bilyk and Waters  
Participating members: Senators Di Natale, Gallacher, Ludlam, Rhiannon, Singh and Wright

Finance and Public Administration Legislation Committee—  
Discharged—Senator Siewert  
Appointed—  
Senator Di Natale  
Participating members: Senators Rhiannon, Siewert, Waters and Wright

Finance and Public Administration References Committee—  
Discharged—Senator Siewert  
Appointed—  
Senator Di Natale  
Participating members: Senators Rhiannon, Siewert, Waters and Wright

Foreign Affairs, Defence and Trade Legislation Committee—  
Appointed—Participating members: Senators Di Natale, Rhiannon, Waters and Wright

Foreign Affairs, Defence and Trade References Committee—  
Appointed—Participating members: Senators Di Natale, Rhiannon, Waters and Wright

Legal and Constitutional Affairs Legislation Committee—  
Discharged—Senator Ludlam  
Appointed—  
Senator Wright  
Participating members: Senators Di Natale, Ludlam, Rhiannon and Waters

Legal and Constitutional Affairs References Committee—  
Discharged—Senator Ludlam  
Appointed—  
Senator Wright  
Participating members: Senators Di Natale, Ludlam, Rhiannon and Waters

Migration—Joint Standing Committee—  
Discharged—Senator Bilyk  
Appointed—Senator Gallacher

Rural Affairs and Transport Legislation Committee—  
Appointed—Participating members: Senators Di Natale, Rhiannon, Waters Wright

Rural Affairs and Transport References Committee—  
Appointed—Participating members: Senators Di Natale, Rhiannon, Waters Wright

Senators' Interests—Standing Committee—  
Discharged—Senator Siewert
Appointed—Senator Waters.

Question agreed to.

**BILLS**

**Customs Amendment (Serious Drugs Detection) Bill 2011**

Returned from the House of Representatives

Message received from the House of Representatives agreeing to the amendments made by the Senate to the bill.

**COMMITTEES**

Australia’s Immigration Detention Network Committee

Appointment

The ACTING DEPUTY PRESIDENT (Senator Ludlam): A message has been received from the House of Representatives informing the Senate that the House has agreed to the amendment varying the resolution of appointment of the Joint Select Committee on Australia’s Immigration Detention Network.

Membership

The ACTING DEPUTY PRESIDENT (Senator Ludlam): A message has been received from the House of Representatives informing the Senate of the appointment of members to the Joint Select Committee on Australia’s Immigration Detention Network.

**BILLS**

**Carbon Credits (Carbon Farming Initiative) Bill 2011**

**Carbon Credits (Consequential Amendments) Bill 2011**

**Australian National Registry of Emissions Units 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: "and further consideration of the bill be an order of the day for 3 sitting days after a draft of the final regulations relating to the bill is laid on the table".

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (18:02): I rise to make a contribution to this debate very much on the basis of being a farmer living in the central west in New South Wales. There are some real concerns with the legislation that the government is putting forward before us here today: the Carbon Credits (Carbon Farming Initiative) Bill 2011, the Carbon Credits (Consequential Amendments) Bill 2011 and the Australian National Registry of Emissions Units Bill 2011. There certainly was a process of Senate inquiry, and it became very clear through that process that there was a significant lack of detail that was put forward not only for us to consider through the inquiry but for the broader community out there, particularly those in agricultural areas who stand to be the most affected.

On this side of the chamber, we are very supportive of carbon farming. There is no doubt that all that we can do to improve our soils should be done. As a farmer, I probably know as well as all the other farmers out there that, if you do not look after the land, the land will not look after you; it is as simple as that. So obviously anything we can do to improve our farming practices and ensure that we have sustainability of land into the future is something that farmers are very concerned with and certainly have a very strong approach to doing.

However, the lack of detail in this bill makes it impossible to support—apart from a whole range of other areas. Even if you agreed completely with the intent of everything the government is putting forward here,
the lack of detail would preclude anyone from being able to support this bill. It is in a whole range of areas, and I will just run through some of those this evening.

The first and most glaringly obvious is the fact that the Carbon Farming Initiative is going to work entirely differently under a carbon tax or an ETS from how it is going to work under a voluntary market. There were a lot of submissions and certainly a lot of concern out in the community that the government should wait until there is certainty around whether or not there is going to be a carbon tax—as the government says, leading to an emissions trading scheme—before it actually moves to introduce this legislation. I note that the New South Wales Farmers Association were particularly strong in their view about this and, indeed, said in one of their media releases, dated 25 May—quoting Mr Brand, their CEO:

"Until we know the details of how those proposed schemes would work, debate on the Carbon Farming Initiative should be deferred."

I think he was quite right. I think that, to understand properly how this piece of legislation is going to work, we do need to know whether or not there is going to be a carbon tax—as the government says, leading to an emissions trading scheme—before it actually moves to introduce this legislation. I note that the New South Wales Farmers Association were particularly strong in their view about this and, indeed, said in one of their media releases, dated 25 May—quoting Mr Brand, their CEO:

"Until we know the details of how those proposed schemes would work, debate on the Carbon Farming Initiative should be deferred."

One of the very worrying concerns is the fact that much of the detail is going to be in the regulations that accompany this legislation. We are not going to see those regulations until we have been asked to determine our position and to vote on this piece of legislation. I do not think that is good enough for this chamber, I do not think it is good enough for the parliament and I do not think it is good enough for the Australian people, because in essence what the government is doing is saying, 'Just trust us, because we'll get it right later on in the regs.' That is certainly not good enough for the coalition and certainly not good enough for me, because the government is asking us to fly blind and just blindly agree that this piece of legislation will work as it says it will, by and large, without any supporting factual evidence through those regulations. So we should not be considering this legislation until the government has before us the regulations that are going to accompany it. One of the issues is the 'common practice' definition. There are a lot of terms in this piece of legislation that are quite complicated but, by and large, the common practice definition with regard to abatement through soil sequestration is that if it is something that is not common practice then it is going to be included. Quite frankly, there was not much more detail than that. I think that before people out there make up their minds on this piece of legislation and, indeed, before those of us here in the Senate actually have to vote on it, we should all have in front of us what that common practice definition is going to be. If I can take you to the Hansard of the inquiry by Senate Environment and Communications Legislation Committee into this bill, I said to the department officials on 20 April:

… I note that you said at the outset there are no methodologies yet for the soil carbon sequestration. What are you currently defining as common practice within the soil carbon sequestration field that will be excluded?

Ms Thompson, who answered, said:

That is a very good question. I think that is one of the things we will need to look quite hard at when we are preparing the positive list for soil.

That was on 20 April, a matter of only weeks ago. The common practice definition is pivotal to how this piece of legislation is going to deliver what it is intending to do, yet we had the department telling us just a
few weeks ago that they were going to need to 'look quite hard' at it. That is just simply not good enough.

Senator Conroy: They were being polite to you!

Senator NASH: I am sure they were being polite, Senator Conroy; all those department officials are always very polite. They simply did not have an answer.

Senator Conroy: They were just humouring you!

Senator NASH: Minister, I think it would be quite useful for you to actually listen to this because you are going to have to vote on it as well. I will bet pounds to peanuts this is not a piece of legislation that you are across, so perhaps for your own peace of mind you might want to pay a little attention to some of the discussion. Then you might have a rather more informed view.

We have no advice from the department. We have no idea from the department what that common practice definition is going to be. So how can people determine whether or not they support this piece of legislation that you are across, so perhaps for your own peace of mind you might want to pay a little attention to some of the discussion. Then you might have a rather more informed view.

When officials were again asked about the common practice definition, the department put forward the view that it might be region by region. When asked if a farming practice is going to be common practice if it is something that is common across the country, if it is going to be something that is determined on a state basis or if it is going to be something determined in another way, the department said that it might be on a region-by-region basis. From that we took it that if it was not really well used in one region then it might count; if it was used primarily and overwhelmingly in another region then obviously it would not count. But we had no information given to us on what the definition of the regions would be and how that would work, or of what the cut-off figure would be for what is common practice. Is it 10 farmers out of 100, or 10 farmers out of a thousand, or one farmer out of a thousand? We simply do not know. And the fact that we do not know is the reason we cannot support this bill. We simply cannot support it because we do not know what is contained within the bill, because we have not seen the regulations.

In relation to the positive and negative lists, the positives are the things that the government is going to include and the negatives are things that, in essence, are not
good for those communities so they will be excluded from being able to be counted. Again, we have very little by way of information on how these lists are going to look. We simply do not have the information. The positive list is going to be of the abatement activities or types of projects that are determined by the minister not to be common practice. The negative list is going to be of those excluded projects which have significant adverse impacts, and the government has said they will include adverse impacts on prime agricultural land, water availability and biodiversity. That sounds fine, but when you actually get to the legislation—

Senator Conroy: And they say I can talk under wet cement!

Senator NASH: You can, but not without your laptop, I notice, Minister—you need prompting. For the benefit of the chamber, section 56 in the legislation, 'Excluded offsets projects', says:

(1) For the purposes of this Act, an offsets project is an excluded offsets project if it is a project of a kind specified in the regulations—which I again point out we have not seen—

(2) In deciding whether to recommend to the Governor-General that regulations should be made for the purposes of subsection (1) specifying a particular kind of project, the Minister must have regard to whether there is a significant risk that that kind of project will have a significant adverse impact on one or more of the following:

(a) availability of water;
(b) conservation of biodiversity;
(c) employment;
(d) the local community;
in, or in the vicinity of, the project area, or any of the project areas, for that kind of project.

All this legislation says is that the 'Minister must have regard to whether there is a significant risk'. That is it. That is the sum total of the security blanket the government is giving us to determine whether or not there will be an adverse impact on any of our regional communities. Now that is not good enough. This detail may well be contained in the regulations, but who would know? Who would know how this particular section of the bill is going to work when all we have is the 'Minister must have regard to whether there is a significant risk'?

What does that mean? Will he think one day: I think this is going to be a problem? Does he have an advisory group? Are there going to be people within the community to advise him on this? Is he just going to make a ministerial direction about how all of this is going to work under his own interpretation of what 'significant risk' is going to be? It is simply not good enough and, if the way this government has dealt with the draft Murray-Darling Basin Plan and the 'community consultation' that was taken there and their understanding of 'community impact' is anything to go by, then I have absolutely no confidence that this government can deliver any kind of surety to our regional communities that there will not be an adverse impact as a result of this legislation. I simply do not have that confidence.

