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SITTING DAYS—2008

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<td>December</td>
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RADIO BROADCASTS
Broadcasts of proceedings of the Parliament can be heard on the following Parliamentary and News Network radio stations, in the areas identified.

CANBERRA  103.9 FM  
SYDNEY     630 AM  
NEWCASTLE  1458 AM  
GOSFORD    98.1 FM  
BRISBANE   936 AM  
GOLD COAST 95.7 FM  
MELBOURNE  1026 AM  
ADELAIDE   972 AM  
PERTH      585 AM  
HOBART     747 AM  
NORTHERN TASMANIA 92.5 FM  
DARWIN     102.5 FM
FORTY-SECOND PARLIAMENT
FIRST SESSION—THIRD PERIOD

Governor-General
His Excellency Major General Michael Jeffery, Companion in the Order of Australia, 
Commander of the Royal Victorian Order, Military Cross

Senate Officeholders
President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Hon. Alan Baird Ferguson
Temporary Chairs of Committees—Senators Guy Barnett, Thomas Mark Bishop, 
Carol Louise Brown, Concetta Anna Fierravanti-Wells, Michael George Forshaw, 
Gary John Joseph Humphries, Stephen Patrick Hutchins, Barnaby Thomas Gerard Joyce, 
Anne McEwen, Gavin Mark Marshall, Claire Mary Moore, Stephen Shane Parry, 
Hon. Judith Mary Troeth and Russell Brunell Trood

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. Nicholas Hugh Minchin
Deputy Leader of the Opposition in the Senate—Senator Hon. Eric Abetz
Manager of Government Business in the Senate—Senator Hon. Joseph William Ludwig
Manager of Opposition Business in the Senate—Senator Hon. Christopher Martin Ellison

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. Nicholas Hugh Minchin
Deputy Leader of the Liberal Party of Australia—Senator Hon. Eric Abetz
Leader of the Nationals—Senator Hon. Nigel Gregory Scullion
Deputy Leader of the Nationals—Senator Fiona Joy Nash
Leader of the Australian Greens—Senator Robert James Brown
Leader of the Family First Party—Senator Steve Fielding

Government Whips—Senators Kerry Williams Kelso O’Brien, Donald Edward Farrell and 
Anne McEwen
Liberal Party of Australia Whips—Senators Stephen Shane Parry and Judith Anne Adams
The Nationals Whip—Senator Fiona Joy Nash
Australian Greens Whip—Senator Rachel Mary Siewert
Family First Party Whip—Senator Steve Fielding

Printed by authority of the Senate
## Members of the Senate

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(1) Chosen by the Parliament of South Australia to fill a casual vacancy vice Amanda Eloise Vanstone, resigned.

(2) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Ian Campbell, resigned.

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

PARTY ABBREVIATIONS
AG—Australian Greens; ALP—Australian Labor Party; CLP—Country Liberal Party;
FF—Family First Party; LP—Liberal Party of Australia; NATS—The Nationals

Heads of Parliamentary Departments
Clerk of the Senate—H Evans
Clerk of the House of Representatives—I C Harris
Secretary, Department of Parliamentary Services—A Thompson
### RUDD MINISTRY

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<tr>
<td>Prime Minister</td>
<td>Hon. Kevin Rudd, MP</td>
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<tr>
<td>Deputy Prime Minister, Minister for Education, Minister for Employment</td>
<td>Hon. Julia Gillard, MP</td>
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<tr>
<td>and Workplace Relations and Minister for Social Inclusion</td>
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<tr>
<td>Treasurer</td>
<td>Hon. Wayne Swan MP</td>
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<tr>
<td>Minister for Immigration and Citizenship and Leader of the</td>
<td>Senator Hon. Chris Evans</td>
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<td>Government in the Senate</td>
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<tr>
<td>Special Minister of State, Cabinet Secretary and</td>
<td>Senator Hon. John Faulkner</td>
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<tr>
<td>Vice President of the Executive Council</td>
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<tr>
<td>Minister for Finance and Deregulation</td>
<td>Hon. Lindsay Tanner MP</td>
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<tr>
<td>Minister for Trade</td>
<td>Hon. Simon Crean MP</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>Hon. Stephen Smith MP</td>
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<tr>
<td>Minister for Defence</td>
<td>Hon. Joel Fitzgibbon 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</td>
<td>Hon. Jenny Macklin MP</td>
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<td>Indigenous Affairs</td>
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<td>Minister for Infrastructure, Transport, Regional Development</td>
<td>Hon. Anthony Albanese MP</td>
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<td>and Local Government and Leader of the House</td>
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<td>Economy and Deputy Leader of the Government in the Senate</td>
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<tr>
<td>Minister for Innovation, Industry, Science and Research</td>
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<tr>
<td>Minister for Climate Change and Water</td>
<td>Senator Hon. Penny Wong</td>
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<tr>
<td>Minister for the Environment, Heritage and the Arts</td>
<td>Hon. Peter Garrett AM, MP</td>
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<tr>
<td>Attorney-General</td>
<td>Hon. Robert McClelland MP</td>
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<tr>
<td>Minister for Human Services and Manager of Government</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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[The above ministers constitute the cabinet]
RUDD MINISTRY—continued

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<td>Minister for Home Affairs</td>
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<td>Assistant Treasurer and Minister for Competition Policy and Consumer Affairs</td>
<td>Hon. Chris Bowen MP</td>
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<td>Minister for Veterans’ Affairs</td>
<td>Hon. Alan Griffin MP</td>
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<td>Minister for Housing and Minister for the Status of Women</td>
<td>Hon. Tanya Plibersek MP</td>
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<td>Hon. Brendan O’Connor MP</td>
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<td>Hon. Warren Snowdon MP</td>
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<td>Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation</td>
<td>Hon. Dr Craig Emerson MP</td>
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<td>Hon. Maxine McKew MP</td>
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<td>Hon. Greg Combet AM, MP</td>
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<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Parliamentary Secretary for Regional Development and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
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<td>Parliamentary Secretary for Disabilities and Children’s Services</td>
<td>Hon. Bill Shorten MP</td>
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<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Hon. Duncan Kerr MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>Hon. Anthony Byrne MP</td>
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<tr>
<td>Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion</td>
<td>Senator Hon. Ursula Stephens</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Trade</td>
<td>Hon. John Murphy MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Health and Ageing</td>
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<td>Parliamentary Secretary for Multicultural Affairs and Settlement Services</td>
<td>Hon. Laurie Ferguson MP</td>
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</table>
SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition and Shadow Minister for Employment, Business and Workplace Relations
Leader of the Nationals and Shadow Minister for Infrastructure and Transport and Local Government
Leader of the Opposition in the Senate and Shadow Minister for Defence
Deputy Leader of the Opposition in the Senate and Shadow Minister for Innovation, Industry, Science and Research
Shadow Treasurer
Manager of Opposition Business in the House and Shadow Minister for Health and Ageing
Shadow Minister for Foreign Affairs
Shadow Minister for Trade
Shadow Minister for Families, Community Services, Indigenous Affairs and the Voluntary Sector
Shadow Minister for Agriculture, Fisheries and Forestry
Shadow Minister for Human Services
Shadow Minister for Education, Apprenticeships and Training
Shadow Minister for Climate Change, Environment and Urban Water
Shadow Minister for Finance, Competition Policy and Deregulation
Manager of Opposition Business in the Senate and Shadow Minister for Immigration and Citizenship
Shadow Minister for Broadband, Communications and the Digital Economy
Shadow Attorney-General
Shadow Minister for Resources and Energy and Shadow Minister for Tourism
Shadow Minister for Regional Development, Water Security

Hon. Brendan Nelson MP
Hon. Julie Bishop MP
Hon. Warren Truss MP
Senator Hon. Nick Minchin
Senator Hon. Eric Abetz
Hon. Malcolm Turnbull MP
Hon. Joe Hockey MP
Hon. Andrew Robb MP
Hon. Ian Macfarlane MP
Hon. Tony Abbott MP
Senator Hon. Nigel Scullion
Senator Hon. Helen Coonan
Hon. Tony Smith MP
Hon. Greg Hunt MP
Hon. Peter Dutton MP
Senator Hon. Chris Ellison
Hon. Bruce Billson MP
Senator Hon. George Brandis
Senator Hon. David Johnston
Hon. John Cobb MP

[The above constitute the shadow cabinet]
SHADOW MINISTRY—continued

Shadow Minister for Justice and Border Protection; Assisting Shadow Minister for Immigration and Citizenship
Hon. Chris Pyne MP

Shadow Special Minister of State
Senator Hon. Michael Ronaldson

Shadow Minister for Small Business, the Service Economy and Tourism
Steven Ciobo MP

Shadow Minister for Environment, Heritage, the Arts and Indigenous Affairs
Hon. Sharman Stone MP

Shadow Assistant Treasurer and Shadow Minister for Superannuation and Corporate Governance
Michael Keenan MP

Shadow Minister for Ageing
Margaret May MP
Hon. Bob Baldwin MP

Deputy Manager of Opposition Business in the House and Shadow Minister for Business Development, Independent Contractors and Consumer Affairs
Luke Hartsuyker MP

Shadow Minister for Veterans’ Affairs
Hon. Bronwyn Bishop MP

Shadow Minister for Employment Participation and Apprenticeships and Training
Andrew Southcott MP

Shadow Minister for Housing and Shadow Minister for Status of Women
Hon. Sussan Ley MP

Shadow Minister for Youth and Sport
Hon. Pat Farmer MP

Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Cabinet Secretary
Don Randall MP

Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Parliamentary Secretary for Northern Australia
Senator Hon. Ian Macdonald

Shadow Parliamentary Secretary for Health
Senator Hon. Richard Colbeck

Shadow Parliamentary Secretary for Education
Senator Hon. Brett Mason

Shadow Parliamentary Secretary for Defence
Hon. Peter Lindsay MP

Shadow Parliamentary Secretary for Infrastructure, Roads and Transport
Barry Haase MP

Shadow Parliamentary Secretary for Trade
John Forrest MP

Shadow Parliamentary Secretary for Immigration and Citizenship
Louise Markus MP

Shadow Parliamentary Secretary for Local Government
Sophie Mirabella MP

Shadow Parliamentary Secretary for Tourism
Jo Gash MP

Shadow Parliamentary Secretary for Ageing and the Voluntary Sector
Mark Coulton MP

Shadow Parliamentary Secretary for Foreign Affairs
Senator Marise Payne

Shadow Parliamentary Secretary for Families and Community Services
Senator Cory Bernardi
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The PRESIDENT (Senator the Hon. John Hogg) took the chair at 12.30 pm and read prayers.

COMMITTEES
Environment, Communications and the Arts Committee
Meeting
Senator McEWEN (South Australia) (12.31 pm)—by leave—I move:
That the Environment, Communications and the Arts Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today.
Question agreed to.

NATIONAL GREENHOUSE AND ENERGY REPORTING AMENDMENT BILL 2008
Second Reading
Debate resumed from 28 August, on motion by Senator Ludwig:
That this bill be now read a second time.

Senator JOHNSTON (Western Australia) (12.32 pm)—On behalf of the opposition I want to put on the record the opposition’s position in respect of the National Greenhouse and Energy Reporting Amendment Bill 2008. It is a very technical bill. It has minor amendments that go to positively affecting the practical operation of the National Greenhouse and Energy Reporting Act 2007. The aims of the amendments are to simplify the reporting requirements of corporations by reducing red tape through the simplification of the regulatory burden and increased flexibility associated with the registration of corporations under the act. Needless to say, this act was enacted by the previous Howard government and these amendments are in fact in line with the evolution of this very important legislation as the foundation stone upon which the emissions trading scheme is to be built.

It also confirms that the obligation of a registered corporation to comply with an external audit extends also to the corporations group as a whole. It clarifies the provisions relating to the reporting of greenhouse gas projects and offsets of emissions. It gives greater power under the act for the government to make mandatory and separate public disclosure of direct and indirect greenhouse gas emissions. It confirms the ability of the minister to specify conditions for the use of alternative methods to calculate greenhouse gas emissions and to allow publication of information relating to those methods. It is a very difficult area for this legislation, but this is a step in the right direction.

I also simply add that, having said that it makes minor technical amendments, these amendments were in fact foreshadowed prior to the last election. Having put the reporting system in place, this is a preparatory framework which will ultimately assist both in monitoring Australia’s greenhouse emissions and allowing us to prepare in the most efficient and least disruptive way for an emissions trading scheme. In relation to this particular bill, I note that there are amendments here aimed at three things: firstly, simplifying, as I have said, the regulatory burden; secondly, confirming the obligation of a registered corporation to comply with an external audit extending over the corporations group; and, thirdly, clarifying the provisions relating to the reporting of projects and the offsets of emissions. I think that this bill is a very straightforward minor amendment to the evolution of what is an important legal framework. I thank the Senate.