Senator Williams: You can't trust them.

Senator NASH: I will take that interjection, thank you very much, Senator Williams: you can't trust them; you simply cannot trust them. Under that Murray-Darling Basin Plan we saw this government say that removing one-third of the irrigation out of our basin communities would result in the loss of 800 jobs. If the government can get it so wrong through lack of consultation and lack of understanding of impact on regional communities, I have absolutely no confidence that they are going to get it right when it comes to the impact of the Carbon Farming Initiative bill.
One of my significant concerns about this is the potential change in land use and the potential skewing of land use as a result of this piece of legislation. What I mean by that is the skewing of prime agricultural land for tree planting instead of food production. I do not think that there is going to be a more serious issue for this nation over the coming decades than food security. It is one of those issues that is sort of under the radar at the moment; people are fairly used to walking into supermarkets and food being on the shelves and they really do not think about it very much.

But I have to say, Madam Acting Deputy President Crossin, they should. People across this country should indeed be thinking about food security. In the future it will mean our ability to feed ourselves, and not only our ability to feed ourselves but our obligation to do our bit to feed those on the rest of the planet. By 2050 there is a predicted global population of nine billion people and we are going to have to feed those people. At the moment the population is only around 6½ billion. We need to be absolutely sure in this country that we make the right decisions now to ensure our agricultural productive capacity into the future, and it is absolutely vital that we do that. If we theoretically look down the track and we do not have the control over the productive land that we need to ensure that we can feed, as I say, not only ourselves but those around the world, then we are going to become a nation of importers. That comes with two very significant issues. One is that there is no quality assurance to the level that we have here and two is that there is no security of supply. The only reason we have security of supply is because we have a domestic production capacity that underpins it. When we lose that—if we lose that—then heaven help us. I do not want to be in the situation where this nation has to be reliant on importing food over the decades to come.

This is why we have to be so very certain that this piece of legislation is not going to skew land use in such a way that is going to have an adverse impact on that ability to have our prime agricultural land producing food.

I go back to section 56. The only thing between that scenario—and I admit that it is a hypothetical scenario, but it is still a scenario that needs to be considered—and this piece of legislation is this line: ...that the Minister must have regard to whether there is a significant risk.

That is not good enough. That is not nearly good enough for this chamber, for this parliament, for the people of Australia. We need to have certainty around how that will work. We need guarantees that prime agricultural land is not going to be bought up by companies looking to offset their emissions, who do not perhaps particularly care about the productive capacity of the land or even the financial benefit from that land. These are all scenarios that need to be considered. If this legislation does allow that outcome, then that is going to be a very significant risk for this country. We have to ensure that our farmers across this country have every opportunity not only to maintain their current productive capacity but also to grow it. There are going to be enormous responsibilities in ensuring that we can feed ourselves and those around the rest of the planet.

But there is also a huge opportunity over the coming decades for our farmers to be able to increase their productive capacity, to grow more and to do even better. Our farmers are some of the most technologically advanced, savvy and innovative in the world. There is no doubt about that. As a nation, we should be very proud of the contribution our farmers make to this country, very proud indeed. Indeed, they are not recognised...
nearly enough for the work that they do and the contribution they make.

So Madam Acting Deputy President, certainly on balance I think anybody that has been able to take the time to look closely at this piece of legislation will realise that the detail is simply not there to the level required for this chamber to be able to support this bill. It is simply not there. I would say that while it is a complex bill, it does not take much determination and much investigation to realise that a lot more needs to be put in front of this chamber by this parliament before we can possibly agree to consider supporting it. I would suggest that it is flawed enough that without many amendments we would not even get close to considering it—and I note that the coalition will be moving some amendments—but certainly from the coalition perspective, the lack of detail in this piece of legislation simply makes it impossible to support as it stands.

Senator IAN MACDONALD (Queensland) (18:22): I wish to make a brief contribution to this debate on the Carbon Credits (Carbon Farming Initiative) Bill 2011 and allied bills as well. It is somewhat awing me to follow such an erudite and forensic look at the legislation as was done by my colleague. I agree, to the extent of my limited understanding, with my colleague Senator Nash's very detailed look at the bill in pointing out the flaws in it. Basically, the problem for the coalition is this: we support carbon farming in principle, and have done for a long time, but the detail is not there. There is simply not sufficient detail in this bill that would give the coalition the confidence to support it.

The Australian Labor Party again is saying, 'Trust us and everything will be all right.' Unfortunately, the people of Australia have trusted the Australian Labor Party too often and they have learnt through sad experience that you cannot trust the Australian Labor Party government with money. It is incompetent. It has no understanding. It does not realise that spending the taxpayers' money is, or should be, like spending your own money. When people in private enterprise, families and households spend money they look carefully at it, because they know if they waste it they will have to do without in the future. But the Australian Labor Party is renowned for spending other people's money without any care in the world for good spending or worthwhile spending. We have only to look at the record of this Gillard-Rudd government to understand how it simply cannot be trusted with money.

Do I have to mention the Home Insulation Program—the pink batts? The Australian Labor Party spent literally billions of dollars installing these batts because it seemed like a good idea at the time—it would get them a few votes. They came in with a brush to put in all these batts. They wanted them in yesterday, spent billions of dollars on the program and then spent almost as much of the taxpayers' money to dismantle it, to take these pink batts out again. Was it the Australian Labor Party, was it the ministers or was it the union hacks in this government who are used to spending other people's money who had to pay for the misappropriation of taxpayers' money? No, it was the poor old taxpayer who had to pay.

If the ministers in this government had to pay for their own failures, perhaps they would be a bit more careful with the money. You can be assured that as long as the Australian Labor Party is in government it is not going to be concerned about spending other people's money. Do I need to mention the Green Loans program or the school halls program? They spent billions of dollars of taxpayers' money on school halls in schools
that are now being shut down. If it were my money going into it, I would have made sure that the schools had a long future. We heard the other day that in Tasmania half-a-dozen schools will be closed down after the Labor Party spent billions of dollars of taxpayers' money constructing new facilities in them. The schools are in the process of being shut down. The list goes on—look wherever you like.

You know that the Australian Labor Party simply cannot be trusted when it comes to spending money. They say, hand on heart, 'Look, we appreciate this bill does not have all of the detail in it, but we're going to introduce some regulations.' For those listening to this debate, regulations are laws that are written as subsidiary legislation. They are not actually brought before the parliament. They are done by ministers and public servants. They put the detail into the broad act that the government is asking us to support here in this chamber today.

If you have a look at the report into this bill by the Senate Environment and Communications Legislation Committee and look particularly at the dissenting report tabled by Senator Colbeck on behalf of the coalition, you will see that the detail is not there. The government says: 'Don't worry about that. Trust us, we'll make sure the regulations do what we have promised they will do.' How could anyone in Australia possibly trust the word of our Prime Minister? Our Prime Minister says, 'Trust me, I will make sure the regulations do what they are supposed to do.' But this is from a Prime Minister who, a few days before the last federal election, when the Labor Party was looking at defeat in the face, got up on the soapbox and said to the Australian people, 'Trust me, there will be no carbon tax under a government I lead.' That was three or four days before the election. The day before the election, the same Prime Minister got up, looked the Australian public in the eye through the means of a television camera and said, 'You can trust me, there will be no carbon tax under a government I lead.' What do we know today, a few short months later? We have the same Prime Minister, with all the hoopla of an American circus, saying, 'Tune in on Sunday and I'm going to tell you about the carbon tax I'm going to impose on you, the carbon tax that I promised you all just before the last election would not be introduced by a government I lead.' So you can understand when, in relation to this bill, the same Prime Minister says, 'Yes, we know the bill is a bit deficient on detail but, trust us, we'll put the detail in with these regulations'—which will not come anywhere near the parliament into the future. This Prime Minister wants us to trust her to write these regulations in a way that will comply with what she has promised. Who in Australia would believe this Prime Minister when she makes those sorts of promises? I hear silence from the other side. I ask the question again: who in Australia would believe this Prime Minister when she promises anything? Is there anyone in this chamber who would believe the Prime Minister?

Senator McEwen: Yes.

Senator IAN MACDONALD: Oh, there is a yes! I think I heard one yes, out of a chamber of 76 senators. I hear one voice saying she would trust the Prime Minister. I ask that same voice: did you trust the Prime Minister when she said the day before the last election, 'There will be no carbon tax under a government I lead'? I am sure you did believe the Prime Minister when she said that. I can tell you that tens of thousands of Australians voted for Ms Gillard as Prime Minister because they accepted her at her
word; they accepted it when, hand on heart, she said, 'There shall be no carbon tax under a government I lead.' They voted for her because they trusted her. They thought that surely a Prime Minister could not tell lies like that; surely a Prime Minister could not be so barefaced as to look the Australian public in the eye through the lens of a TV camera and make a promise that she had no intention of keeping.

But that was only a few short months ago and here we are today with all the hoopla in the world. By the way, whose money is paying to advertise this hoopla? Is the Australian Labor Party's money paying for the advertisements and the build-up to the big announcement on Sunday of the carbon tax that the Prime Minister promised us she would not be introducing? Is the money of the Australian Labor Party paying for this outrageous political advertising campaign? Of course not. Who is paying? The taxpayers of Australia. It is being paid for by people who might be listening to this debate as they drive home from a hard day's work. They are working hard to feed their families, to get ahead, to put a little bit aside for a rainy day and to pay their taxes. Do those people expect that their taxes, which they have been earning today as they have slaved at work, will be used for political advertising by the Australian Labor Party for a tax that they promised they would not introduce? I say to people who might be listening to this debate as they drive home from work: can you ever trust anything that this Prime Minister ever says again?

Yet here we are with this Carbon Credits (Carbon Farming Initiative) Bill, with none of the detail in it, and we have the Prime Minister saying: 'We've told you what we really want this bill to be. We're a bit deficient on the details but, trust me, the regulations we'll put in place will cover everything you want covered.' Senator Conroy is the senior Australian Labor Party person in the chamber at the moment. Senator Conroy, why should we trust your Prime Minister when she says, 'Don't worry, the regulations will give all the detail that you want? We did believe her once. We did believe her when she said, 'There will be no carbon tax under a government I lead.'

**Senator Conroy:** She did not promise to vote for Peter Reith and then rat and vote for Alan Stockdale!

**Senator IAN MACDONALD:** Senator Conroy, you are obviously still tied up in Victorian union politics with the Transport Workers Union, of which you are a leading light. Actually, let me come back to that—due to Senator Conroy's interjection, I will digress. Senator Conroy is a leading light in the Transport Workers Union. I understand from his good colleague Senator Sterle, also from the Transport Workers Union—

**Senator Conroy:** A good man. A very good man.

**Senator IAN MACDONALD:** A very good man! He said, 'I won't be dictated to by the loopy Greens'—with whom his party is in coalition to hold the government of this nation at the present time—

**Senator Conroy:** You are in coalition with the Queensland Nationals.

**Senator IAN MACDONALD:** You are in coalition with the 'loopy Greens'. Some of your colleagues have the guts, the intestinal fortitude, to actually tell the world that the Greens—the people with whom you are in coalition in government; the people you relied upon to make sure you hold your very favoured position as a minister in this government, Senator Conroy—are loopy. Senator Sterle actually said something stronger than that, which I will not repeat. He also is from the Transport Workers Union.
Senator Conroy: A very good man.

Senator IAN MACDONALD: He is a very good man when it comes to these issues, Senator Conroy. It is a pity you and your cabinet colleagues did not take some notice of him. We heard yesterday, from the drip-feed of good ideas—the issues coming out that might in some way try to divert the anger of the Australian public against the public tax—'Hang on, ordinary motorists as you drive home, we are not going to put a tax on your petrol.' But we did not hear this about the transport industry, as Senator Sterle pointed out. I am surprised, Senator Conroy, that you, with your Transport Workers Union background, have not come out fighting for the long-distance transport industry.

Some of us live in rural and regional Australia. I live some two or three thousand kilometres away from Canberra. When our petrol is taken up to the regional areas by tanker it costs money for transport. If those big tankers are going to be subject to the carbon tax, then it is going to add to our cost of living. I understand—there have been reliable estimates—that our cost of living will go up by something of a minimum of $1,000 every year. In fact, we read in the papers just last week that the saleroom price of the Holden Commodore or the Ford Falcon is going to go up $1,000 because of Ms Gillard's carbon tax—that is, the carbon tax she promised, one day before the last election, that she would never introduce in any government she led.

How can we possibly believe the Prime Minister. Very few Australians will ever believe the Prime Minister when she says anything. I know half the Labor Party do not believe the Prime Minister! You might remember that a couple of days before she knifed former Prime Minister Kevin Rudd in the back she was saying—what was it?—'I've got more chance of playing full forward' for that funny sport which I do not understand. She said, I've got more chance of playing full forward for the Bulldogs—was that it?—than becoming Prime Minister of Australia.'

This person, our Prime Minister, has form. She promised Kevin Rudd, two days before she 'assassinated'—his word, not mine—him, 'I could fly to the moon before I would become Prime Minister.' Two days later, what happened? There was the midnight meeting around there, the acrimony, a done-over vote the next day and, lo and behold, there she was. She promised she would not be Prime Minister, but she stabbed poor old Kevin, the member for Griffith, right in the back and assassinated him as Prime Minister of our country.

So, as I said, she has got form. 'Kevin, I'm not going to take over your job as Prime Minister.' But immediately she said that, there she was. To the Australian people she says, 'I promise there will be no carbon tax by a government I lead,' but this Sunday we will all be waiting with bated breath to see just what this new tax from the Australian Labor Party is going to cost each and every one of us.

I fear for rural and regional Australia. I fear for those people who, like me, Senator Nash and Senator Adams, live remote from the capital cities and the areas of production and distribution of goods. It is going to cost us a lot more. Perhaps most importantly, I fear for the jobs of workers where I come from in Central North Queensland. I would
have hoped that the Australian Labor Party, with their claims that they look after the working person, would have done something to help those people whose jobs, futures, family homes and kids’ education depend on their having a job.

But with this carbon tax—and add on to that the mining tax that we are yet to experience—these people are in for a really uncertain future. That distresses me. I am very concerned for their future. I am very concerned for the future of our nation because this government continues to tax and tax and, more importantly, simply cannot be trusted to keep its word.

It is for this reason that I and the rest of the coalition, while agreeing with the principle of this bill, cannot support the bill while so many parts of it and so much detail remain unwritten.

Senator XENOPHON (South Australia) (18:42): I would like to comment on Senator Macdonald talking about those who are driving home from work and listening to this debate on the Carbon Credits (Carbon Farming Initiative) Bill 2011, Carbon Credits (Consequential Amendments) Bill and Australian National Registry of Emissions Units Bill 2011. Well, I think that would be all of six or seven people, Senator Macdonald!

Senator Ian Macdonald: That's not right—

Senator XENOPHON: That is not right?

Senator Ian Macdonald: and if they knew you were about to speak there would be literally tens of thousands!

Senator XENOPHON: Senator Macdonald, flattery will get you nowhere. The carbon-farming initiative has, according to the explanatory memorandum to the bill, been designed to be ‘complementary’ to a carbon pricing mechanism. The *Oxford English Dictionary* defines ‘complementary’ as ‘mutually complementing or completing each other’s deficiencies’. So, without knowing how the carbon-farming initiative will operate alongside the government’s proposed reduction plan, which we do not yet know the full details of, it is difficult to fully understand how this bill and the government’s plan on carbon will ‘complement or complete each other’s deficiencies’ or, on the other hand, to understand its benefits.

I have concerns that we are debating this bill without knowing the full details of the government’s carbon pricing plans, and I note that the government is making a major announcement on this Sunday. I welcome that. I would like to indicate at this time that I will be moving an amendment during the committee stage that there be a review of this act within 12 months of any legislation regarding the introduction of a carbon price being tabled in parliament. I think that is a very important accountability mechanism. This will enable the parliament to appropriately assess the carbon-farming initiative in terms of how it will interact with—how it will complement—a carbon reduction plan.

Having said that, I do believe that the intent of these bills and the establishment of a carbon-farming initiative is right. I do not think members of the coalition disagree with that general principle. Agriculture makes up about 20 per cent of carbon emissions. It is seen by some as part of the problem but, unambiguously, I see agriculture as a big part of a solution to reducing CO₂. It is clear from the committee inquiry report into this package of bills that industry is broadly supportive of a carbon-farming initiative. But it is all about the implementation, and that is what concerns me. I note the broad support of the National Farmers Federation, the Australian Landfill Owners Association,
traditional land owners and local and state governments, but their support does not come without some significant concerns. Concerns have been raised about the take-up rate of the carbon-farming initiative, the potential cost burden on industry, issues of permanence and the treatment of native title holders.

Page 28 of the Senate committee's report, the majority report by the government, says that the New South Wales Farmers Association 'was concerned by the application' of tests in this. They have very real concerns as to how this will actually work. The report says:

The association argued the methods by which a farmer increased or conserved carbon were less important than the fact the farmer had done so. I think that makes sense.

I also note that there are very serious concerns about native title. The report states, 'The Kimberley Land Council … was more forthright in their criticism.' The Kimberley Land Council submission said:

The treatment of non-exclusive native title is discriminatory and fails to accord proper importance to the interests carried by native title. While the bill gives certainty to exclusive native title rights, and treats them in a way that is fair and appropriate, there is a concern by the NNTC that the 'failure to provide a clear pathway for non-exclusive native title holders into participation in offset projects' is a 'major weakness'. I think that is the case, and we need to be very wary of that. If we want to give Indigenous communities the right to participate fully in this, then we need to deal with that particular issue, raised by a number of Indigenous groups, with particularly strident criticism from the Kimberley Land Council.

It is crucial that these issues are resolved and that the fine details, the minutia, of this scheme, which will determine its success, are clear and established in the legislation and not left to be determined so broadly by regulation. We need that basic framework so that we know how this will work. For example, AUSVEG, a peak industry body, said during the Senate committee inquiry into these bills that they are very concerned about the uncertainty about the 'positive list' described in the legislation. I quote AUSVEG's submission:

The test is still defined “as not been widely adopted”. What, how and who determines the definition of “widely adopted”? As this requires a Ministerial decision, after receiving advice from the Domestic Offsets Integrity Committee, it will ultimately be open to political considerations.

This is an area that is unlikely to remain clear in any short time-frame …

That is a very serious concern for a peak industry group, the vegetable growers of Australia. The positive and negative lists provided in the legislation will be determined in regulation, and I do not think that is adequate. There are projects that we can say right now should not be approved and should be included in the legislative framework of the scheme so that it is clear what can and cannot be included.

For starters, any project that will have an adverse impact on the availability of water should be an excluded offsets project. It is that simple. Ensuring Australia's water availability is vital, and to say that it may or may not be on the negative list, that it is something that the minister will consider, is quite outrageous. I will be moving an amendment to this effect, stating that any project that has an adverse impact on the availability of water should be an excluded offsets project and, similarly, that projects that will have a beneficial impact on the availability of water should be on the positive list.
I acknowledge the opposition's amendment with regard to including land and resource access for agricultural production as a matter of consideration in the development of the negative list, but I think it is clearer than that. Any project that will have an adverse impact on Australia's food security and food production must be on the negative list, and those which will have a beneficial impact must be on the positive list. Let's be unambiguous about that.

Furthermore, and I know I am not alone in my concerns about managed investment schemes, where a forest was established as a managed investment scheme, I believe it should also be on the excluded offsets list. I know that the government will be likely to respond to these amendments by saying they do not want to be too prescriptive, but I think that water and food security are matters that do not need to be left open for consideration.

Furthermore, I note the use of the word 'significant' in this section of the bill and I do not believe that the threshold, if you like, should be applied. What does 'significant' mean? What does it mean in percentage terms? Does it mean 40, 50, 60 or 70 per cent? The word 'significant' is, I think, quite problematic in terms of the application of this act and in terms of how the bill will operate. I seek leave to continue my remarks.

Leave granted.