Senator MILNE (Tasmania) (12.34 pm)—I rise today on behalf of the Greens to support this National Greenhouse and Energy Reporting Amendment Bill 2008. As
has been indicated in the second reading speech and as Senator Johnston just said, it is a bill which is making some technical amendments to a larger piece of legislation which has previously passed the Senate, and of course it is giving more detail around the accounting that is going to be implemented for an emissions trading scheme.

I would like to go to the first point of thresholds. I am disappointed that the threshold for the reporting for the Australian emissions trading scheme is going to be 25,000 tonnes. It seems to me that that level is somewhat too high especially since the European emissions trading system is going to require mandatory auditing and reporting at 10,000 tonnes, and that is going to apply in phase 3 of the European emissions trading scheme starting in 2013 to 2020. So, if we are actually going to think about a globally consistent emissions trading regime, then it would be eminently sensible to be looking at mirroring what the EU is doing in terms of reporting. I would like to know from the minister—and I presume Senator Carr is the minister who is going to be responding to this so I hope he is listening to what I am saying here and not talking over there in the background—why the government has chosen to stay with 25,000 tonnes and not go down to 10,000.

I would have thought that it is in the interests of the companies concerned to start the process. I know quite a lot of detail is required and companies would have to make a real commitment to do it. But, essentially, many of the companies producing between 10,000 and 25,000 tonnes are public companies and they are reporting to their shareholders. Their shareholders are going to want to know the exposure risk of the company to an emissions trading scheme, so they are going to want to know the greenhouse gas footprint of the company, the footprint of the sources of the inputs for whatever they are manufacturing or doing and their exposure to increased costs through an emissions trading system. Essentially, as I understand it, the principles that any company should be looking at in greenhouse gas accounting are: firstly, the relevance of what is being accounted for—defining the boundaries that reflect the greenhouse gas emissions of the organisation and the decision-making needs of the users of whatever the product is; and, secondly, consistent methodology and measurement. You would want to make sure this is happening across all companies—transparency; consideration of all relevant issues in a factual and coherent manner; a clear audit trail; accuracy in reporting so that there is real integrity in those greenhouse gas measurements; and reporting to shareholders on the exposure to emissions trading and price signals.

I will be very interested to hear what the government has got to say about why they decided on the 25,000 tonne threshold and not 10,000 tonnes. I did consider moving an amendment in relation to this but I am interested to hear from the government first as to what the rationale is. I think it is only a matter of time before Australian companies are going to be required to do this anyway. Every year that Australia allows our regulatory system to be less rigorous and less comprehensive than the Europeans is a year closer to Australians being less competitive in a global economy. As was very clear when we talked about luxury cars, when you set very high and transparent reporting and auditing standards and so on then you get a more efficient operation and you get higher quality, cheaper prices and you outdo your competitors who have been more lax. That has been the story. That is in fact why a number of companies are not competitive anymore. It is because we have not set high enough standards. It means they do not invest in new plant and equipment. They let
the old equipment run down, making it easier for them to move offshore, which has occurred in many cases.

In relation to the accounting standards, it is important that they have integrity. I am fully aware that greenhouse gas reporting does not include the forest industry sector. We have supported land use, land use change and forestry being left out of an emissions trading system because we do not believe that the accounting is anywhere near adequate at the moment to reflect the real nature of the greenhouse gas emissions. That is not to say that they should not be included in different ways, through regulatory environments and so on. I put the government on notice that the Kyoto accounting rules do not accurately reflect greenhouse gas emissions from land use, land use change and forestry, and will not stand up in any assessment of how much greenhouse gas emissions are going into the atmosphere. We desperately need a new accounting system that separates out the emissions that come from forestry operations in particular compared with the uptake of carbon dioxide in the flux process. So you need to separate those two out to get a realistic view of how to cut emissions. That is why, of course, we are arguing too that there should be a protection of carbon stocks. The issue of integrity and accuracy in accounting is very important.

In the second reading debate the last time the main bill came before the Senate, we argued that there also needs to be transparency at the facility level. It is not clear to me, Minister, in this particular bill—and I will be interested to hear your explanation of this as well—whether we are now going to have transparency at the facility level. I notice that the Treasurer, Minister Swan, does say that the amendments proposed by this bill go beyond the existing policy in the area of public disclosure. The problem before was that public disclosure was not at the facility level, and that is something the community deserves to have. I do appreciate that there is now in this bill better public disclosure than previously but, Minister, I would like a response about whether the public disclosure amendments cover individual facilities.

The reason I want to know that is this: the plant in South Africa that is the equivalent of the proposed liquefied coal plant in Victoria is the largest point source of greenhouse gas emissions in the world. This one plant, this liquefied coal facility, in South Africa is the largest individual point source. If Victoria goes ahead and tries to rival South Africa as having the largest point source of greenhouse gases in the world, then the community needs to know precisely what the greenhouse gas load from one individual facility actually is. I will be keen to hear the response to that.

In terms of the way the thresholds operate in this legislation, it is looking at two things—individual facilities and also corporations. While the thresholds for corporations scale down, those for individual facilities do not appear to. I would like an explanation from the minister as to why, in that two-stage process, we have not got an equivalent phasing down of the thresholds for individual facilities as we do for the corporations in the second range of thresholds set.

Essentially, what we are seeing in this bill is an improvement to the National Greenhouse and Energy Reporting Act 2007. It is giving more detail around that and it is getting Australia ready to be able to account properly in the lead-up to the implementation of an emissions trading system. We welcome that. However, I want to put on the record here my concern that when the Rudd government was elected its undertaking was to bring in an emissions trading system, and people assumed that meant an emissions trading system to reduce emissions, but it is now not clear to me that that is the case. It is
clear to me that the mechanics of an emissions trading system will be introduced by 2010, in a federal election year. But I am certainly not persuaded, from the signals that are coming from the government, that an emissions trading system will actually deliver a reduction in emissions because for that to occur you would need a reasonable cap on greenhouse gas emissions, therefore driving a reasonable carbon price and therefore actually driving a reduction in emissions.

So I would like to have some reassurance from the Minister for Innovation, Industry, Science and Research, when he responds to the speeches in the chamber, that the intention of the government with an emissions trading scheme is to actually reduce emissions, not just set in place the mechanics of an emissions trading system. I also remind the minister, since he was speaking with another member of the House when I originally asked these questions, that I want to have an answer about what the rationale is for the 25,000 to 10,000 and an answer on public disclosure at individual facilities. The third question I would like an answer to is whether at the individual facility level there is a ramping down as there is at corporations level. But, yes, the Greens support the bill.

Senator MARSHALL (Victoria) (12.46 pm)—The purpose of the National Greenhouse and Energy Reporting Amendment Bill 2008 is to make a number of minor amendments to the National Greenhouse and Energy Reporting Act 2007, to improve the administration of the act and to make modifications to what information can be published by government under that act. The act was introduced by the previous government and enacted on 28 September 2007. It establishes a framework for mandatory reporting of greenhouse gas emissions and energy production and consumption by industry. Corporations which exceed certain thresholds are required to apply to register under the system by 31 August 2009 and to provide data connecting their emissions and energy use, commencing with the 2008-09 financial year. The first corporation reports by industry are due by 31 October 2009.

Data collected by the national greenhouse and energy reporting system will facilitate policy making on greenhouse and energy issues. A goal of the system is to eliminate duplication in industry reporting requirements under the existing patchwork of state, territory and Commonwealth greenhouse gas and energy programs. It provides a repository for data which may potentially serve the needs of all Australian governments. The government is working with the states and territories through the Council of Australian Governments to identify opportunities for streamlining national reporting requirements via this system. In addition, the system aims to underpin the introduction of an emissions trading scheme and will assist the government to meet Australia’s international reporting requirements.

For the most part, the administrative amendments of this bill are to improve the functions of the act. They do not impose new regulatory burdens on industry, and the measures will not have a budgetary impact. An example of the greater flexibility provided by these amendments is in the area of registration of corporations under the act. The proposed amendments will ensure that a corporation may apply for registration well in advance of meeting one of the emissions or energy thresholds specified in the act, as opposed to waiting until the day the threshold is met. In addition, it will no longer be necessary for a corporation to provide evidence that it has met a threshold at the point of registration. This will significantly reduce the red tape burden imposed on industry at the start of their involvement with the scheme.
Another administrative amendment set out in this bill is to clarify the distinction between reporting of projects leading to reductions and removals of greenhouse gases and reporting of offsets. Currently, the act allows a corporation to report on offsets arising from a project undertaken by itself or a member of its group. This would prevent a corporation from reporting offsets which could be generated by activities carried out beyond the corporate boundaries of the group. A new provision inserted by this bill will allow separate reporting of offsets and other types of projects.

The bill will ensure the public and investors have access to information on both a corporation’s scope 1, which is direct, and its scope 2, indirect, greenhouse gas emissions. This distinction has been added following public consultation. Corporations will benefit from a greater public understanding of how their emissions profile is composed rather than from the publication of a single total. The bill also allows corporations to disclose to the public the methods used to measure their emissions, and for the accuracy rating of the methods to be disclosed publicly. This will lead to a far greater transparency concerning the accuracy and reliability of data published. This bill demonstrates our government’s commitment to tackling climate change.

Senator Boswell—What about the unions? What about them? What is their commitment to the unions?

Senator MARSHALL—I am pretty pleased, actually, that there is finally an interjection because it gives me a chance to get on to some of the comments that Senator Boswell made. I am very interested in Senator Boswell’s quite ridiculous intervention on this matter, because we are talking about our commitment as a government to moving forward on climate change. Senator Boswell is still off fighting the old Work Choices battle, so when we talk about climate change, he starts talking about unions. Senator Boswell should understand that the coalition have actually lost that battle. They were thrown out, mainly because of Work Choices but also because of the very progressive position taken by the Rudd Labor government and its acknowledgement of the need to actually tackle the issues that are important to this country.

At the forefront of that are two issues which Senator Boswell seeks to completely ignore. It is as if he has been sitting over there and has not realised that he has changed sides in this chamber. He ought to start taking notice of what it is that the Australian public wants from a government that actually has a long-term interest in this country at its heart. That is what we are doing. Senator Boswell, through you, Madam Acting Deputy President, we are tackling the hard issues. Of course, tackling greenhouse emissions and climate change is one of those key areas. It is no wonder Senator Boswell tried to intervene on this very serious debate in the ridiculous way that he did, because over there on that side of the chamber they are absolutely full of climate change sceptics.

Let me go through what some of the senators on that side of the House think about climate change. Let us talk about what Senator Cory Bernardi, a member of this chamber, said last year:

He went on to say:

... I have examined both sides of this debate and when the alarmist statements are discounted, the scientific evidence that remains does not support
the scenario that is being presented to us. The facts do not fit the theory.

How out of touch is Senator Bernardi? Really, the world has moved on, Australia has moved on, the Australian public knew that this debate had to move on and we have moved on. And we are going to tackle these hard issues regardless of your scepticism, Senator Boswell, and regardless of the scepticism of most of those on the other side of the chamber.

Let us talk about what Ian Macfarlane, the Minister for Industry, Tourism and Resources when the coalition was still in government, said about climate change. There are a few interesting quotes here:

For every two scientists who argue that there is a connection between global emissions and global warming there is another scientist who will argue the opposite.

That is reminiscent of the old tobacco debate about whether tobacco and smoking cigarettes cause cancer. Yes, you can always roll out the old climate change sceptic scientist, but that does not take away the fact that the science community has overwhelmingly considered these issues and come up with a unanimous conclusion. But you will always find a redneck, and of course rednecks are attracted to those opposite who are full of sceptics. Ian Macfarlane also said:

There is still a degree of uncertainty in the connection between global warming, which we accept that it appears as though the globe is warming but only slightly, and whether or not that is entirely or largely due to human activity. The jury’s still out on that.

Again, it is not. The jury is not out on that, and there is no better jury than the Australian public, who want firm action on climate change—and that is what the Rudd Labor government is going to deliver.