DOCUMENTS

Consideration

The government documents tabled earlier today and general business orders of the day Nos 150 and 151 relating to government documents were called on but no motion was moved.

ADJOURNMENT

The DEPUTY PRESIDENT: Order! I propose the question:

That the Senate do now adjourn.
women's services, family support services, community legal centres, home and community care services, drug and alcohol services, community housing services, specialist health services, peak organisations, Indigenous services, tenancy services and mental health services.

Reflecting briefly on the Queensland case, it received submissions through a variety of sources, including employees. One particular employee, from Micah Projects, indicated:
The impact of the 'Fisher' wage increase decision in Queensland has made working in the Community Sector much more sustainable for me. I feel that my work has now been valued in a financial way, making the decision to stay within the sector much more viable. I have been offered a number of similar positions outside of the sector, where the salary package has been more attractive. I have chosen to stay within the sector previously due to my values & beliefs, however, now my decision can also be based on a reasonable wage.

They went on to say:
The increase in award has given me the freedom to remain in a job that I really enjoy, and feel very committed to.

One employer group, the Queensland Council of Social Services, indicated:
...management has noticed a marked improvement in the number and quality of applicants received through those processes, including a number of applicants who have never worked in the sector before.

The ASU Queensland branch secretary, Kath Nelson, said:
Community Services workers are overwhelmingly female and not industrially aggressive—being focused instead on providing assistance to disadvantaged individuals, families and communities.

Kath Nelson went on to say:
The Queensland decision was an historic one which has significantly improved the wages of workers in this female dominated industry who work under difficult conditions to provide the very important services that support individuals and communities in situations of disadvantage. The wage rates we won in Queensland should apply to all the workers in this industry across Australia.

We signed a heads of agreement with the union in 2009. It provides for the referral of all Queensland SACS organisations to the federal IR system, it has the Commonwealth's support for an equal remuneration case for SACS workers, and the ASU agrees to a phase-in period of up to five years for any significant wage increases achieved through the equal remuneration case. Naturally, evidence was provided by academics, specialists and individual employees—and the list goes on.

The equal remuneration decision is an interim decision in the equal remuneration case handed down on 16 May 2011 by the full bench of Fair Work Australia. It determined that the work of SACS workers is undervalued when compared to similar work done in the public sector and in local government. It determined that SACS workers are entitled to a remedy to the extent that the undervaluation is attributable to gender. It agreed that care work is gender based work. It asked for more information in relation to the value that should be attached to the work, the degree to which the undervaluation is gender based and the cost of any order made by the tribunal and raised its concern that, if an order would cost jobs, this could be taken into account by the tribunal. It expects more precise statements of costs of the claims from the parties since the information provided by governments was generally unsatisfactory. It also indicated that the decision places an emphasis, implied rather than stated, on the need for the parties to hold discussions, which the federal government will be doing with the union and other parties.
When the interim decision was handed down, the ASU Queensland branch secretary, Kath Nelson, said:

When Fair Work Australia hands down its final decision, it will have an enormous impact on Community Services Workers in this country. The benefits of providing decent wage rates will directly benefit the quality of services being provided to the disadvantaged.

She went on to say:

Finally—a fair go for those who make Australia fairer!

Labor governments, particularly in Queensland, are active in this area. The equal remuneration principle was established in Queensland in 2001, so it would not have been possible to run the QSU pay equity case in Queensland under a Liberal-National Party state government. The Queensland Labor government committed $414 million in supplementary funding to the sector in the wake of the decision. There would have been scope for an LNP government to oppose the case or not commit the necessary funding once the decision had been handed down. Federally, of course, the ASU would not have been able to run its national equal remuneration case without the federal Labor government. In the Fair Work Act, enacted by this government, the change from 'work of equal value' to 'work of equal or comparable value' made this case possible. The federal government's support of the case is relevant. The Labor government has run a supportive case. Historically, workers in the social and community services sector have faced opposition from governments and employers when pursuing industrial rights.

The Gillard government is committed to achieving pay equity in Australia. Having changed the industrial law to make this historic case possible, we remain firmly committed to working with unions, providers and all state and territory governments to help Fair Work Australia determine an appropriate wage increase. As part of its recent decision, Fair Work Australia has provided parties with the opportunity to provide further submissions to assist it in formulating a remedy. The government negotiated an agreement with the ASU before the case commenced to facilitate the claim and to secure a long phase-in period for significant wage increases in the event that they were awarded by the independent umpire. The government is committed to working through the funding implications of any increase in wages awarded as a result of this case in partnership with the affected unions, employers and the states and territories. To achieve this, we have established a new national consultative group, the Community Sector Wages Group, CSWG, which will examine how to manage the implications of this historic case. The CSWG is chaired by Senator Jacinta Collins, Parliamentary Secretary for Workplace Relations, and met for the first time with the union and parties on Monday, 4 July.

The funding arrangements in the sector are complex. The Commonwealth does not directly employ anyone covered by the claim and funding is provided by the private sector, the not-for-profit providers as well as Commonwealth and state and territory governments. For female workers to achieve equal pay all of these groups must work together. The Commonwealth directly funds less than 30 per cent of the sector. The Commonwealth already contributes significant funding to state and territory governments through national partnership payments and other payments. The government has substantially increased these payments to state and territory governments, and the majority of direct SACs funding comes from and through state and territory governments.

We will continue as a federal Labor government to make sure fair and reasonable
industrial laws are applied. This equal pay test case would not have been possible under the coalition's Work Choices regime.

**Special Olympics**

Shalit, Mr Gilad

**Senator FIFIELD** (Victoria—Manager of Opposition Business in the Senate) (19:01): Thank you, Mr Deputy President—

**Senator Conroy:** Oh, my goodness!

**Senator FIFIELD:** It is wonderful to see Senator Conroy, as always.

**Senator Conroy:** You're a Carlton fan. What more can I say?

**Senator FIFIELD:** Hawthorn.

**Senator Conroy:** Even better!

**Senator FIFIELD:** He has got that wrong for years. Mr Deputy President, this is my first time speaking in the chamber under your watch—so congratulations.

**The DEPUTY PRESIDENT:** Thank you.

**Senator FIFIELD:** I rise tonight to speak on two very important issues. One is a very positive one; the other is a terrible tragedy. The first matter I wish to speak about is the 13th Special Olympics World Summer Games, which recently concluded in Athens. More than 7,500 athletes from 185 countries came together over the last week in Greece to compete in 21 sports across 30 different venues. Our colleague Senator McLucas was fortunate enough to join Australia's 131 athletes who travelled to Athens to compete—and they certainly did compete. Australia won a total of 46 gold medals, 43 silver medals and 32 bronze medals, which placed Australia 8th in the medal tally.

But of course, these medals only tell part of the success story. The real success of the Special Olympics is that they put the focus back on to people's abilities and emphasise what they can achieve, rather than the obstacles they face. Take, for example, the six Australian swimmers who swam personal bests on the first day of the games, kicking off Australia's medal tally with one silver and two bronzes; or, the Australian women's basketball team, who saw off fierce competition from Russia to post a 27-9 win.

There are many tales of the outstanding efforts of the Australian athletes, but there is not time to do justice to them all. I will simply say that I would encourage Australians to find out more about these inspirational athletes. Special Olympics Australia's media partner, News Limited, has established an online World Games News Hub. It has photo galleries, athlete profiles and a lot of news and is well worth a visit.

The fantastic thing about the Special Olympics is the way that they encourage every athlete to strive for their personal best, no matter their ability. Every Special Olympian takes an oath which I think sums up the attitude of the athletes. The oath reads: 'Let me win. But if I cannot win, let me be brave in the attempt.' It is a fantastic oath to strive to live up to.

The Special Olympics World Games has provided a venue for each Australian athlete who attended to perform to the very best of their abilities. This week, many athletes and proud families will be returning to Australia from Athens, having experienced the joy of pushing themselves to the limit and reaching goals that may have in the past seemed simply unattainable. I congratulate each and every Australian athlete who competed last week. I hope that each of them found new strength, new inspiration and, above all, something new about themselves and something to be proud of. Well done to all of those athletes.

I turn now to the other issue I referred to earlier, a matter which is a terrible tragedy.
Last week marked the five-year anniversary of the abduction of Israeli soldier Gilad Shalit. I have raised this matter in the chamber because I think it is important that Australia stands strong in its support of his struggle to be freed. On 25 June 2006, Gilad Shalit, then 19 years old, was taken captive by Hamas terrorists in a cross-border attack on Israel. Using automatic weapons and rocket propelled grenades, the attackers injured three soldiers and killed two others. Kidnapping a wounded Corporal Gilad Shalit, the attackers were seen dragging him into Gaza, where it is believed he still remains.

It has been 1,826-odd days since his family last saw him and since Gilad was free to walk among his people. Since that day, Gilad has remained a hostage of Hamas, kept alive to be used as a pawn in negotiations with Israel. The only signs of life have been three letters and a short video released in 2009, which was gained only because Israel released 20 Palestinian prisoners convicted of fatal terrorist attacks. Based in a tent outside the Israeli Prime Minister's residence, Gilad's parents vow to stay until their son is returned to them. Mail and aid packages cannot reach Gilad and the International Red Cross is refused access. His treatment by Hamas demonstrates that organisation's contempt for the rule of law. Gilad was captured while defending his home against those waging a violent war against Israel. To Hamas, he is merely collateral to be used to compel the Israeli government to meet their demands.

It is important to remember that it was Israel that was attacked in that cross-border raid and is now forced to make concessions. It was Israel that withdrew unilaterally from Gaza in an effort to build peace, and it is Israel that is held to a standard no other country is expected to meet. Israel is often condemned for availing itself of the right of every nation state to defend itself. The state of Israel has the right to defend itself and, more than that, the Israeli government has a duty to do everything in its power to protect its people.

We should not be mistaken in our assessment: Hamas is a terrorist organisation. It took power in Gaza by force following Israel's withdrawal, executing hundreds of its political opponents in cold blood. It has fired thousands upon thousands of missiles at heavily populated areas in Israel and it has the temerity to launch those missiles from land from which Israel withdrew in pursuit of peace. Hamas does not seek peace. Hamas seeks the destruction of Israel.