Let us talk about a report of the former House of Representatives Standing Committee on Science and Innovation which was prepared under the former coalition government. Its members included Dennis Jensen from WA, Jackie Kelly from NSW, Dana Vale from NSW and David Tollner from the Northern Territory, who were all members of the former coalition government when they were in power, which seems so long ago now that it is not long enough. In an extraordinary dissenting report to the House of Representatives science and innovation committee report on the inquiry into geosequestration technology, those members wrote that those who believe humans are causing climate change are fanatics. Really? People who believe that humans are causing and contributing to global warming are simply fanatics! Perhaps the most extraordinary claim made by those then government MPs in the coalition government is that evidence of global warming on other planets, such as Mars and Jupiter, makes it unreasonable for humans to take pre-emptive action on Earth. Of course, the real question is: what planet was the coalition on when those members put in that dissenting report? While those MPs were happy to accept claims about global warming on far-flung planets—ones that Australians can never hope to visit, much less live on—they continue to deny the very real evidence we see of climate change in our own backyards, such as more intense drought and extreme weather events.

The truth is that 1,200 of the world’s leading climate scientists contributed to the Intergovernmental Panel on Climate Change fourth assessment report of 2007 and found that temperatures on earth rose in the 20th century and will rise at an even faster rate in the 21st century. So, Senator Boswell, through you, Madam Acting Deputy President, when you want to make some serious contribution to this debate, we would wel-
come hearing it. We would welcome any serious contribution to the climate change debate from anyone in the opposition. They lost the plot when they were in government, they ignored this issue at the peril of Australia, and we are not going to allow that to happen. We are going to take firm action and we are going to show leadership—not just for today and tomorrow, as was so common a theme of the previous government, but in the long-term interests of Australians, their children and their grandchildren. So I welcome your next intervention, Senator Boswell.

The usable and relevant data, the collection of which this bill addresses, will be released publicly to allow Australia’s best thinkers and scientists to find new and innovative solutions to tackling climate change. That data will underpin the government’s Carbon Pollution Reduction Scheme, which is to be introduced in 2010. Even prior to the election last year the Prime Minister—then Leader of the Opposition—showed how serious Labor is about tackling climate change. From opposition last year the Prime Minister initiated the National Climate Change Summit to explore the critical challenges of climate change in the 21st century. The summit explored environmental and economic impacts that are likely to result from climate change.

This sits in stark contrast to the members opposite and their steadfast refusal to acknowledge the concerning realities of climate change. Sitting opposite me are many of the same people who, for 11 years, failed to act in the face of overwhelming scientific evidence. Not only have they failed the Australian people that elected them but they have failed the future generations of Australians. For too long we have poured greenhouse pollution into the atmosphere, and we are continuing to do so at an alarming rate. We are starting to feel the effects of this pollution: changing temperatures, rainfall patterns, more droughts, floods, water shortages, rising sea levels and extreme weather. Australia is a dry country—the driest inhabited continent on Earth—and we are particularly vulnerable to climate change.

In my state, Victoria—which is the smallest mainland state but the most densely populated and urbanised—we are already feeling the effects of a decade of coalition inaction. Victoria is expected to become warmer with more hot days and fewer cold nights. It is predicted that this will result in increased bushfire risk, less snowfall in alpine areas and more frequent and more severe droughts. Uncontrolled climate change could put a substantial proportion of agricultural production at risk, with a projected decline in Victorian farm production.

I would have thought that Senator Boswell might have intervened at this point of time, as I am talking about the effects on the constituency that his party professes to represent. But it was quite adequately demonstrated by their inaction over the last 11 years that not only do they not care about people who live in urban and built-up areas but they also do not care about people in rural and regional communities, either.

Senator Boswell—That is cruel.

Senator MARSHALL—Cruel but true, Senator Boswell. It is time that you started to face up to the hard issues facing this country.

For example, Victoria’s regional agricultural profits from the Lower Murray irrigation sector are likely to decrease by 19 per cent under moderate climate change scenarios. Victoria’s coasts are also at risk. Climate change has the potential to see global sea levels rise dramatically and there is a huge amount of coastal buildings and infrastructure at risk. Along with the threat to agricultural production, the likelihood of rising sea levels, the risks to human health and the likely stresses that will be placed on our in-
frustration, we are also likely to witness a decline in biodiversity across the country. There is a need for action now. That action is being led by the Rudd Labor government after nearly 12 years of complete inaction by the previous coalition government.

We are acting now to secure our future and do what we can to make up for the failures of the past. The best way to minimise both the long- and short-term costs and limit the impacts on our future is to act now. In amending the National Greenhouse and Energy Reporting Act 2007, we are improving the administration of the act and we are making modifications to what information can be published by government under the act. This is a central part of the Rudd government’s commitment to tackle climate change. I look forward for once to having the support of the opposition. If they do not get their act together, stop being climate change sceptics, get on board and support this government in its long-term goals to make our country and the globe habitable, there will be serious consequences for the next generation and all future generations to come.

Senator BOSWELL (Queensland) (1.03 pm)—The Senate is debating the National Greenhouse and Energy Reporting Amendment Bill 2008. This bill amends the National Greenhouse and Energy Reporting Act 2007. It mandates the separate disclosure of direct and indirect greenhouse gas emissions. It allows the minister to specify conditions of measurement and their publication and amends provisions relating to reporting requirements. The original coalition government act was passed in September 2007, establishing a national mandatory corporate reporting system for collection and dissemination of information related to greenhouse gas emissions, energy consumption and production. The reporting obligations under the act are intended to lay the foundation for the proposed national emissions trading scheme, due to be introduced in 2010.

Organisations that are going to have to start reporting from the middle of 2009 will need to have in place systems to measure their emissions and trade carbon and will need to address all reporting and monitoring responsibilities under the NGERS. Currently, about 450 companies are required to report under the scheme and by 2011 the number of organisations is estimated to increase to more than 700. Evaluation of the implementation of the scheme and the impact and costs of the measures is still to be undertaken, as the 1 July 2008 start-up date has only just occurred.

This bill signals that Australia is on the cusp of a radical change in the way we do business. There is to be a new cost, at present unquantified, that will impose a burdensome tax on our largest businesses, our largest employers and our largest export earners. Australia faces the most serious decision affecting our economic viability since the great depression. Yet those circumstances were largely beyond our control; with the Rudd government’s carbon pollution reduction scheme, we hold our destiny in our hands.

This debate needs to engage the public’s attention in far greater depth than we have seen so far. There should be no taboo on questioning exactly what price we will pay in jobs, exports and economic health. I say that because there have already been attempts by the green lobby extremists to vilify any who challenge their right to moral supremacy in this debate. Where so much is at stake, we should be totally informed about the consequences of our legislative actions. The costs to households, workers and businesses under the proposed green paper are dire to say the very least. Business went along with the government to start with, saying, ‘Yes, we’ll work to reduce greenhouse emissions.’ But
they do not seem to have realised the Pen-
dora’s box they have opened by choosing
that tactic.

The green paper is a recipe for colossal
damage to our key competitive industries. The recent BCA study highlights the danger-
ous impact of Rudd’s emissions trading
scheme. It would be reckless in the extreme
to impose this on the Australian economy. The Business Council of Australia study found that half the businesses will see their returns drop below acceptable levels. Some trade-exposed, emissions intensive industries will close; others will wind back. There will be a large reduction in new investment. I hope you are listening to this, Senator Carr, as you are the industry minister. Australia will lower its emissions in large part by ex-
porting them to other countries. We will sim-
ply import our growing needs rather than meet them locally. Australia will suffer con-
siderable economic pain for no global envi-
ronmental gain.

The government’s green paper compensa-
tion scheme is inadequate and contains sig-
nificant anomalies. The green paper ap-
proach will strongly limit future trade-
exposed, emissions intensive investment. The electricity sector requires a near dou-
bbling of spending on new power generation
and transmission lines to $4 billion per an-
um. Gas use for electricity must approxi-
mately triple, requiring significant develop-
ment of undeveloped and, as yet, undefined
Bass Strait reserves. It is highly likely that brown and black coal electricity generation
facilities will have to be rapidly revalued and
written down. There is a severe risk of in-
creased electricity supply interruptions.

Australia’s comparative economic advan-
tage is built on commodity based, emissions
intensive industries that are often greener
than our overseas competitors. Damaging
our major industries and sending them off-
shore will only leave Australia worse off
economically and the world worse off envi-
ronmentally.

We should also be very careful about be-
coming partners with New Zealand in an emissions scheme, as was recently canvassed
by Prime Minister Rudd. New Zealand, as I understand it, already has a carbon market
relationship with Europe. If Australia joins
up with New Zealand we could be prema-
turely brought into the European market
through arbitrage and we would be swamped
by what happens there because it is so large
and so beyond our control.

There are 1.1 million people directly em-
ployed by trade-exposed, energy intensive
companies. Many more are beneficiaries of
jobs that flow from the output of these com-
panies. The New South Wales Minister for
State Development, Minister for Energy,
Minister for Mineral Resources and Minister
for Primary Industries, Mr Macdonald, told trade-exposed industries in June that it
looked as if emissions trading could double
power prices in the eastern seaboard electric-
ity market. He added:

I shudder to think how the wealth and job-
creating industries of NSW will cope.

The Rudd government, he warned:

... has to devise the scheme carefully so as not to
send the economy in to freefall.

Late last week we heard more bad news from
the transport sector on the unworkability of
the carbon reduction scheme. Domestic tour-
ism and Australian airlines will be hard-hit
because their costs will go up, while foreign
carriers will be cheaper by comparison. This
is because the aviation industry will not qual-
ify for compensation. I think the call should
go out to the tourism minister: ‘Where the bloody hell are you!’ And perhaps also:
‘Who the bloody hell are you?’

The rail industry is upset that the trucking
industry gets compensated for fuel price
rises, while they get nothing. The shipping industry says that that puts them at a disadvantage as well, not to mention the fact that foreign shipping will be exempt from the carbon scheme, which will put Australian coastal shipping at a huge competitive disadvantage.

On the weekend it was reported that the Managing Director of Alcoa Australia, Alan Cransberg, warned the Minister for Resources and Energy, Martin Ferguson, that the emissions trading system as currently envisaged, combined with the government’s proposed mandatory renewable energy targets, would threaten future investment in Australia. A representative of Chevron Australia said that the scheme could threaten the proposed Gorgon liquefied natural gas project in Western Australia, even though it would be one of the cleanest LNG projects in the world, with plans to sequester carbon from its operations underground. The manager of refining at ExxonMobil, Glenn Henson, said that the current compensation formula would threaten the operation of the refining industry in Australia. A representative of OneSteel said that the proposed scheme would have the perverse effect of driving production towards higher emissions processes that were slated to receive compensation, rather than cleaner processes that were not. And just today, the Australia Institute reported that an emissions trading scheme will cost charities and community groups $1.1 billion a year. The executive director, Richard Denniss, said:

... if you’ve got hundreds of people in an aged care home then that is a lot of hot water systems. That is a lot of air conditioners. It is a lot of heaters and it is a lot of other energy intensive appliances being used 24 hours a day, seven days a week.

Is the government going to compensate charities for extra energy costs? They are not in a position to pass on higher charges to their clients. How will the charity and community sectors cope with an ETS? Has the government even thought about it? And what about the government’s own agencies in these areas? Where in the forward estimates does it allocate extra spending to departments to cope with rising costs as a result of an ETS?

Of all the issues to decide to take real action on, rather than just posing, Rudd chooses the one with the highest risk to jobs and to the economy. There is Fuelwatch and GroceryWatch, which are merely token reactions to government by populism. The one time—the most important time—on which it would be wise to watch closely what is happening before acting intemperately is with this emissions trading scheme. The most important businesses in Australia are lining up to say how this scheme will wreck Australian industry. We have transport infrastructure providers warning of the fallout, we have tourism up in arms about the effect on their competitiveness and we have the not-for-profit sector asking how they will cope with higher costs. Never have I seen a policy give rise to such a litany of liabilities.

We are told that, since the European Union has instigated a system, we can have one too. Yet the Australian reported on August 25:

The EU hasn’t worked out how to treat its emissions-intensive trade-exposed industries and find an equitable system for auctioning permits. They are facing the same problem as Australia is: any domestic trading scheme renders the home country less competitive and encourages the relocation of trade exposed firms to unregulated economies. To quote Matthew Warren:

Business activity and commensurate government revenue will diminish, unless these transfers can be accurately identified and compensated, or until a comprehensive global deal can be negotiated.
The European Commission is working on a solution by 2010 with a gradual phase-in of permits from 2012 to 2020. People say, ‘If the EU has done it, why can’t Australia do it?’ But the problem is that the core dilemma for Australia—what to do about export industries—has not even been addressed by Europe. We cannot copy or learn from them because they do not know how to handle it either.

Before I conclude I would like to note the latest output from the global warming enthusiasts. The World Wildlife Fund has claimed that recent freezing temperatures in Sydney are proof of the urgent need to cut carbon pollution. I thought we were talking about the perils of global warming. I thought we had to act to stop temperatures rising and inflicting untold disasters on us. Now carbon emissions are responsible for global cooling? This whole emissions trading scheme has been built on the assumption of man-made global warming. Now we are asked to believe it is man-made global cooling and that that will be a similar disaster. That is what I would call a very inconvenient truth. What a twisting charade—and it is no mistake.

I hope the business sector, and Ms Ridout in particular, see what a dangerous friend they have made in accepting global warming. I hope they see now the policy Armageddon they have opened up. If the Rudd government’s emissions trading scheme is not drastically altered, if the litany of liabilities is not comprehensively addressed, then it is Australia who will end up pleading with the East Timorese to take us as guest workers and not the other way round.

Senator XENOPHON (South Australia) (1.17 pm)—I rise to indicate my support for the second reading of the National Greenhouse and Energy Reporting Amendment Bill 2008. I note the comments of Senator Boswell in relation to this debate. It seems to me that his concerns in relation to the impact of an emissions trading scheme are something that will have to be dealt with in great detail in the coming months. I see it as one of the major and most important issues that we face in terms of getting an ETS right, because if we do not get it right there will be huge ramifications for our economy. It is pleasing to see that the Minister for Climate Change and Water was reported in today’s Financial Review making reference to looking at other emissions trading models for such a scheme. I think that is encouraging. I want to put on the record that I have significant reservations about the model proposed by Professor Garnaut to date. But that is something for another debate and for another bill.

In relation to this particular bill, I see this as a bill that is about setting the framework to measure greenhouse gas emissions. It is a precursor, if you like, to an ETS, because we need to have the foundation right in order to determine accurately greenhouse gas emissions. That is why I see this bill as being an important precursor to the main game, if you like, in terms of an ETS.

I do have some questions that I would like to put on notice so they can be dealt with prior to the committee stage or during the committee stage. I note that there has been some criticism by the National Generators Forum of the proposal to include the reporting of indirect emissions—scope 2 emissions—from electricity, saying it will add to the red tape of the system without assisting emissions trading. That was from a report in the Australian Financial Review on 17 March this year. In the same newspaper report other business groups warned they ‘will face huge compliance costs reporting their indirect emissions’.

I understand that the response from the government is that there will be an online
tool to automatically calculate these emissions and that there will not be any increase in the reporting burden. I want the government to clarify the nature of the online tool. How will it operate and how confident is the government that there will not be an increase in the compliance burden? Is the government confident that the mechanism that they refer to will be effective in terms of compliance without an unnecessary administrative burden on businesses in terms of dealing with those particular complaints?

There is another matter which I wish to raise. An article in the Sydney Morning Herald on 5 August headed ‘Logging bigger risk than realised: study’ by environment reporter Ben Cubby says:

Wild eucalypt forests across south-eastern Australia store far more carbon than previously thought, according to research that has far-ranging implications for climate change policy.

The article goes on to say:

The Australian Greenhouse Office and the Intergovernmental Panel on Climate Change have underestimated the amount of carbon held in native eucalyptus forests and soils by up to 400 per cent, researchers at the Australian National University say.

It goes on to say:

The study found that Australia’s 14.5 million hectares of undisturbed eucalypt forest holds 9.3 billion tonnes of carbon in its wood and soil, offsetting about 460 million tonnes of carbon emissions each year for the next century.

Figures from the Intergovernmental Panel on Climate Change, the world’s peak organisation for climate change study, showed the same forests as capable of storing 3.1 billion tonnes.

The article goes on to say:

The Federal Government’s accounting system also underestimated the carbon storage, because it is designed to measure biomass growth in reafforestation and plantation forests, rather than dense bushland that has never been disturbed.

Insofar as this bill deals with reporting requirements, to what extent are the concerns raised by the ANU study relevant in the context of ensuring that we actually have accurate measures for carbon capture and emissions? If this bill is about getting the framework and foundation right so that we can then set the policy framework for an effective emissions trading scheme, to what extent are the concerns raised by the ANU researchers taken into account in the context of this piece of legislation? That is a concern of mine because I would have thought that in any national greenhouse and energy reporting regime you ought to get it right, and if the researchers are accurate then that raises very serious concerns about the veracity of the reporting mechanisms in the context that I have just raised with respect to carbon sinks. They are my principal concerns. I look forward to the committee stages of this bill and to receiving a response from the government regarding my concerns.

The ACTING DEPUTY PRESIDENT (Senator Carol Brown)—Senator Xenophon, I would just like to clarify that you are asking for a committee stage on this bill.

Senator XENOPHON—I am seeking a response to the matters that I have raised. I am sorry; I have learnt bad habits from being in a state upper house. It is quite different here. I am just seeking a clarification in relation to the matters that I have raised, and that can be done prior to the committee stage.

Senator Carr—In a summing-up speech.

The ACTING DEPUTY PRESIDENT—The minister is able to respond in his summing-up speech.

Senator XENOPHON—Yes.

The ACTING DEPUTY PRESIDENT—So there will not be a committee stage required.

Senator XENOPHON—Yes, very well.
The ACTING DEPUTY PRESIDENT—Okay, thank you.

Senator HUTCHINS (New South Wales) (1.24 pm)—I found it regrettable, listening to Senator Boswell’s contribution this afternoon in relation to the very important National Greenhouse and Energy Reporting Amendment Bill 2008, that he sought to take a different path from what I understand to be that of the coalition. Clearly Senator Boswell is one of those sceptics out there who do not believe that climate change is real. We heard Senator Boswell talk about the people—the ‘Jeremiahs’, as he might call them—detailing what might go wrong, what could go wrong and how, if we get tied up with New Zealand, we will be tied up with Europe. I was disappointed. As a former leader of a once great party—I would not say it is great anymore—a Queenslander who would be at the cutting edge of seeing climate changing, dare I say under his feet, he might have been a bit more positive in supporting what we are essentially being asked to do this afternoon—that is, to fix up legislation that was introduced by the previous government.

I urge the coalition to cooperate with us on this important, major shift in public policy, and I do so because I understand from my observations and discussions with members of the business community that they wish to cooperate with the Rudd Labor government. I was heartened when I had the opportunity to skim through some of the submissions that were put before the prime ministerial task group of the previous Prime Minister, Mr Howard, to advise on the nature and design of an emissions trading scheme. I will take the opportunity to highlight to the Senate a number of the great Australian companies that, in their submissions to that prime ministerial task group, have not in any way, shape or form supported the negative comments that we have heard this afternoon from Senator Boswell. Let me commence with our greatest Australian company, BHP Billiton. On page 3 of its submission it says:

It is clear that an effective, sustained global response to the threat of climate change is required. I did not hear any solutions being offered by Senator Boswell this afternoon—no doubt there will be other senators of his ilk—but there is our great Australian company BHP Billiton, active in mining operations all over the world. BHP went on:

BHP Billiton supports the development of a global, market-based mechanism for valuing and trading emissions entitlements and reductions, on the basis that it is broadly-based … efficient, and phased in in such a way that industry and the economy have sufficient time to adjust.

Here is one of our great Australian companies. It understands that change is underway and it wants to be a partner in that change rather than sit on the outside, as now seems to be the case with the coalition. It went on:

Australia is vulnerable to climate change, as are many of the nations in its region. Acting alone, Australia can do little to mitigate the growth in global emissions.

As a member of the Senate Standing Committee on Rural and Regional Affairs and Transport, I take the opportunity to subscribe to a number of magazines that deal with that portfolio area. Each one that I have read in virtually the last 12 months has been acutely aware of the need to address climate change and to have a proposal before government that can involve them. I will name just a few of those magazines. The Land would probably be the bible of the National Party in New South Wales. If you read the Land you will see that almost every page is dedicated to some aspect of climate change, an emissions trading scheme, droughts and other areas of important public policy that are imminent—and they wish to cooperate and be partners in the outcomes.
The Daily Commercial News deals with the import-export business. Again, it is very active in the debate because of its association with shipping and road and rail transport. If you look at the bus industry magazine, called ABC, again almost every page of that fine publication is dedicated to how we are going to deal with this impending crisis. Owner/Driver, a magazine published for single and multi-operators in the road transport business, is equally involved. Australasian Transport News is another. Where is the solution from the coalition? Where is their willingness to partner this government in the outcomes that we need for the sustainable future of our nation? There is none.

I will go on. BHP is a global company started by an Australian. This is what they said in their submission to the Prime Ministerial Task Group on Emissions Trading: ‘There is a real possibility that an effective global market will develop through the convergence and linking up of a number of regional, national and subnational carbon markets—that is, a bottom-up approach to developing a global market.’ BHP went on: ‘This seems much more likely than following the top-down approach of designing a global market from scratch.’

What is happening here is that these major resource companies, understanding that they have to be partners in this debate, have become involved. We on this side are acutely aware of the threats of climate change. We know that we live on the oldest and driest continent on earth. We know, like you do, Madam Acting Deputy President Troeth, from your small-town background, as you have told me on occasions, that the threat of lack of water is one that many regional and rural Australians are well aware of. We cannot put our heads in the sand and ignore this as, it would appear, the National Party has. I am still unclear as to what is the daily position of the major coalition partner, the Liberals. Are they going to cooperate? Are they going to partner us on this? Are they going to debate it and try to get an outcome that not just the business community but the Australian community can live with? That is their task. I am not sure exactly what the daily position is, but maybe one of the speakers to follow me in this debate will fill us in.

I can go on. Maybe Senator Moore may wish to highlight some of the other companies that made submissions to the prime ministerial task group, understood the need to address the problem and wanted to be part of the solution. They did not stand on the outside waiting for someone to hand them a sheet, as indeed the coalition seems to be wishing would happen for them.

Today I want to support this bill. This bill forms an integral component of the Rudd Labor government’s efforts to tackle climate change and reduce greenhouse gas emissions. We are committed to reducing greenhouse emissions, and robust, accurate and reliable data is essential to achieving this goal in the most efficient and effective way possible. The bill builds on the emissions reporting requirements introduced by the previous government last year. The act as it stands establishes a framework for mandatory reporting of greenhouse gas emissions and energy production and consumption by industry. This system is called the National Greenhouse and Energy Reporting System. This system will be critical to properly and precisely assessing and quantifying Australia’s greenhouse gas emissions. For the first time we will be able to provide public information on the emissions profiles of Australia’s larger corporations.

At the election last year, the working families of Australia made it clear that they were concerned about the impact of climate change on our country.

Senator Bernardi interjecting—
Senator HUTCHINS—After 11 years of inaction, denial and neglect, Senator Bernardi, Australian working families made it clear that they wanted a government prepared to act decisively on this issue and tackle climate change head on. Labor made a commitment to do just that.

The Rudd Labor government has taken that commitment on board and run with it. Within weeks of forming government, we had negotiated Australia’s ratification of the Kyoto protocol at the Bali climate change conference. Now we are taking the next steps by patching up the holes and tightening the loose screws on the National Greenhouse and Energy Reporting System. The ultimate purpose of these amendments is to fix the problems created by the previous government’s failure in developing the administrative procedures to be followed and their failure to consult with stakeholders about the legislation.

The then member for Kingsford Smith, now the Minister for the Environment, Heritage and the Arts, was particularly scathing when, in his speech to the second reading debate in the House of Representatives, he referred to the ‘sloppy’ drafting of the original bill, the National Greenhouse and Energy Reporting Bill 2007. The Senate Standing Committee on Environment, Communications, Information Technology and the Arts found that, while the relevant stakeholders supported the intent and purpose of this scheme, they had not been consulted in the drafting process and as a result there were a number of flaws. This amendment seeks to rectify those flaws. The goal of the national reporting system is to unify the mishmash of local, state and Commonwealth reporting requirements that have been imposed on industry and effectively create one national scheme for greenhouse emissions reporting.

Minister Wong and the government have been working cooperatively with Australian business and state and territory governments to implement the National Greenhouse and Energy Reporting System. These amendments have been developed in consultation with these stakeholders. By streamlining the existing greenhouse emissions and energy reporting requirements on business, the Rudd Labor government is seeking to reduce the red tape faced by business.

This process is not being developed in isolation; the streamlining of reporting is being pursued with state and territory governments through the Council of Australian Governments’ Working Group on Climate Change and Water. This reporting framework will underpin the planned Carbon Pollution Reduction Scheme due to commence in 2010. The National Greenhouse and Energy Reporting System will collect data across the Australian economy that will underpin the Carbon Pollution Reduction Scheme and provide better information to the public.