Those who claim to fight for human rights around the world are notable only for their silence on the issue of Gilad's captivity. Human rights activist Yelena Bonner spoke in 2009 at the Oslo Freedom Forum about Israel and Gilad. Of her colleagues, she asked:

Why doesn't the fate of the Israeli soldier Gilad Shalit bother you in the same way as the fate of the Guantanamo prisoners?

…… …

He is a wounded soldier, and should fall under the protection of the Geneva Conventions.

Concluding her speech, she said:

Returning to my question of why human rights activists are silent, I can find no answer except that Shalit is an Israeli soldier, Shalit is a Jew.

Gilad's continued captivity by Hamas mirrors how all Israelis are, in a sense, captive to the demands of that terrorist organisation. How can an Israeli family feel safe and free knowing that, less than an hour's drive away, an organisation exists that is plotting their nation's demise?

Australia must not be complacent in its support of Israel. Our relationship is built on common democratic values and it must—and
I know it will—endure. We cannot stand idly by while Gilad is denied freedom. We must not look the other way as this fundamental injustice continues. Staff Sergeant Gilad Shalit is no longer just another soldier; he is a symbol in Israel—a symbol for Israeli families; a symbol for Israeli parents; a symbol of the hopes of Israelis that Gilad, like the nation itself, can be truly free and secure. I hope that the Australian people will stand with Israel in support of a son, as we know the Israelis would for an Australian in a similar circumstance. Gilad Shalit must be freed.

World Refugee Day

Senator MOORE (Queensland) (19:11): I congratulate Senator Fifield on both of his contributions this evening but particularly the one about the Special Olympics. We can all celebrate the work of the contributors and the participants in the Special Olympics.

This evening I want to talk about World Refugee Day. I congratulate the Brisbane community on the way they celebrated this amazing day—celebrating the spirit, the joy and the contribution of the range of refugee communities who have shared with us to build their futures in our country. This is the third year that the Multicultural Development Association, a wonderful organisation of which I am a member, has sponsored and organised the World Refugee Day celebrations, with a significant contribution from the Brisbane City Council, who have again proven that they support multiculturalism in our community. There was also the support of the federal Department of Immigration and Citizenship, who were there in strength, particularly in the citizenship ceremony that was an integral part of this year's Refugee Day celebrations.

I think there is no-one in this place who does not enjoy participating in citizenship ceremonies. It is one of the real joys of our job to be able to share with families and individuals who have made the choice—sometimes an extremely difficult choice—to move and become a citizen of our country. There was something particularly poignant and joyous about the citizenship celebration on World Refugee Day. Twenty-two families were part of that citizenship celebration and they came from an amazing array of countries. I do not normally read out lists, as you know, Mr Deputy President, but I do this just to reinforce the spirit of World Refugee Day. The people who became citizens on that day came from Sudan, Congo, Zimbabwe, Myanmar, Egypt, Iran, Kenya, Ethiopia, Somalia, Burma, Thailand, Nepal, Uganda and Eritrea.

There was such a spirit of celebration as these people made their oaths to become Australian citizens. The experience was shared with me on that day by Senator Kate Lundy and Graham Perrett, the member for Moreton, who is the local member for the area. As we looked at the amazing range of families, most in traditional dress, who had come to make their choice and say they wanted to be part of the Australian nation, in the background we saw the celebrations of the Refugee Day community event. There was a range of community food festival stalls, marketeers, music and dance. In one area we saw the extraordinarily competitive soccer competition that is part of the experience. On the day there were 34 teams, probably reflecting the same range of communities that I mentioned were part of the citizenship ceremony. An extraordinarily competitive range of teams played 16 games going to the final, which is much like the World Cup. So many people joined in the sport and the activities that, when we all stood up in the citizenship ceremony to sing the national anthem, around us we saw the spirit of Australia—people eating, dancing,
singing and playing sport. It was a great moment.

The whole concept of World Refugee Day is to ensure that people in the Brisbane community see the range of nations that are now part of our wider community. It was wonderful that we had over 14,000 people who came to participate on the day. As Karen Lee, the executive manager of the Multicultural Development Association, said 'we hope that events like this will continue so that people will learn that we are not so different after all. The people who were part of our day want the same things that we and our families want—safety, security and an opportunity to contribute to our community'.

We found that a number of people who were there had watched the recent SBS production Go Back to Where You Came From, a confronting program which showed people's concerns and fears about the whole issue of migration, asylum seekers and refugees. People seeing the publicity that was put out by the Multicultural Development Association about the celebration of World Refugee Day then decided to come and learn and to see what was going on. That is why we have these celebrations: not only for the joy and for the food, which I have to admit I enjoy regularly at these functions, but to learn more about other cultures and to defeat some of the myths that have grown up around fear and about senses of threats.

World Refugee Day gives our community a chance to learn, to understand and to share. We are hoping that this particular day which is now into its third year will continue to be an annual event and will draw people together. Also one of the things that we found at our day was that a number of the ethnic communities within the Brisbane region are now getting support through the federal department and also through state grants to have their own localised community festivals so there is a veritable calendar now available in the community where people can share, understand and, as I keep saying, celebrate the joy of being part of a truly multicultural environment.

The Multicultural Development Association is a marvellous organisation. I have spoken about it before in this place. It began in 1998 as a volunteer organisation and is now a significant contributor to the work of the Australian and Queensland community. It has been successful in supporting a number of Department of Immigration and Citizenship programs and provides support around bicultural support services, settlement services and also refugee specific settlement services and employment opportunities. Recently, the MDA has received funding to do more work in my part of the world which is the Darling Downs and Toowoomba region. One of the special aspects of World Refugee Day was that we were able to bring a number of people from the Toowoomba region to be part of the wider Brisbane activity, again sharing and finding out that there are more options for people to engage and to learn from other people in the community.

I was lucky enough last Friday to go to one of the regular employment services activities at the MDA where we provided certificates to a number of people who had been part of a special training program that engaged with local employers to give people an opportunity to learn work skills to break through that barrier of coming from a different culture and finding employment in our community. Again, as I said about the citizenship ceremonies, these community celebrations which show people having a chance to make their own futures in our country are wonderful activities that are full of joy and also hope because every one of those people who obtains work gives hope to
other people in the community that it is possible.

The range of skills that we heard about on Friday afternoon included people who had worked in the UN services, and people who had worked as accountants and nurses. There was a young man who was a dentist who is now trying to engage in our community using his own skills. Their stories are inspirational. They need our support because there are so many obstacles to taking up new careers in this country. But through the kinds of employment services supported by the state government in Queensland that the MDA runs in Brisbane we are able to provide extra help to make sure that people know that they can succeed. I particularly want to congratulate the number of employing organisations that are regular participants in the service and provide that practical support.

The MDA also has continued work with people in the post-flood processes in Brisbane. I have mentioned before their work in keeping in contact with people from multicultural backgrounds who were caught up in the horrors of the Queensland floods. It was difficult for all people, as you know, Mr President, but for people who had only recently overcome the struggles of becoming migrants to this area and who still have difficulty with the English language in some ways the experience of the floods was particularly traumatic and I want to congratulate the MDA, encourage them in their future work and also pay my respects to Kerrin Benson who is the current CEO. There is a great future in our community and days like World Refugee Day give us hope as well as joy.

NAIDOC Week

Senator PAYNE (New South Wales) (19:20): This is NAIDOC Week. As many senators will already be aware celebrations are held across Australia in July each year to celebrate and acknowledge the history, the culture and the achievements of Aboriginal and Torres Strait Islander peoples. I particularly wanted to make some observations tonight in relation to NAIDOC Week in Western Sydney. NAIDOC is an acronym that stands these days for National Aboriginal and Islanders Day Observance Committee but it has been through more than one iteration along the way.

It is a concept that started in 1938 in harsher times, it would be fair to say, of protest and of discrimination when protesters first marched through the streets of Sydney against the discrimination and poor treatment of Aboriginal Australians. It in fact was known as a day of mourning. It was in 1955 that the day was moved to the first Sunday in July after it was decided that it should become a day of celebration of Aboriginal culture and not just a protest day. It was in 1974 that NAIDOC was composed entirely of Aboriginal members for the first time and then it was decided a year later that it should run for a week not just a day. I suspect they decided not to change the acronym on that occasion. In 1991 it was expanded to include Torres Strait Islander people and culture, and so the name changed on that occasion. Since 2005 the National NAIDOC Committee has made the key decisions on national celebrations each year. It has representatives from most states and territories. Each year there is a theme for NAIDOC. This year's theme is 'Change: the next step is ours'.

Aboriginal and Torres Strait Islander people have made an extraordinary contribution to community life in Western Sydney—a point that I will come back to in a moment—including from the area where my office is in Parramatta through to Blacktown and Penrith and much, much further afield, but I just want to pick on a couple of those locations this evening. For those
communities, NAIDOC Week is a chance to recognise that contribution and acknowledge the traditional owners of the land, the Dharug people. There are a few events on around various corners of Western Sydney which are pretty special acknowledgements and celebrations. There is the Burramatta Family Day this Saturday at Prince Alfred Park in Parramatta. That name is derived from the Burramattagal clan of the Dharug tribe that hunted and lived on the lands which now form the very urban, very busy second CBD of Sydney—that is, the city of Parramatta. The people of the community are represented in the emblem of the Parramatta City Council.

Burramatta Family Day includes activities such as traditional Aboriginal tree painting with artist Lex Dadd. There is Dreamtime storytelling with Wes Marne and both didgeridoo classes and boomerang painting, which end up being particularly popular with the kids. Boomerang painting, more than throwing, seems to be a safer activity in that regard. Burramatta Family Day also features rugby league workshops with 'Dream, Believe, Achieve' ambassadors, national rugby league player workshops and autograph signing. It does not take a genius to acknowledge the popularity of sport and the big role it plays in life in Greater Western Sydney, and Indigenous players have made and continue to make an enormous contribution to the game, both at grassroots and at elite levels. This is not just in rugby league, but as the new GWS Giants come to fruition and play a more important role in the community, the Indigenous contribution in that team will also become evident to all. Parramatta council is also holding a series of storytelling sessions for children, along with art classes and musical performances at its network of libraries across the Parramatta area—in Granville, in Guildford, in Ermington, in Dundas and in Parramatta city.