The amendments to the act are minor administrative amendments. They will make mandatory the separate disclosure of scope 1 (direct) and scope 2 (indirect) greenhouse gas emissions. Scope 1 emissions, for Senator Bernardi’s benefit, are those that result from an activity or a series of activities that constitute a facility—that is, they are the direct result of the facility’s activities. Scope 2 emissions result from activities that generate electricity, heating, cooling or steam consumed by the facility but do not form part of the facility. Scope 2 reporting is internationally accepted as a standard component of corporate greenhouse gas emission inventories. The government has committed to publicly disclosing scope 1 and scope 2 emissions data separately—a practice that is widely supported by data users—and will ensure that publicly available data is usable and relevant. This is something that those
opposite would have realised had they bothered to consult when drafting this legislation.

These amendments will also require any member of a corporation’s group to provide assistance to an external auditor during audits of the corporation to ensure the integrity of the external audit regime is maintained. There is no sense in developing a scheme like this without putting in the proper enforcement and accountability measures. This amendment will fill a glaring hole in the legislation as it stands.

The last two changes that I want to take particular note of are provisions that were raised by the Treasurer in his second reading speech. The first deals with a gap in the legislation that would have made life very difficult for business. Under the current act, corporations could only register to participate in the scheme once it was established that they had reached the emissions threshold. There was no provision to register in anticipation of this, meaning that any business new to the scheme would encounter a great deal of difficulty. These amendments will allow corporations to register for reporting before an emissions threshold is met, rather than having to wait, thus removing a red-tape burden on business.

The second deals with the reporting of carbon offsets outside the regular business of a corporation. Currently, the act only allows offsets to be reported if they arise from a project carried out by the corporation. This would exclude the possibility of reporting offsets created by the activities of a different corporation. An example of this would be an airline offsetting its emissions via tree-planting activities. Should this continue, it would be a significant disincentive to investing in carbon offsets—which any government that is serious about tackling climate change should be doing its utmost to encourage. Again, this is another significant gap in the legislation that was a result of sloppy drafting and a lack of consultation by the previous government.

These amendments do not increase regulatory burdens on industry or have any budgetary impact. They are designed to improve the administrative operation of the National Greenhouse and Energy Reporting Scheme. They are designed to better reflect the original policy intention of the current act and, if passed, will make it easier for business to comply with their reporting requirements. If anything, these amendments will make compliance easier for business. This system will, by the 2009-10 reporting year, reduce the number of reports that businesses are required to submit under the existing greenhouse and energy programs across Australia. The Rudd Labor government is simplifying the system and making it easier to tackle climate change head-on.

Senator McEWEN (South Australia) (1.42 pm)—Like Senator Hutchins, I am very pleased to be able to speak to the National Greenhouse and Energy Reporting Amendment Bill 2008 today and support it, because it is yet another plank in the government’s legislative framework to address the pressing issue of climate change and, in particular, to introduce our emissions trading scheme, the Carbon Pollution Reduction Scheme, which, although a daunting prospect for the government, is one that we have embraced and are very proud to be advancing through steps in consultation with the community and with business. This bill, while modest in its intent, is certainly very necessary to ensure that we have the best possible outcome with regard to the introduction of our Carbon Pollution Reduction Scheme.

Introduced by the coalition last year, the National Greenhouse and Energy Reporting Act 2007 was enacted on 28 September 2007. The act established a national manda-
torv corporate reporting system for, and for
the dissemination of information related to,
 greenhouse emissions, energy consumption
 and production. This bill will make a number
 of minor amendments to the National Green-
 house and Energy Reporting Act to improve
 the administration of the act and to make
 modifications to what information can be
 published by the government under the act.

Before it passed through parliament, the
 National Greenhouse and Energy Reporting
 Act 2007 was referred to the Senate Standing
 Committee on Environment, Communications,
 Information Technology and the Arts, now called—much easier to say—the Senate
 Standing Committee on Environment, Com-
 munications and the Arts. The committee
 tabled its report on September 2007. As part
 of its report, it noted:
All stakeholders supported the development of a
 national greenhouse gas reporting scheme.
The report goes on with an example:
The Australian Industry Greenhouse Network
 (AIGN), representing industry associations and
 corporations, stated that:
AIGN members have long supported the need to
develop a rigorous, transparent, nationally consis-
tent, energy and greenhouse reporting system,
derpinned by purpose built Commonwealth
 legislation.
The report goes on to say:
Environmental groups were also supportive. The
 Australian Network of Environmental Defender’s
 Offices (ANEDO) stated that [it] has consistently
 supported proposals for comprehensive and
 transparent public reporting of greenhouse gas
 emissions. State governments also indicated their
 support. The Victorian government for example
 stated that:
The implementation of a national mandatory
 emissions reporting system is a critical building
 block in the introduction of a national emissions
 trading scheme. The Victorian Government sup-
 ports the development of the most efficient emis-
sions reporting system that imposes the least cost
 and least regulatory burden on business.

Of course, what the Victorian government
 stated there is the objective of the federal
 government as well.

I am pleased to be supporting the bill,
 which will greatly improve and strengthen a
 scheme which has, already, so much support
 and which will necessarily make sure that
 there is accountability and transparent report-
ing mechanisms for the future CPRS. Prior
 to the election last year, Labor was clear on
 the fact that the future of the environment
 and tackling climate change was to be one of
 the highest priorities for Labor if we won
 government. It became apparent that it was
 also of the highest priority for the Australian
 public because they rewarded the Labor
 Party with the honour of government and the
 honour of being able to lead the nation in
 tackling climate change.

The Labor Party has always been up front
 with the Australian public about these impor-
tant issues. This is in contrast to those oppo-
site who refused to act on climate change
 despite the fact that they had more than 11
 years to do so. From time to time we note
 that there are still, on the opposition seats,
 climate change sceptics. It was very disap-
 pointing to see the Leader of the Opposition
 on a television program last night still grap-
 pling with whether or not he believed that
 climate change was having an effect on wa-
ter security in Australia, and in particular in
 my state of South Australia.

Recently I was fortunate enough to speak
 about these important issues with the agricul-
ture sector when I represented Minister
 Burke at the Australian Bureau of Agricul-
tural and Resource Economics Regional Out-
look conference in Mount Gambier in South
 Australia. It was a very welcome opportunity
 to meet with stakeholders and hear about
 research on various topics affecting rural and
 regional areas. These topics ranged from lo-
cal agricultural data and innovative business
practices that farmers, horticulturalists and agricultural producers are implementing in my state of South Australia through to the global commodity overview.

I spoke to the conference about two challenges that frame much of the federal government’s policy for our agriculture, fishing and forestry industries, particularly in the context of climate change. The first challenge discussed was, unsurprisingly, climate change and the fact that that is the greatest threat to the wellbeing of our agricultural competitiveness and sustainability. As I have said before, the Labor government’s response to climate change is based on three pillars that are worth reiterating: adapting to inevitable and unavoidable climate change; reducing our carbon emissions; and being part of a global solution.

Linked to climate change is another major pressure on primary industries—that is, globalisation, or the way the world effectively is shrinking as people and goods cross borders more seamlessly and in greater volumes. Globalisation is also a driver for Australia implementing a national emissions trading scheme, the Carbon Pollution Reduction Scheme. We want to be there with the rest of the modern world addressing climate change through an ETS.

Agriculture, forestry and fishing, of course, are all huge contributors to the economy of my state, and none of those contributors is immune to global pressures. Rightly, the people who attended the conference at which I spoke were concerned about the prospect of an emissions trading scheme but were reassured by government representatives that they would continue to be consulted about the implementation of that scheme, which has particular implications for agriculture. One of the reasons agriculture will not be included in the scheme is that we want to have adequate time to get our policy absolutely right in that regard.

As I said before, since the Rudd government was elected we have made sure that climate change and addressing the health and wellbeing of our environment are upfront and centre. One of the first actions of the new government was ratification of the Kyoto Protocol in December 2007, just a week or so after the election. Representing Australia in those negotiations was Senator Penny Wong, Australia’s Minister for Climate Change and Water. This is the first time the nation has had a minister with specific portfolio responsibilities in that area—and a great initiative that was on the part of the Prime Minister!

I did mention the Carbon Pollution Reduction Scheme. The following principles will guide the development of the scheme, and this bill that we are discussing today is integral to the success of that scheme. The scheme will be a cap and trade scheme. That is, it will set an overall environmental cap by issuing a set number of permits and allow entities to trade permits, thereby putting a price on carbon. The caps will be designed to place Australia on a low-emissions path in a way that best manages the economic impacts of transition, while assuring our ongoing economic prosperity.

It is very disappointing to hear the gloom and doom apocalyptic predictions of those opposite about the implementation of an ETS when the government is striving very hard to bring industry on board and encouraging them to participate in our negotiations, discussion and policy development. My colleague Senator Hutchins went into some considerable detail about what the government is doing in that regard and how big business in Australia is well ahead of the opposition in coming to grips with the fact that climate change exists and that we may
need to make significant policy advances—policy leaps, in fact—to ensure that we address it as a mature country not afraid to confront the significant global issues out there that will affect us if we do not take a leadership stance, which I am pleased to see we will be doing.

The Carbon Pollution Reduction Scheme will necessarily have maximum coverage of greenhouse gases and sectors, to the extent that it is practical. The broader the scheme’s coverage, as we know, the more cost effective it will be, the more cost effectively it will reduce greenhouse gas emissions and the more fairly it will spread the burden of such reductions across all sectors of the community. The scheme will be designed to enable international linkages, while ensuring it suits Australia’s economic conditions. The scheme’s design will address the competitive challenges facing emission-intensive trade-exposed industries in Australia and it will also address the impact on strongly affected industries. Measures will be developed to assist households, particularly low-income households, to adjust to the impact of carbon prices.

This bill is another step along the way to achieving an effective carbon pollution reduction scheme, the broad outline of which I have just put to the Senate. This bill establishes a framework for mandatory reporting of greenhouse gas emissions and energy production and consumption by industry. The bill will make mandatory the separate disclosure of scope 1, direct, and scope 2, indirect, greenhouse gas emissions. Direct greenhouse gas emissions are those owned or controlled by a company, while indirect emissions are those produced by third parties using a product. The most obvious example is energy consumption. This new reporting process will give consumers and investors a much more realistic idea about emissions, as some sectors contribute to significant indirect emissions.

The National Generators Forum expressed some criticism of this proposal, saying it will add to the red tape of the system without assisting greenhouse emissions trading, and the government has taken those criticisms into account and will simplify the reporting process by setting up an online emissions calculator—an innovative way to use modern technology to address a modern problem. The government is very cognisant of the fact that we need to keep a lid on red tape and avoid any significant increase in the reporting burdens that could otherwise be faced by business if we did not take that into account.

The bill also gives the minister power to determine the methods for measuring emissions, energy production and energy consumption. The minister will set out how emissions, reduction, removal, offsets, production and consumption are to be measured. Registered corporations and members of a corporation’s group must also comply with an external audit process.

Currently, around 450 companies are required to report their emissions; however, lower thresholds will gradually be phased in from 2010 and the number of companies involved will be increased to more than 700. The amendment in the bill will simplify the emissions-reporting requirements for companies and will help to give us a clearer picture about the emissions that companies produce. Of course, that information is integral to ensuring the effectiveness of our CPRS. At the same time, the bill will increase the number of matters which may be published by the Greenhouse and Energy Data Officer to improve public access to information on corporate use of energy and greenhouse gas emissions.

A very important part of the system is to eliminate duplication in industry reporting
requirements under the existing state, territory and Commonwealth greenhouse gas and energy programs. It provides a repository for data which may potentially serve the needs of all Australian governments, and that will also be invaluable in developing and implementing our CPRS. The government is working with the states and territories through the Council of Australian Governments to identify opportunities for streamlining national reporting requirements via this system. That is another excellent example of cooperation between the state and federal governments to address the most significant issue facing us.

In addition, the system aims to underpin the introduction of an emissions trading scheme and will assist the government to meet Australia’s international reporting requirements. An example of the greater flexibility provided by the amendments in this bill is in the area of registration of corporations under the act. Unfortunately, with the limited time, I will not go into that in great detail, save to say that once again it is a very necessary mechanism to ensure that we have the best possible CPRS and that we are collecting the best possible data and making it available to those who need to know so that we can have the best possible policy in every area when it comes to addressing climate change and carbon emissions.

The bill clarifies that a member of a corporation’s group must provide assistance to an external auditor during audits of the corporation’s group—again, an accountability mechanism targeted at organisations to ensure that the integrity of the data is as good as it can be, as good as it must be, for us to develop and implement the best possible mechanisms to address and reduce carbon emissions in this nation.

I am very pleased I have had the opportunity to speak to this bill today and I understand that there are a number of other speakers on the list. It is always of interest to see that what seems like a modest bill has in fact generated considerable interest amongst senators in the chamber. I think it is a testament to the Senate that we are taking considerable time to address very minor amendments but in an area that is integral to the future economic and social wellbeing of the nation. That is about all I can squeeze in today and I look forward to seeing this bill in operation in the very near future as the nation moves onwards and forwards—

Debate interrupted.

**QUESTIONS WITHOUT NOTICE**

**Environment: Water Management**

Senator MINCHIN (2.00 pm)—My question is to the Minister for Climate Change and Water, Senator Wong. I refer the minister to the urgent advice she apparently requested from her department on 18 June in relation to options to address the very dire situation in the lower lakes of the Murray-Darling Basin. Will the minister advise the Senate of the date on which she received this so-called urgent and secret advice from her department? Could the minister also advise when she advised the Prime Minister that she had sought this urgent advice and when was the Prime Minister informed of the contents of this advice?

Senator WONG—What appears to be the case here is that the opposition, having got the information about the options that the government was presented with then and now, and having got that information—

Senator Ian Macdonald—We asked for the date! What date? Give us the date!

Opposition senators interjecting—

Senator WONG—a level of accountability you never provided in government—is now seeking to run a process argument because they are not up to the task of facing the
hard policy decisions on the Murray-Darling Basin.

Senator Minchin—Mr President, I rise on a point of order. When Senator Wong screams like that I have difficulty quite understanding what she is saying. I thought my question was a fairly simple one. I was just asking for some dates. I would ask her to tone it down and refer to the question.

Senator Chris Evans—On a point of order, Mr President, as you quite rightly would have observed, Senator Wong had been going about 30 seconds in her answer under constant interjection by the opposition. If the opposition are actually interested in answers, she will provide the answer, and the fact that she has to raise her voice to get over the interjections is the opposition’s fault. I ask you to rule that there is no point of order.

The PRESIDENT—Senator Evans, Senator Minchin, there is no point of order. I remind senators that senators are entitled to be heard in silence and I advise senators also that they should remember that their comments should be directed to the chair.

Senator Wong—Thank you, Mr President. As I was saying, what we see here today is a process game being played by an opposition that have got the facts that they sought. The reality is that the submission to this inquiry, which sets out the options that the government was presented with, shows very clearly that there is not an easy option—there are only hard choices. But instead of being up to the responsibility of dealing with this issue and being up to the hard policy decisions that are required in relation to the Murray-Darling Basin, what we see is an attempt to play process politics from that side of the chamber. Yet again what we know is that the opposition when it comes to the Murray-Darling Basin have absolutely no credibility. Twelve years in government and they never purchased a single drop of water, as the national government, to return water to the river. We know in opposition that Senator Birmingham says one thing to the lower lakes community while Mr Cobb and Dr Stone criticise water purchase and say, as Dr Stone has said, that we should flood the lower lakes with seawater. On that side we see game-playing and politicking when it comes to the Murray-Darling Basin. What Senator Minchin did not say, and will not say, is: which of these options the government was presented with would the opposition support?

Senator Johnston—Well, you are in government!

Senator Ian Macdonald—Mr President, I raise a point of order. The minister makes a complete farce of question time. She was asked for three dates. We are not interested in her account of what might be happening. She should be answering the questions, which were about three dates. That is all we want to know. If question time is going to mean anything, ministers must be obliged to actually answer the questions and not go off on a debate among themselves.

Senator Ludwig—On the point of order, Mr President, as the coalition know—and you should rule accordingly and I ask you to do so—the minister is answering the question. The minister is directing her response to the question. But the manner in which the minister responds to that question is a matter for the minister. The question that the opposition seek to raise of course concerns the specificity which they want from the answer. Given that there are three minutes to go or thereabouts, it would be pleasant for the opposition to listen to the answer in silence.

The PRESIDENT—There is no point of order. As is known, there is no way that I can direct a minister to answer the question in a particular or specific way. However, I do draw the attention of the minister to the
question that was asked by Senator Minchin and I ask the minister to address the question.

Senator WONG—Thank you, Mr President. As I was saying, what the opposition has been given is the outline of the options that I was presented with, and the government has been presented with, about this issue. I note the interjection from Senator Johnston prior to the point of order when he said, ‘You are in government.’ That is their approach: Labor are in government so the opposition does not have any responsibility. It is a bit like the interest rates discussion yesterday with Dr Nelson. The alternative government does not believe that it has a responsibility to address this policy issue.

I will ascertain the date on which I received that advice in June and, in relation to the Prime Minister’s involvement, I will make this clear: the Prime Minister has attended the lower lakes and announced policies and projects for the lower lakes with the Premier, Mr Rann. Also subsequently, he has announced policies and options at the cabinet meeting, which I think, from memory, was a community cabinet on 14 August in Adelaide, but I will check the date. The Prime Minister has taken a very clear interest in this issue.

Unlike those opposite, this is a government that faces up to the hard choices. We do not send one of our backbench senators down to give one message to the lower lakes while one of our frontbenchers gives a different message upstream. We make the hard choices. We do not send our backbenchers down to run a different line.

Opposition senators interjecting—

Senator Mark Bishop interjecting—

The PRESIDENT—Order! Senator Wong, resume your seat. Senator Bishop, you are out of order. Senator Wong, have you finished your answer?

Senator WONG—Yes.

Senator MINCHIN—Mr President, I ask a supplementary question. In that non-answer, I appreciate that the minister is prepared to ascertain the date on which she received the advice, but I ask again: when did she advise the Prime Minister that she had actually sought this urgent advice, and when was the Prime Minister informed of the contents of this advice?

Senator WONG—Clearly, there are a range of discussions in government—and Senator Minchin knows this—that ministers and the Prime Minister have on these issues. What is important is what the government has done. On 14 August we announced programs that you never implemented in government—programs for the purchase of water, which is still an issue that causes division in your party room. The reality is that what has been provided to the Senate through the inquiry process is a greater level of accountability than has ever been given by ministers when you on the other side were in government. What is demonstrated today in this question time is the absolute lack of ability of the opposition to deal with the hard policy issue that is the Murray-Darling Basin.

Economy

Senator MARK BISHOP (2.09 pm)—My question is to the Leader of the Government in the Senate, Senator Evans, representing the Prime Minister. Will the minister outline for the Senate how the government is pursuing a nation-building agenda?

Senator CHRIS EVANS—I thank Senator Bishop for a very important question. The Labor government regard nation building as a core part of our work, part of our plan to lead Australia through the challenging economic times that lie ahead. Twenty-first century nation building requires responsible economic management and plans to deliver world class infrastructure. We know that in-
flation is rising and productivity has declined. Over the last five years of the previous government, despite the good economic times, productivity growth averaged its lowest in more than 16 years. We know that demand for resources is growing, urban congestion means parents are robbed of precious time with their families and our internet connections are way too slow. That is why the Rudd government have taken the responsible economic approach and have allocated $41 billion to nation-building investment funds. This includes a $20 billion investment in the Building Australia Fund for rail, roads, ports and broadband, an agenda the previous government ignored. On top of that is a $26 billion investment in rail and roads through AusLink 2, $15 billion in education infrastructure through the Education Investment Fund and $10 billion in health and hospitals infrastructure through the Health and Hospitals Fund.

We are using our surplus for a purpose. The purpose is to boost productivity, put downward pressure on inflation and interest rates and lock in the country’s long-term prosperity. But you cannot use the surplus to fund long-term nation building if those opposite seek to vandalise the budget and rip $6.2 billion out of its core. That money is essential to our long-term plans and is central to the long-term economic security of Australian families. So when the opposition in their negativity move to block nation-building investment they are putting at risk the long-term living standards of Australians.

By establishing Infrastructure Australia the Rudd government are working hand in hand with the states and territories and the private sector to pursue our nation-building agenda. Infrastructure Australia is working to ensure investment goes where it is needed most. Beyond the cities our wider national economic infrastructure must function properly as well. In the long term, this will underpin productivity, competitiveness, exports and prosperity. And these plans have been welcomed by business because they appreciate the importance of them. To solve our most pressing economic and social issues we have to help get parents out of traffic jams and home to the kids, get our exports to market without delay, drive the digital revolution, make public transport a viable alternative to the car, get families the best possible education and health and help Australia transition to a low-carbon economy. The Labor Party have always been about nation building and our infrastructure plans are part of our plan for the future of this country.

In my own area of immigration, part of our plan and our response is to build the skills capacity of the nation. Under the previous government, capacity constraints choked business opportunities to grow and develop. Together with training our local workforce, plans to increase the skills coming into this country will allow us to break through those restraints. *(Time expired)*

**Budget Surplus**

Senator BUSHBY (2.14 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. Does the government intend to spend the budget surplus or save the budget surplus?

Senator CONROY—Another day, another position on the surplus from those opposite. Before the budget they said there was no need to change the size of the surplus. Then they said that the budget did not cut it hard enough; that the surplus was not big enough. Now they are arguing for a smaller surplus. Make your mind up. Get your act together. Try and reach at least one position to attack us from. We have delivered a strong surplus of $22 billion.

*Opposition senators interjecting—*
The PRESIDENT—Order! Senator Conroy, resume your seat until we have order. Senator Conroy.

Senator CONROY—Let us be clear: when those opposite keep interjecting, ‘They’ve inherited it from us,’ this is not the truth. What those opposite proposed was to loosen fiscal policy. They were advocating a policy position of 1.5 per cent of GDP for the surplus. What we delivered was 1.8 per cent. So, when they want to catchcry and interject that we inherited it from them, we actually delivered the surplus that this country needed. We needed responsible economic management, and that is why we delivered a strong surplus of $22 billion. This surplus will provide a buffer against uncertain global economic conditions. It will help the fight against inflation and it will give us the capacity to invest in Australia’s long-term future.

We made room for a substantial Working Family Support Package, including $47 billion in tax cuts. We laid the foundation for responsible investment in growth for the future, providing $40 billion for responsible investment in nation building. Our approach, which combines a big surplus with relief for families and investment in long-term growth, is the best way to meet the substantial global challenges that we face in this country. And it is an approach that has been endorsed by organisations like the IMF.

The Liberal Party’s irresponsible and reckless approach in the Senate is putting at risk the strong surplus we need in uncertain global times. Those opposite want to punch a $6.2 billion hole in the surplus. Those opposite have fallen from any pretence of being responsible economic managers to simply being economic vandals. They are yet to explain the impact on inflation and the interest rates paid by working families from the decisions they intend to take here in this chamber. Last week, as we know, Senator Fifield and the opposition’s leader in this chamber, ‘Dr Yes’, were arguing that we should have a lower surplus. That was their argument last week. They say we should simply absorb— (Time expired)

Senator BUSHBY—Mr President, I ask the Minister representing the Treasurer a supplementary question. If the surplus is now available for spending—and I note it is not particularly clear from your answer whether you are saying it is or not, but this is on the assumption that it is available—and no longer required to control inflation, why doesn’t the government simply abandon its proposed tax hikes and return the money to the people of Australia? Doesn’t this just prove that the government’s attacks on the opposition over our opposition to these tax hikes are just cynical spin?

Honourable senators interjecting—

The PRESIDENT—Order! I will not call Senator Conroy until there is order. This simply chews up the time of question time. Senator Conroy.

Senator CONROY—Thank you, Mr President. This proposition put by those opposite—a further position today—is just the height of economic irresponsibility. We have delivered in this budget a balance between tough decisions needed to face up to the global economic challenges and, as I have already said, $47 billion worth of tax cuts. This is just further evidence that those opposite have no economic credibility left whatsoever. Given the challenges we face, both domestically and abroad, this is the time for responsible economic policy, not for irresponsible behaviour designed for short-term political ends simply about looking after their mates.
Climate Change

Senator HURLEY (2.20 pm)—My question is to the Minister for Climate Change and Water, Senator Wong. Can the minister advise the Senate of scientific advice on the impact of climate change on the Murray-Darling Basin? Can the minister also outline the government’s approach to responding to this challenge, particularly in the lower Murray, and are there any alternative views?

Senator WONG—I thank Senator Hurley for the question and for her interest in these water and climate change matters. Unlike those opposite, we on this side recognise the challenge that is climate change. Unlike those opposite, we are not climate change sceptics. It has been interesting to watch in the last couple of months, certainly over the break, the Leader of the Opposition attempting to persuade Australians that, contrary to all the evidence, he is not a climate change sceptic. So it was with great surprise that a number of us watched Dr Nelson on Lateline last night denying that climate change was having an effect on rainfall in this country. Not only did he deny that there is a link between climate change and the state of the Murray-Darling; he also said he knew better than the scientists of the CSIRO. He seems to have forgotten the fact that scientists have long been warning of the risks to the Murray-Darling Basin resulting from climate change. For example, the Intergovernmental Panel on Climate Change have assessed that flows through the basin are likely to fall by up to 25 per cent by 2050 and we know from the sustainable yield study the CSIRO have been undertaking that in some of the catchments in the southern basin we have seen inflows in the last 10 years that are around the worst-case projections for 2030.