I also want to talk about one of the fastest-growing local government areas in Australia, which is Blacktown local government area. It will also hold a special NAIDOC Week celebration this Saturday, with a concert that features Casey Donovan at Doonside. Many of us here have had the absolutely amazing opportunity to hear Casey Donovan live here in Parliament House at an NITV event recently. I have also heard her sing at the National Centre of Indigenous Excellence at Redfern. I have seen her perform live in the Sapphires. For whoever is able to attend that event at Blacktown, it will be an absolutely spectacular experience. As well as Casey, the kids will also be entertained by workshops on weaving, traditional Aboriginal tree painting, banner painting and art displays.

It is not often realised or acknowledge but Blacktown council has the second-highest proportion of Aboriginal and Torres Strait Islander people in its population in the Sydney metropolitan area. The city's links with Aboriginal communities go right back to 1823 and the NAIDOC Week celebrations are very much a continuation of Blacktown City Council's strong commitment to recognising its Aboriginal and Torres Strait Islander community and celebrating their very important culture. They complement the Blacktown City Reconciliation Action Plan—known colloquially as a RAP—that aims to build positive relationships between local Aboriginal residents and other community members in the Blacktown city.

In my own area of Penrith, slightly further along in Western Sydney, NAIDOC Week is also celebrated and acknowledged. Yesterday the Penrith City Council held its NAIDOC Week civic function. I had the opportunity to attend that function last year—it was not a sitting week, Mr President—and I was particularly struck by the pleasure that the local members of the community took in attending that civic...
reception, in having held it in honour of NAIDOC Week and in the acknowledgement that Penrith City Council gives to the Indigenous community members there. The council say, very formally, that they believe working in partnership with Aboriginal and Torres Strait Islander organisations is the key to effective responses to the needs of local Indigenous people. They believe that the delivery of tangible and practical outcomes that have a local focus for Aboriginal people and are based on the principles of partnership and Aboriginal self-determination contribute enormously to meaningful and sustainable reconciliation. That is a pretty good standpoint for any local council.

What I will be able to get back for in time in Penrith this Friday, sitting hours notwithstanding, is the celebration of NAIDOC Week in Jamison Park. If the civic reception is important, the Jamison Park celebration goes even further. On the last occasion it was marked by more than 3,000 local people and kids attending with the most positive attitude. They just had the best time possible during that day. There is the mixed men and women's touch football, which brings together some Penrith identities playing touch football that perhaps it would be better not to see. There is the mixed men and women's netball and a lot of activities for kids—a barbecue, games, singers, care for the elderly and seniors and so on. It is a very important opportunity for this very special celebration.

One of the reasons I wanted to make these remarks about NAIDOC Week activities in Western Sydney tonight is that over the past couple of years I have formed a fairly strong view that if you came from another planet and tried to get an understanding of what happens in Australia in relation to Indigenous people through our local media, you would certainly get a very acute understanding of the challenges and privations for Indigenous Australians in remote and regional areas. But you might not always appreciate that two-thirds of Australia’s Indigenous population live in the south-east corner of Australia. In fact, an overwhelming majority of that two-thirds lives in Western Sydney. I think there are more threads to the narrative about Indigenous Australia than just the former story to which I have referred. It is part of our job, I think, to make sure that the narrative is told in full—that the stories of people in places like Western Sydney who make an enormous contribution as part of their local Indigenous community, as part of a broader community, are able to be recognised as well. Sometimes that does not happen. Sometimes the story is a very negative one. I think there are a lot more positive stories that we can tell. When I see thousands and thousands of people in Jamison Park on Friday to celebrate NAIDOC Week in Penrith, that seems to me to be a very good start in telling the positive side of the story.

Valedictory

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (19:29): I was, unfortunately, unable to be in the chamber for a number of the valedictories of our retiring senators, so I wanted to take the opportunity tonight to make a few comments. It is indeed a very different Senate chamber without those colleagues.

My Labor colleagues leaving the chamber included Senator Forshaw and Senator Hutchins, who, I think above all else, are very good blokes. They may not have been heard from other parts of the chamber, but they were fairly close across the chamber here from we Nationals down this end and there was some fairly friendly banter often between us. I do wish them all the best.
Senators Hurley and Senator Wortley—we came in together six years ago—have made a really significant contribution and I do wish them all the best as well, as, of course, I do Senator Fielding.

One Labor colleague I particularly wanted to make mention of this evening is Senator—correction former Senator Kerry O’Brien; it is very hard not to keep calling them 'Senator'. He made an enormous contribution for his party, particularly in the area of agriculture. I have worked with Kerry O’Brien for the last six years, particularly on the Senate rural and regional committee, and I never cease to be impressed by his understanding of the issues, his corporate knowledge of the issues and his ability to understand a situation. I commend him for the contribution that he made. Indeed, I thought it was very sad when there was a change of government that he was not given the agriculture portfolio, because I think he would have made a very fine agriculture minister. I do wish him well for his future path.

I was in the chamber for the valedictories for some of my Liberal colleagues—Senator Troeth, Senator Trood and Senator Barnett. See, it is impossible to stop using 'Senator', so I think I will just continue to do so till the end of this as if they were still in the chamber. The three I was not able to be here for were Senator McGauran, Senator Ferguson and Senator Minchin, and I did want to make some comments this evening about those colleagues.

Well, what can one say about Senator McGauran? What a colourful colleague he was—and, hopefully, will continue to be in some way, shape or form for many of us still here in the chamber. Julian was an extraordinary senator. Commenting on the fact that he did leave the Nats and go to the Liberals, I think all of us in this life make choices that fit where we are with life, and Julian chose to do that. While it was very sad that he left us, he did not go far—he only went a little way up the chamber. I do wish him the very, very best. And while he did make a choice that perhaps we were not terribly happy with at the time, it made no difference to our respect for him as a colleague and a friend. We will miss his colourful contribution in the chamber—and, indeed, in Senate estimates.

I remember many years ago in one of the rural and regional Senate estimates a quite famous half-hour or 40 minutes or so. We had just changed over to the new government and we were talking about the government’s axing of the Regional Partnerships program, which I have to place on record was one of the best things we did in government, in spite of all the opposition to it. It had some brilliant things and delivered tremendously for regional communities. There was this one discussion around the Tree of Knowledge at Barcaldine. I do not think there will be a more famous moment—certainly it was one of the more famous moments—in Senate estimates. By the end of it Senator McGauran was referring to the Tree of Knowledge as a 'stump'. Even the acting secretary of the department was having great difficulty hiding her mirth at this extraordinary situation. Julian did a tremendous job demolishing the government there on this particular project.

When I first came to this place, Senator Ferguson welcomed us newcomers with such warmth and open arms. It was really quite extraordinary. When you start in this place, as everybody here that is new will know, it is a bit like landing on Mars and you do feel really like a fish out of water. 'Fergie' went out of his way with all of us that were new to make sure that we were comfortable and that we knew we could go to him for advice and assistance. Over the following
years there were many times that I went to Fergie really often just in passing and would ask advice or he would say something that I would take heed of. I think he is one of the true statesmen that this chamber has seen for a very long time—probably for a very long time to come in the future. He was and is a true statesman and made an enormous contribution to this place, with a lot of class, a lot of style and the ability to absolutely to cut to the quick of an issue—to be able to in a few short words sum up an issue, sum up a position that we should have. I remember one particular debate that I will not go into and he was in the chair and he declared his position on this piece of legislation, which showed amazing strength of character and showed how much he really did believe in regional Australia and how important regional Australia was to him. I wish him all the very, very best.

Senator Minchin was the coalition leader in the Senate and I often felt for Nick, having to deal with the Nationals, because he bore the brunt of we Nationals, some of us as newbies coming in. We were occasionally a little headstrong, I guess, in some of the thoughts that we had and in some of the decisions we wanted to make. Nick had the most collegiate approach to the coalition in the Senate. It was really quite extraordinary and took a lot of consideration. He was always willing to look at the other side of an argument. He certainly had his views, which were very strongly held, but he always gave the Nationals the respect that he felt they should be afforded. For that I will always thank him. He managed the coalition in the Senate with such aplomb—that is not really the right word; I cannot think of the right word—and in such a great manner and style. He was a tremendous leader of the coalition.

Senator Boswell, when remarking on Senator Minchin and Senator Ferguson, said:

Nick and Ferg, you are the cement that binds these parties together. Some people ungenerously describe the National Party leadership as being like the captain of a canoe, but I know that when Barnaby, Wacka and Fiona wanted to cross the floor, there was one thing I could say: 'Don't do this to Nick; we have to look after Nick'. They always said, 'Yes, we have to look after Nick. That was our call—we had to look after Nick.

That was indeed true. There were many times when there were issues on which we might have had a slightly different view from our colleagues here, but the respect we had for Nick gave us a flavour of how we viewed our decisions. Senator Boswell was indeed right in saying that we had great respect for him as leader of the coalition. We very much appreciated the respect that he had for us. He will be a great loss to this chamber. It is wonderful to see so many new senators, who are also going to make a great contribution, but I think it is very important that we do note those who are retiring and the contributions they made. I thank Nick Minchin and all our other colleagues that are no longer here in the chamber with us.

In this chamber we often have cross-party interaction—a lot that those in the outside world do not necessarily see. I am very grateful for the flavour of that cross-party conversation. I think it is important to note we are not always yelling and screaming at each other across the chamber. I wish Nick Minchin all the very best in his future path and thank all of my colleagues for the contributions they have made here in this place.

**Australian of the Year Awards**

**Senator LUNDY** (Australian Capital Territory—Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Immigration and Multicultural Affairs) (19:39): Today I wish to raise the important matter of the Australian of the Year Awards. The National Australia Day Council was
established in 1979, known then as 'the committee', with a vision to make future Australia Day celebrations truly national and Australia-wide. The National Australia Day Council, NADC, is a not-for-profit government owned company ably chaired by Adam Gilchrist AM and is the coordinating body for Australia Day celebrations across the nation and for the Australian of the Year Awards.