The Senate Standing Committee on Rural and Regional Affairs and Transport has released my department’s submission to the current inquiry into the Coorong and the lower lakes. That submission outlines the serious situation in the lower lakes and it outlines the short-term options for managing this situation that have been provided to the government. I welcome the committee’s decision to release this document. What it also demonstrates is that all of us have to face the reality of climate change. The submission puts the onus on the opposition to stop playing the same political games that got the River Murray and the lower lakes into this mess in the first place.

Those opposite now have the facts and now they must take responsibility. And they should come into this chamber and tell us which of the options put before government they would take were they in government. I want to make this point to the opposition: after they spent 12 years in government doing nothing, what they are doing now is being so cynical as to walk both sides of the street when it comes to the River Murray. When downstream in South Australia the opposition give one message, upstream they give another. Upstream, in Victoria, they tell their constituents that the lakes cannot be saved and the government should stop purchasing water entitlements. Then, in South Australia, Senator Birmingham and Mr Pyne say that the government should purchase more. They are walking both sides of the street.

The document that has been provided to the Senate demonstrates that there is no room for this kind of political opportunism. There are no easy options here; there are only hard choices. Those opposite have demonstrated a complete lack of understanding and a complete lack of responsibility when it comes to making hard choices on the Murray-Darling Basin. So what does the document show? It shows that at the date of the figures provided there were around 3,949 gigalitres in storage
and that 4,292 gigalitres have been committed. (Time expired)

Senator HURLEY—Mr President, I ask a supplementary question. Can the minister further outline the government’s response to these conditions in the lower Murray?

Senator WONG—As I have previously indicated, our position is very clear on this. We understand the situation in the Murray-Darling Basin. We understand that, if it does not rain, something has to give. Let me be absolutely clear about what the government’s priority is—our priority is securing Adelaide’s water supply and the water supply of the towns and cities that rely on the river. And we will not be part of an approach that threatens the critical human needs of Adelaide. So the question to the opposition is: can it say the same? Will Senator Fifield say that his first priority in the Murray-Darling Basin is the drinking water of Mildura? Will Senator Birmingham say that his first priority is the critical human needs of Wagga? The reality is that—(Time expired)

Russia

Senator TROOD (2.26 pm)—My question is to the Minister representing the Minister for Foreign Affairs, Senator Faulkner. I refer to the foreign minister’s answer to a question yesterday in the other place in which he advised that, in considering whether to ratify a uranium sales agreement with Russia, the Australian government would:

... take into account not just the merits of the agreement but recent and ongoing events in Georgia...

Is it the government’s view that the foreign minister’s posturing will actually have a discernible impact on Russia’s policy towards Georgia? Isn’t it more likely to damage Australia’s international reputation as a reliable supplier of resources?

Senator FAULKNER—Australia has had a safeguard agreement with Russia in place since 1990, as Senator Trood well knows. He also knows that the previous government negotiated a new bilateral nuclear cooperation agreement which would allow for the use of Australian uranium in Russia’s nuclear power reactors. That new agreement was signed during the APEC summit in September last year.

I think it is actually worth while, given that Senator Trood has asked me this question, to recall some of the comments that were made by the previous government at the time that deal was signed. For example, former Minister for Foreign Affairs Mr Downer said that the agreement was ‘consistent with other nuclear safeguards agreements we have with a range of other countries around the world’. Former Prime Minister Howard said that the agreement:

... completely updates the arrangements for nuclear safeguards between our two countries.

The approach of the Rudd government on coming to office was to table the agreement in parliament in May of this year and, of course, the government has submitted the agreement to the parliamentary Joint Standing Committee on Treaties for examination. The government looks forward to receiving the report of the treaties committee and will certainly be taking account of the issues that that committee raises.

It is true that the Minister for Foreign Affairs, Mr Smith, told parliament yesterday that the government will make a final decision on ratification at the appropriate time, and it also true that Mr Smith informed the House of Representatives yesterday that the government will take into account not just the merits of the agreement but also recent and ongoing events in Georgia and Austra-
lia’s bilateral relationship with Russia when considering ratification.

On the question of safeguards, the government’s starting point is that the agreement meets Australia’s longstanding safeguards requirements and promotes the highest international standards in this area. One of the issues that has been raised in evidence before the treaties committee is that the IAEA has not conducted any safeguards inspections at any Russian facility since 2001. It is also true that Russia has invited IAEA inspection of its facilities. My understanding is that Russia has, in fact, offered to help pay for the cost of some of these inspections. The Senate may be interested to learn that the IAEA has undertaken two safety reviews in Russia in the past two years, and Russia has invited the IAEA to review Russia’s national nuclear safeguard regulatory system in 2009. Specifically in relation to Senator Trood’s point about Georgia, when considering ratification— (Time expired)

Senator TROOD—Mr President, I ask a supplementary question. One of the joys of being in this place is listening to Senator Faulkner’s wonderfully elliptical responses to questions. This was a beautiful example this afternoon.

The PRESIDENT—The question, Senator Trood. This is question time.

Senator TROOD—He completely managed to avoid the underlying thought in my question. In light of his response, I ask: does this kind of veiled threat serve to establish a bad precedent? Doesn’t it legitimise Russia’s outrageous behaviour in cutting off gas supplies to eastern Europe in 2006 and 2007?

Senator FAULKNER—One of the adjectives that Senator Trood used in relation to my answers, I think was fair—‘wonderful’. I accept that. I do not accept ‘elliptical’. In relation to Georgia, of course the government will take into account recent and ongoing events in Georgia. We will take into account Australia’s bilateral relationship with Russia. I would commend to Senator Trood and the Senate the strong statements that the Minister for Foreign Affairs has made and the strong statements that the Prime Minister has made in relation to the Australian government’s concerns about the actions of the Russian government in relation to Georgia.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the chamber of the Commonwealth Parliamentary Association delegation from the United Kingdom, led by the Rt Hon. John McFall MP. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Russia

Senator LUDLAM (2.33 pm)—I would like it noted that this is not my official first speech. My question is to the Minister representing the Minister for Foreign Affairs and is in a similar vein to the previous question. In the light of Prime Minister Vladimir Putin’s suppression of human rights and intimidation of political opponents in Russia, does the government consider former Prime Minister Howard’s rush to sign an Australia-Russia uranium deal at the APEC summit last year to be ill considered, irresponsible and against the national interest? On the minister’s comments that the Joint Standing Committee on Treaties is considering this matter, in the light of the facts that there have been no inspections in Russia in at least seven years and that such inspections of Russian facilities will not have been carried out by the time the committee meets, will the government now repudiate this agreement?
Senator FAULKNER—I thank the senator for his question. I am not sure that I can add a great deal to what I have said in outlining the government’s position on this important issue. The position of the government on this matter is clear. In relation to the comments made by the Russian ambassador, Mr Smith has made clear that he did not intend to get into a public debate with the Russian ambassador. The government wants to continue to see a strong relationship between Australia and Russia. The government recognises the potential benefits for Australia in the agreement. But I commend to you the qualifying comments I made in answer to Senator Trood’s earlier question.

I can say that the government will be taking into account the recent and ongoing events in Georgia and Australia’s bilateral relationship with Russia when it considers its approach to ratification of the agreement. I pointed out for the benefit of the Senate the comments that the former Minister for Foreign Affairs and the former Prime Minister made when this particular deal was signed. Perhaps Senator Trood, in asking his question, may regret not having those comments at the front of his mind. I think that Mr Smith’s approach on this issue has been very responsible and very appropriate in the circumstances and I would certainly commend it to you.

Senator LUDLAM—Mr President, I ask a supplementary question. I would like to remind the minister that in January this year the chief of the Russian armed forces, General Yury Baluyevsky, claimed that Russia maintained the right to use nuclear weapons preventatively. I would hope that Australia could form a strong relationship with the Russian government without exchanging nuclear materials. If the government will not immediately repudiate this deal, are we not sending a signal to Russia and to governments around the world that revenue from uranium sales is more important to the Australian government than nuclear non-proliferation, disarmament and international peace and security?

Senator FAULKNER—I think, Senator, you need to keep in your mind that Australia and Russia already have a bilateral nuclear safeguards agreement, which was concluded in 1990 and is still in force. That agreement does of course meet all of Australia’s key policy requirements: uranium can be used only for peaceful, non-military purposes; it must be subject to Russia’s safeguards agreement with the IAEA; and it can only be used in facilities that are mutually acceptable to both Australia and Russia. That is the situation we have at the moment with the agreement that is in place. Of course, prior to ratification of any new nuclear cooperation agreement—(Time expired)

Ichthys Gas Project

Senator JOHNSTON (2.38 pm)—My question is to the Minister representing the Minister for Resources and Energy, Senator Carr. Can the minister guarantee that the $25 billion, 9.5 trillion cubic feet Ichthys gas project, which has been developed by Inpex, will proceed with its processing plant in Western Australia and not 800 kilometres away in Darwin?

Senator CARR—I thank the senator for his question. My understanding is that no decision has been made on that matter as yet and due process will be followed in the making of such a decision.

Senator JOHNSTON—Mr President, I ask a supplementary question. In line with the minister’s response, can the minister guarantee to the Senate today that this decision has definitely not been made and that the government is not sitting on the decision to protect Premier Carpenter and WA Labor from the electoral consequences of that Pre-
mier’s failure to encourage and secure this important project for Western Australia?

Senator CARR—As far as I am aware, no decision has been made.

Economy

Senator FURNER (2.40 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. Can the minister update the Senate on the actions the government is taking in response to the current international economic climate and on any recent developments relevant to Australian families?

Senator CONROY—I thank the senator for his question. As I have said before, the global economy is going through a very difficult time, and it is affecting Australia and every country in the world. The global credit crunch and the global oil price shock have buffeted confidence in share markets around the world. We should not be surprised that these global problems, together with 10 consecutive rate rises under the Liberal Party, are having an impact on our economy.

However, we need to put this into perspective. Though we confront the most difficult global circumstances in a quarter of a century, the fundamentals of our domestic economy remain strong. As many of these global challenges are beyond Australia’s control, we are focusing squarely on those things we can influence. We have built a strong $22 billion budget surplus, which acts as a buffer against economic uncertainty, gives us the capacity for future long-term investment and takes the pressure off the RBA on monetary policy. We have made room for the $55 billion Working Families Support Package, including $47 billion in tax cuts directed to working families, and we have laid the foundation for $40 billion worth of responsible investment in nation building and growth for our future.

Developing economies in our region continue to grow, and commodity prices are still at generational highs. We will not make the same mistake that the Liberals made—celebrating prosperity while failing to make the tough decisions needed to sustain it into the future. The previous government’s economic policy was driven by short-term politics rather than long-term national interest. In contrast, the Rudd government is steering our country through this period of international instability with responsible economic policies that ensure our economy emerges in strong shape.

With this in mind, I take this opportunity to inform the chamber that the Reserve Bank has just announced that it will be reducing the official cash rate by 25 basis points to seven per cent. This is a decision that working families deserve. They are still doing it tough, so any relief is welcome. We are seeing the economy responding to this. Families have waited a long time for this relief. This is the first time in seven years that families have had a rate cut. For the 740,000 first-time buyers who purchased their homes in the last seven years, this will be the first interest rate cut they have ever felt. Australian families had to endure 10 official interest rate rises in a row under the previous government. This has added—(Time expired)

Budget

Senator CORMANN (2.45 pm)—My question is to the Minister representing the Minister for Health and Ageing, Senator Ludwig. Given that Perth’s hospital emergency departments already are Australia’s most overcrowded and have dangerously long waiting times, which will only get longer as a result of your proposed changes to the Medicare levy surcharge, can the minister advise if the Carpenter Labor government has made any formal requests for additional funding to the Rudd Labor government since the federal budget?
Senator LUDWIG—What I can say about the health industry is that if you look at what the Rudd government is doing you see that it is delivering on its promises. It is building a modern health system for modern Australia. It is rebuilding the health system after 11 long years of neglect by the coalition government. We are delivering on our agenda of fundamental reform in health, of keeping people well and out of hospital. We are pursuing a dual-track approach to reform which is building for the future, delivering for today, ensuring working families can get the health care they need when and where they need it and working with the states and territories to end the blame game and deliver much needed reform. That is what the Rudd—

Honourable senators interjecting—

The PRESIDENT—Order! I need to be able to hear the answer.