The NADC heads a network of eight state and territory Australia Day affiliate organisations and some 780 local Australia Day committees. Tomorrow the Prime Minister, along with the NADC, will launch the call for nominations for the upcoming Australian of the Year Awards. The Prime Minister will be joined by the council chair, Adam Gilchrist AM; Australian of the Year, Simon McKeon; and Young Australian of the Year, Jessica Watson. I strongly encourage my Senate colleagues and members of parliament to get behind this prestigious national awards program and see if they can get along to that launch tomorrow morning.

As parliamentarians, we are always privileged to hear the great things happening in our respective communities. We often learn about extraordinary individuals who work tirelessly to make life better for others or who achieve amazing things. This award program presents each of us with a unique opportunity to pay tribute to these dedicated and inspirational people. The local insight that is gathered and the passionate community involvement associated with these awards is also extremely valuable in ensuring the continued success of the awards, which recognise Australians from our very diverse backgrounds. For more than 50 years, we have been naming an Australian of the Year. In recent years we have also presented awards for a Senior Australian of the Year, a Young Australian of the Year and Australia's Local Hero.

The honour roll of past recipients is a veritable who's who of our nation's modern history, with many inspirational Australians from all walks of life and cultural backgrounds being honoured. The list includes people from a wide range of professions and interests, scientists, medical professionals, sportsmen and sportswomen, humanitarians, historians, artists, entrepreneurs, philanthropists, military people and people active in the volunteering and community sector. Each of our past Australians of the Year has had a clear vision and a driving passion that helped inspire Australians to their cause and make them truly worthy recipients. For example, the late Lionel Rose MBE received the Australian of the Year Award in 1968 for being an inspirational Australian and international sportsman. He was recently remembered and celebrated with a state funeral in Victoria. He received the award after becoming the first Australian Indigenous world boxing champion. It was also the first time an Indigenous Australian had been honoured with the Australian of the Year Award. Since then, many Australians from a wide range of cultural backgrounds have received this honour. You will have heard about the 2011 national award recipients announced by the Prime Minister on the eve of Australia Day earlier this year.

Simon McKeon, the 2011 Australian of the Year Award recipient, is a social entrepreneur who uses his position and expertise to encourage the big end of town to better support those in need, not just with money but with skills. Simon's message is to take the skills you have, be they in finance, marketing or public policy, and put them to use for the community's benefit and to support the community sector. As well as Simon, the current Australian of the Year...
recipients are Professor Ron McCallum AO, Senior Australian of the Year for 2011, for his service to the law and many charitable organisations; Ms Jessica Watson, Young Australian of the Year for 2011, an inspirational young woman who sailed around the world last year; and Dr Donald Ritchie OAM, Australia's Local Hero for 2011, who received his award for being a dedicated suicide prevention advocate. If you have not read all of these people's stories, I urge you to. They are truly inspirational and give substance to the nature and character of these awards, which honour many diverse achievers across our community. The Australian of the Year Awards are one of the country's most highly valued and well-respected active citizenship programs. They recognise and promote outstanding Australians making special contributions to our nation and to our way of life. The awards also promote community engagement, another pre-eminent celebration of being an Australian through the award program.

I would like to say just a few words about the process. These awards can be bestowed on any Australian. However, to be considered for an award, a person must first be nominated, and that is what makes this program unique. All nominations are received by the NADC and, after the nomination period, which runs for two months, the nominations are sorted out by state and territory. Each state and territory has a selection panel, which is chaired by the local Australia Day organisation and includes community representatives, NADC representatives and program sponsor representatives. These state based selection panels then choose four finalists for each award category, with one of the finalists becoming the state or territory award recipient. State or territory award recipients then progress to the national level of the awards and become the national finalists. The board of the NADC then selects the national award recipients in all four award categories. The Prime Minister, as many people would know, announces the Australian of the Year, Senior Australian of the Year, Young Australian and Australia's Local Hero on the eve of Australia Day.

Many of us have had the privilege and excitement of being at this ceremony, which has been held on Federation Mall, in front of Parliament House—along that beautiful land axis of the Walter Burley Griffin and Marion Mahony plan of Canberra, where the pinnacle of Mt Ainslie flows down to the War Memorial along Anzac Parade, across the lake to Commonwealth Place, Reconciliation Place, Old Parliament House, Federation Mall and of course Parliament House here on this hill. The visible backdrop to the awards ceremony, many Australians—as it is televised—find completely inspirational. We have been lucky with the weather—on a beautiful summer day, on the eve of Australia Day—that all Australians can see their national capital hosting this very prestigious award.

Nominations for the 2012 Australian of the Year Awards are open to 31 August 2011. More information can be found on the website. I urge everybody, all my Senate colleagues and members of parliament, to promote these awards in their communities, to nominate someone you consider worthy of recognition. I say to all Australians: if you know someone who is, in your view, worthy of this recognition, then you have the opportunity to make that nomination. Consider who you think makes us proud to be Australian and encourage people in your communities to do the same.

Having attended that ceremony, I know that it is both poignant and moving to hear and read the tributes and citations of those nominated. It is truly a wonderful celebration.
of what it is to be Australian. I commend the
NADC and Australian of the Year Awards.

Senate adjourned at 19:48

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.]

<table>
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<td>Appropriation Act (No. 1) 2010-2011—Advance to the Finance Minister—No. 5 of 2010-2011</td>
<td>[F2011L01350].</td>
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<td>Australian Prudential Regulation Authority Act—Australian Prudential Regulation Authority (Commonwealth Costs) Determination 2011</td>
<td>[F2011L01329].</td>
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<td>Bankruptcy Act—Bankruptcy (Fees and Remuneration) Determination 2010 (No. 2)</td>
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<td>Civil Aviation Act—Civil Aviation Regulations—Instruments Nos CASA—</td>
<td>286/11—Direction – number of cabin attendants for Airbus A320 aircraft [F2011L01357].</td>
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<td>287/11—Direction – number of cabin attendants for Fokker F100 aircraft [F2011L01358].</td>
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<td>297/11—Direction – number of cabin attendants [F2011L01345].</td>
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Financial Management and Accountability Act—
Financial Management and Accountability Determination 2011/08 – Section 32 (Transfer of Functions from FHCSIA to DPMC) [F2011L01399].

Select Legislative Instrument 2011 No. 119—
Financial Management and Accountability Amendment Regulations 2011 (No. 3) [F2011L01359].

Jervis Bay Territory Acceptance Act—
Administration Ordinance—Electricity Supply Fees Determination 2011 [F2011L01349].

Medicare Australia Act—Medicare Australia (Functions of Chief Executive Officer – Repeal) Direction 2011 [F2011L01317].

Migration Act—Migration Regulations—
Instruments IMMI—
11/025—Classes of persons [F2011L01362].
11/028—Specified place [F2011L01301].
11/032—Visa subclasses for the purposes of the health requirement [F2011L01268].

Military Superannuation and Benefits Act—
Military Superannuation and Benefits Trust Deed Amendment 2011 (No. 1) [F2011L01351].

National Vocational Education and Training Regulator Act—
Data Provision Requirements 2011 [F2011L01342].
Fit and Proper Person Requirements 2011 [F2011L01341].

National Vocational Education and Training Regulator Act (Classification of States) Determination 2011 [F2011L01386].

Standards for NVR Registered Training Organisations 2011 [F2011L01356].

Quarantine Act—Quarantine Amendment Proclamation 2011 (No. 1) [F2011L01410].

Safety, Rehabilitation and Compensation Act—

Social Security Act—
Social Security (Special Disability Trust) (FaHCSIA) Guidelines 2011 [F2011L01343].
Social Security (Special Disability Trust – Trust Deed, Reporting and Auditing Requirements) (FaHCSIA) Determination 2011 [F2011L01314].

Superannuation Act 1976—
Superannuation (CSS) (Eligible Employees – Exclusion) Amendment Declaration 2011 (No. 1) [F2011L01392].
Superannuation (CSS) (Eligible Employees – Inclusion) Amendment Declaration 2011 (No. 1) [F2011L01388].
Superannuation (Family Law – Superannuation Act 1976) Amendment Orders 2011 (No. 1) [F2011L01394].
Superannuation Act 1990—
Superannuation Act 1990 (Division of Costs) Determination No. 2 Amendment Determination 2011 (No. 1) [F2011L01389].
Superannuation (PSS) Membership Inclusion Amendment Declaration 2011 (No. 1) [F2011L01391].
Thirty-fifth Amending Deed to the Public Sector Superannuation Scheme Trust Deed [F2011L01393].

Superannuation Act 2005—
Fifth Amending Deed to the Superannuation (PSSAP) Trust Deed [F2011L01390].
Superannuation (PSSAP) (Division of Costs) Amendment Determination 2011 (No. 1) [F2011L01387].
Superannuation (PSSAP) Membership Eligibility (Inclusion) Amendment Declaration 2011 (No. 1) [F2011L01383].
The following government documents were tabled:


Treaties—Multilateral—

Instrument amending the Constitution of the International Telecommunications Union (Geneva, 1992) and Instrument amending the Convention of the International Telecommunications Union (Geneva, 1992) as amended by the Plenipotentiary Conference (Kyoto, 1994), by the Plenipotentiary Conference (Minneapolis, 1998), by the Plenipotentiary Conference (Marrakesh, 2002) and by the Plenipotentiary Conference (Antalya, 2006) — Amendments adopted by the Plenipotentiary Conference (Guadalajara, 22 October 2010)—Text, together with national interest analysis.

Text, together with national interest analysis and regulation impact statement—


QUESTIONS ON NOTICE

Solaris Paper Pty Ltd
(Question No. 660)

Senator Bob Brown asked the Minister representing the Special Minister of State, upon notice, on 24 May 2011:

(1) Has the department or any agency for which you are responsible: (a) had discussions or negotiations with Solaris Paper Pty Ltd regarding the procurement of Solaris Paper toilet paper within the past 12 months; and/or (b) entered into any contracts with Solaris Paper Pty Ltd for the procurement of Solaris Paper toilet paper within the past 12 months; if so, can details be provided for each contract detailing: (i) what was the length of the contract, (ii) what was the value of the contract, (iii) whether it was the department or an agency (please state which agency) that entered into the contract, and (iv) whether the contract satisfies the Government's procurement policy.

(2) Has the department or any agency for which you are responsible procured paper or tissue products directly or indirectly from Asia Pulp & Paper (APP) or its affiliates.

(3) Would the purchasing of products from APP and its Australian affiliate Solaris Paper Pty Ltd constitute a breach of the requirement under section 44 of the Financial Management and Accountability Act 1997 that the Federal Government be 'effective and ethical' in the use of its resources.

Senator Wong: The Special Minister of State has supplied the following answer to the honourable senator’s question:

(1) (a) to (b) No
(2) No
(3) Without evidence of non-compliance with Government policies, there is no breach.

Office of the Chief Trade Adviser
(Question No. 678)

Senator Bob Brown asked the Minister representing the Minister for Trade, upon notice, on 1 June 2011:

(1) According to the department's website, Australia is 'providing $500,000 a year for three years to help fund the Office of the Chief Trade Adviser [OCTA], to provide independent support and advice to Forum Island Countries over the course of the negotiations' yet, according to an OCTA media release, dated 29 March 2011, 'Australia and New Zealand are yet to confirm whether they will provide the funds promised for the second and third years of operation to the OCTA as now constituted': will Australia provide funding to the OCTA for a further 2 years as per the promised commitment and will that funding arrangement support the maintenance of Forum Island Country control of the OCTA; if not, what are the specific reasons for the funding being withheld.

(2) Given that the Government has not included PACER Plus in both its trade policy statement released in April 2011 nor in its report to the World Trade Organization (WTO): can an explanation be provided as to: (a) why PACER Plus was not included; and (b) how its exclusion will affect Australia's approach to PACER Plus negotiations.

(3) Does the exclusion of PACER Plus from the trade policy statement mean that it will not longer have to be negotiated as a WTO compatible free trade agreement.

Senator Conroy: The Minister for Trade has provided the following answer to the honourable senator's question:
(1) Australia is continuing to fulfil its commitment to provide $500,000 a year for three years to the Office of the Chief Trade Adviser (OCTA) to assist the Forum Island countries in the PACER Plus negotiations. The Australian Government provided funding for the first year of the OCTA's operations through an arrangement with the Pacific Islands Forum Secretariat. Prior to OCTA becoming a legal entity, Australia agreed that unspent Australian Government funding from the first year of the OCTA's operations would be rolled over to fund its operations in the second year. On 12 May 2011, the Australian Government sent the OCTA and Forum Island countries a draft funding agreement for the OCTA's second and third years of operation. Australia expects to finalise the funding agreement soon.

(2) (a) References to the PACER Plus negotiations were not included in the April 2011 Trade Policy Statement or the Government's report to the WTO Trade Policy Review of Australia because Australia's approach to the PACER Plus negotiations is different to that taken in traditional free trade agreement negotiations. Australia's primary objective for the PACER Plus agreement is to promote the sustainable economic development of Forum Island countries through greater regional trade and economic integration.

(2) (b) Australia's approach to the PACER Plus negotiations is not affected.

(3) Australia is committed to pursuing through the PACER Plus negotiations an agreement which is consistent with the WTO rules related to free trade agreements.

**Reciprocal Health Care Agreements**

(Question No. 679)

*Senator Cash* asked the Minister representing the Minister for Health and Ageing, upon notice, on 6 June 2011:

With reference to the answer given to question on notice E11-050 asked during the 2010-11 additional estimates hearing of the Community Affairs Legislation Committee in regard to reciprocal health care agreements (RHCA) for 410 visa holders, which states 'b) The Department considered the usual circumstances of all 410 visa holders, prompted by a particular case, in making this decision':

(1) Without compromising the confidentiality of any individual in the particular case, and with any necessary personal identifiers removed:

(a) what were the full details and exact circumstances of the particular case which subsequently led the department to make the decision to apply a policy change to all 410 visa holders;

(b) how can 'the usual circumstances of all 410 visa holders' best be described or defined;

(c) are there any circumstances of any subgroups within the total 410 visa cohort which differ from 'the usual circumstances of all 410 visa holders'; if so, how can these best be described or defined; and

(d) are there any other temporary visas whose visa holders have the same usual circumstances of 410 visa holders; if so, which visas.

(2) In regard to the answer given to part (e) of the same question which states: 'e) Yes. Holders of Temporary Business (Long Stay) – Standard Business Sponsorship (Subclass 457) are eligible for health care under the terms of the relevant RHCA':

(a) if the 457 visa allows a temporary stay for a period of up to 4 years (with the possibility of renewal for periods of up to 4 years) and the 410 visa allowed an initial temporary stay in Australia of 4 years, with (at the time of the change in policy in 1998) the possibility of renewal for a further period of only 2 years, how does the 457 visa not imply an intention to take up residence in Australia, when a retirement visa strongly implies an intention to take up residence in Australia; and

(b) how is it possible for a 457 visa holder to work in Australia for 4 years or more without taking up residence here.
(3) How and why does the department differentiate the eligibility for RHCA benefits between two classes of temporary visa (457 and 410) both of which have similar limited and finite periods of temporary residence, given that the Department of Immigration and Citizenship has been very clear in its description of the 410 retirement visa, insisting that its purpose was to allow people of retirement age 'to spend some of their retirement years in Australia'.

(4) Which other temporary visas, other than the 457 visa, allow eligibility for RHCA Medicare benefits for visa holders who originate from countries with RHCAs with Australia.

(5) Given that, in a reply to British Expat Retirees in Australia (BERIA) the department stated that a retirement visa strongly implies an intention to take up residence in Australia, suggesting that the department classes all 410 visa holders as intending to live 'permanently' in Australia, despite the fact that a temporary visa does not allow permanent residency, merely temporary residency for the length of the visa, and in fact, many BERIA members spend only short periods of time in Australia, some no longer than allowed by a tourist visa, why then do these 410 visa holders not qualify for RHCA benefits.

(6) Given that 410 visa holders applying for parent visas are now allowed to retain their 410 visa rather than accepting a bridging visa, yet they immediately qualify for RHCA benefits from the time their parent visa application is made to the time they receive their parent visas (which could be up to 15 years), why do these 410 visa holders suddenly become eligible one day, when the previous day they were ineligible, even though their visa status remains exactly the same.

(7) Can details be provided as to who pays the costs of the RHCA and how and when this is paid (i.e. is the agreement between Australia and the United Kingdom (UK) the same as the European Health Insurance Card agreement where each country bills the other for the reciprocal health care costs incurred by their nationals in the other country, or is it a different model).

(8) An RHCA guarantees full health care benefits in one country and basic health care benefits while 'visiting' the other country, however the 1998 decision referred to in the answer to question on notice E11-050 subpart (a), denied reciprocal health care benefits to 410 visa holders in Australia because they were deemed 'resident' here (the department classes 410 visa holders as resident in Australia) and as a result they are denied the normal health care benefits in the UK for which UK residents are eligible: Given that 410 visa holders are treated as 'visitors' if they return to the UK for a temporary stay, how can 410 visa holders access government subsidised healthcare services when Australia deems them to be ineligible for Medicare and the UK deems them ineligible for the National Health Service.

(9) Does the eligibility for reciprocal Medicare benefits for parent visa applicants, whether on bridging visas or on 410 visas, apply to both the Parent (Migrant) Visa (Subclass 103) and the Aged Parent (Residence) Visa (Subclass 804).

(10) Are Temporary Business (Long Stay) – Standard Business Sponsorship (Subclass 457) visa holders deemed by the department to be still resident in their countries of origin; if so, why; if not, why not.

(11) Are parent visa applicants, whether on bridging visas or on 410 visas, deemed by the department to be still resident in their countries of origin; if so, why; if not, why not.

Senator Ludwig: The Minister for Health and Ageing has provided the following answer to the honourable senator's question:

(1) (a) The holders of a 410 visa moved to Australia in 1996 from the United Kingdom.

On moving to Australia, the holders objected to being liable to pay the Medicare Levy. They argued that they did not fall within the scope of Medicare or the RHCA, as they had ceased to be residents of the United Kingdom on their retirement to Australia. They asserted that as the RHCA did not apply to them, they should not be treated as eligible persons under the legislation, and should be exempted from paying the Medicare Levy.
More recently, the situation of 410 visa holders has been raised with the Department of Health and Ageing by several stakeholders, including the British Expat Retirees in Australia (BERIA), and in response the Department has been reviewing the 1998 policy and its impact on visa holders. This review is ongoing.

(b) 410 visa holders are people who have agreed to the conditions of a 410 visa, including that they are (a) self-funding and (b) must provide for their own health care costs through health insurance, which must be adequate, in that it provides cover that is at least equivalent to Medicare benefits and covers pharmaceuticals.

(c) The Minister does not have access to substantive evidence about all the various circumstances of subgroups of 410 visa holders. However, it is believed that all 410 visa holders are made aware of the visa condition that they must provide for their own health care costs through holding adequate health insurance while in Australia.

(d) Yes. The circumstances applying to 410 visa holders regarding visa conditions also apply in essence to holders of the Investor Retirement (Subclass 405) visa.

(2) (a) to (b) The Department is not aware that there is any prescribed period of time that is determinative of whether a person is 'resident' in a country. It should be noted that the Minister for Immigration is responsible for policy and legal requirements attaching to different visas.

(3) The conditions attaching to the two visas regarding health care are different.

(4) Temporary visas, other than 405 and 410 retirement visas, enable their holders to access relevant Medicare benefits under an applicable RHCA.

(5) The Department understands that 410 visa holders were aware of the conditions of their 410 visa, and accepted those conditions, before they obtained it. If an individual seeking to travel to Australia wished to be eligible for RHCA benefits, he or she had the option at the time of considering another visa which would have allowed access to such benefits.

(6) Holders of 410 visas who apply for the 804 parent visa attain eligibility under an applicable RHCA due to their status as applicants for a permanent residency visa.

(7) Australia's RHCA's are based on a cost waiver principle, where each country fully absorbs the costs of providing health care to visitors, and no financial adjustment takes place. The cost waiver type of agreement is the alternative to the agreement model used in European Union countries, which involves monitoring and administration for the purpose of reimbursing medical costs.

(8) The Government cannot provide advice on the eligibility requirements of the United Kingdom's National Health Service.

(9) Yes.

(10) There is no 'deeming' process undertaken by the Department.

(11) There is no 'deeming' process undertaken by the Department.