Senator LUDWIG—Of course, the facts are these, Mr President: we are rebuilding the health system after 11 years of neglect, with a $10 billion health and hospital fund, the single biggest investment in health infrastructure ever; there is $3.2 billion worth of health and hospital reform in the budget, including $600 million to slash elective surgery waiting lists and $275 million to establish GP superclinics in local communities; and there is an immediate injection of $1 billion to relieve the pressure on public hospitals, the largest single-year increase in public hospital funding in almost a decade. No wonder the coalition are silent in their response to this. They should be. When you look at what they spent in 11 years you see that they did not talk to the states, they did not talk to the territories and they did not address the waiting lists. They spent 10 long years simply talking about health reform but doing little about it.

Senator Cormann—Mr President, I raise a point of order. My question was very specific: has the Carpenter Labor government put in a formal request for additional funding? I ask you to draw the minister’s attention to the question.

The PRESIDENT—There is no point of order. As you know, I cannot direct a minister how to answer the question. I draw the minister’s attention to the question. The minister has one minute and 58 seconds in which to answer the question.

Senator LUDWIG—What the senator did raise was the Medicare levy surcharge, which we understand those opposite are blocking, but they might change their minds between now and when the bill comes on for debate. If those opposite were interested in reducing the inflationary pressures, they would pass the government’s budget. Despite the scaremongering over this measure from those opposite, the Medicare levy surcharge changes will bring welcome tax relief to 465,000 Australians. Opposing this form of tax relief will hurt many working Australians. Many working Australians will be hurt as a consequence of your opposition to this measure.

The Senate committee report on the Medicare levy surcharge revealed that, in 1997-98, when this measure was introduced, 167,000 high-income earners paid this tax penalty as a result of not taking out private health insurance. By 2005-06, because of the previous government’s failure to change the threshold, a massive 465,000 people were paying this tax, many of them now earning below the average wage. That is the reason for this measure—immediate tax relief for almost half a million working men and women who have been hit with an unjust tax slug.

I am surprised at the position those opposite have taken with respect to this. They
want to stand in the way of removing this unjust tax slug on working families, especially at a time when many families are doing it tough. In fact, the Leader of the Opposition last week indicated that he did not think the policy should ever change. I will tell you a result of that absurd policy position. **(Time expired)**

**Senator CORMANN**—Mr President, I ask a supplementary question. Is the minister aware of comments by Western Australia’s AMA President, Gary Geelhoed, that at least 120 people were dying in WA each year because of overcrowding in public hospitals’? Has the Commonwealth government done anything to discourage the Carpenter government from requesting additional funds to tackle this gross neglect?

**Senator LUDWIG**—Unlike the opposition, we have entered into a COAG agreement. We will provide funds and money to hospitals to cut waiting lists to help those hospital systems which they neglected over the last 10 or 11 years. It is rich for the senator to come into this chamber and complain about our action. He should take the blame for his own inaction during the whole 11-year period when those opposite had control of the health system. They did not enter into meaningful talks under the COAG agreement to provide health funding. We needed to be able to slash waiting lists then. What the opposition are now complaining about is our action to deal with the crisis that they have left us with in some of those acute areas. When you look at their failures against our achievements, you see 650,000 on the public dental waiting list against our Teen Dental Plan. **(Time expired)**

**Economy**

**Senator CROSSIN** (2.52 pm)—My question is to Senator Sherry, the Minister for Superannuation and Corporate Law. Can the minister please update the Senate on the steps the government are taking to govern as economic and fiscal conservatives and the importance they place on putting downward pressure on interest rates?

**Opposition senators interjecting**—

**The PRESIDENT**—Order! When we have order, Senator Crossin will continue to ask the question. She is entitled to be heard.

**Senator CROSSIN**—Thanks, Mr President. Perhaps, for those listening, I will repeat the question to Senator Sherry: can the minister please update the Senate on the steps the government are taking to govern as economic and fiscal conservatives and the importance they place on putting downward pressure on interest rates?

**Senator SHERRY**—Rather fiscal conservatives than fiscal vandals, as we have in the current Liberal opposition, who want to reduce the budget surplus by a massive $6.2 billion over the next four years of the forward estimates.

**Opposition senators interjecting**—

**Senator SHERRY**—A lot of screams and shouts are coming from the Liberal opposition, and they are living up to their well-deserved reputation as fiscal vandals. During the last election campaign the Labor Party, when in opposition, gave a rock-solid commitment to the Australian people: we would govern as economic and fiscal conservatives and in an economically responsible manner. That is what we have delivered.

**Honourable senators interjecting**—

**The PRESIDENT**—Order! Senator Sherry, resume your seat. Some people are trying to settle a football competition. That is disorderly when question time is on. You can transact that business afterwards.

**Senator SHERRY**—As a Geelong supporter, I think people should settle that in a few weeks when Geelong wins the grand final! But back to much more serious busi-
ness: we have delivered a budget surplus of $22 billion at the same time as we have delivered a Working Families Support Package worth over $50 billion, including $47 billion in tax cuts. Why have we taken this approach? Certainly the Labor government knows—I am not sure that those in the Liberal opposition know—that this is a time of global economic uncertainty as a consequence of the fallout—the financial crisis—from the subprime housing crisis in the United States. I say through you, Mr President, that I do not believe that the Liberal opposition understand the implications of this. So we have determined to deliver a significant surplus—a record surplus—of over $22 billion to provide a buffer against global turmoil, to ensure the Reserve Bank has room to move in lowering interest rates and also to finance critical nation-building investments for the future that were well outlined by our leader, Senator Evans, earlier. A large part of the surplus, which the Liberal opposition is intent on wrecking, will be going into those critical nation-building projects in infrastructure, health and housing. So this is why this Labor government is taking a fiscally conservative approach in the current circumstances.

We gave a commitment to govern in an economically responsible way, and the No. 1 reason we are governing in this way is to put downward pressure on interest rates and inflation. This is the Labor government playing its part to take the pressure off inflation and to ensure that the Reserve Bank has the capacity to reassess monetary policy and to reduce interest rates.

Senator Abetz—With a $76 billion splurge.

Senator Coonan—And jobs.

Senator SHERRY—The Liberal opposition may not want to know about this, but Australian families have been hurting as a consequence of rising interest rates over the last seven years. For more than seven years we have had increases in interest rates, 10 of them under the previous Liberal government. A quarter of a per cent interest rate rise or drop means the average Australian family, with an average home loan—if the interest rates drop, as they have today by 0.25 per cent or a quarter of a per cent—can gain an average of $40 a month. Forty dollars a month is the gain as a consequence of today’s announcement by the Reserve Bank. Those opposite, the Liberal Party, when in government were fiscally irresponsible and reckless in their approach to budget and spending. This added to inflation, which they ignored for years, and to the pressure on the increase in interest rates that we saw when they were in government. (Time expired)

Senator CROSSIN—Mr President, I ask a supplementary question in light of Senator Sherry’s response. Could the minister please outline to the Senate, in light of the interest rate cuts announced today, how the budget fights inflation whilst also supporting working families?

Senator SHERRY—As I have indicated, this strong budget surplus of $22 billion—which those opposite, the Liberal opposition, intend to try and wreck through their fiscal vandalism by reducing that surplus by over $6 billion—is very necessary to put downward pressure on inflation and interest rates, and we have seen a reduction in official rates today of 0.25 per cent. What we do need to remember is that today’s announcement by the independent Reserve Bank is very important and provides welcome relief to families struggling to pay their mortgage payments. The alternative course is the position taken by the ‘acting’ Leader of the Opposition, Mr Nelson, who yesterday screamed at the bank by arguing that he would direct the Reserve Bank to cut official interest rates by 50 basis points. But a journalist went on and asked
him: ‘You’re the alternative Prime Minister. If you are Prime Minister, does that mean you will tell the Reserve Bank that you expect—’ (Time expired)

Senator Abetz—Time!

The PRESIDENT—I do not need assistance, thank you.

Government Contracts

Senator Fierravanti-Wells (2.59 pm)—My question is to the Special Minister of State, Senator Faulkner. I refer to the minister’s answer yesterday where he informed the Senate that the government staffing committee has suspended its investigation into the CMAX affair and his undertaking that the government would fully cooperate with the Auditor-General’s investigation. Given that in his correspondence of 20 August 2008 the Auditor-General wrote:

The audit will have regard to the outcome of the review being undertaken by the Government Staffing Committee in respect of the engagement process—

I ask the minister: has the government deliberately suspended the inquiry to frustrate the Auditor-General’s investigation?

Senator Faulkner—The answer to that question of course is no, and it is a very offensive suggestion. The reason the Government Staffing Committee has suspended its inquiry is that that is absolutely the proper and appropriate thing to do in these circumstances. It is absolutely appropriate that the Auditor-General be able to conduct his inquiry and all his deliberations in relation to this performance audit without any suggestion of interference or ongoing process from the government at all. I am very surprised that an experienced senator like Senator Fierravanti-Wells would not understand that extremely important principle.

The principle here is very simple: the Auditor-General should be able to do his work on this performance audit, which is something that the opposition itself has supported—the opposition wants the Auditor-General to do this performance audit—without any suggestion that there is any interference at all from anyone involved in the political process, whether it be on the government’s side of the chamber or the opposition’s side of the chamber.

I happen to think that that is an important principle. I am disappointed that the opposition does not support that important principle, but reinforce what I said to the Senate yesterday in relation to this matter and I said also to the Senate last week: it is the view of the government that the—

Senator Fierravanti-Wells—Mr President, I rise on a point of order. I was very specific, and perhaps I should repeat it for the minister. My quote was very specific, and it was: ‘The audit will have regard to the outcome of the review being undertaken by the Government Staffing Committee in respect of the engagement process.’ The question was very simple. I ask the minister: have you deliberately suspended the inquiry to frustrate the Auditor-General’s investigation?

Senator Chris Evans—Mr President, I think the senator is confused. I thought she was taking a point of order, not asking a supplementary question. I think she got confused while she was on her feet, but I would like you to rule as to whether that was a point of order or a supplementary question.

The PRESIDENT—There was no point of order.

Senator Faulkner—I do not accept the slur that is insinuated in the question that the government would not fully cooperate with the Auditor-General’s inquiry. I have said it will. I do not say ‘it will’ lightly. The government will fully cooperate with the Auditor-General’s inquiry and I say again to the opposition, through you, Mr President: it would be inappropriate for those government
processes to continue and conclude while the Auditor-General is conducting his performance audit. I repeat the commitments that I gave to this chamber in relation to the questions that were asked of me previously.

Senator Ronaldson interjecting—

The PRESIDENT—Senator Ronaldson, that is disorderly!

Senator FIERRAVANTI-WELLS—Mr President, I ask a supplementary question. Minister, are you not concerned that the principal person of interest in this investigation, Mr Taubenschlag, is involved, because he works for the Minister for Defence and is involved in the reporting of high-security issues such as meetings with NATO and related matters? Minister, isn’t it now time to stand down Mr Taubenschlag and Ms O’Rourke until the Auditor-General’s investigation is complete?

Senator FAULKNER—What we need here is a full and unfettered inquiry by the Auditor-General. The opposition needs, before it asks silly supplementary questions like this, to remember whether Mr Vaile or Mr Nairn were stood down when the Auditor-General investigated the Regional Partnerships program. Of course they were not. Was Dr Wooldridge asked to stand down when the Auditor-General investigated the MRI scandal before the 1998 budget?

Opposition senators interjecting—

Senator FAULKNER—Were Senators Alston and Hill asked to stand down when the Federation Fund issue, that very shonky issue, was investigated by the Auditor-General? Of course not. Was finance minister John Fahey asked to—

Opposition senators interjecting—

The PRESIDENT—Order! There is little time left in question time, but Senator Faulkner is still entitled to be heard in silence. You have been interjecting too much today in question time, Senator Fifield, and I ask you to be quiet.

Senator FAULKNER—I believe that the government and the opposition should apply the same standards on this issue. Let the Auditor-General do his work unfettered, without political interference. That is the government’s commitment. I have said it time and time again and I mean it.

Senator Chris Evans—Mr President, I ask that further questions be placed on the Notice Paper.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Rudd Government: Cabinet Submissions

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (3.00 pm)—Mr President, Senator Ronaldson asked a question of me yesterday. I answered it, I think, fairly fully, but I have another small piece of information to supplement that answer, and I seek leave to incorporate that information.

Leave granted.

The answer read as follows—

ADDITIONAL INFORMATION—RUDD GOVERNMENT: CABINET SUBMISSIONS

The Opposition was in government for 12 years and understands that the details related to the functioning of Cabinet are not routinely divulged.

The Government is committed to effective Cabinet processes to ensure Cabinet Ministers are aware of relevant views, including the view of the Department of the Prime Minister and Cabinet, where relevant.

India: Floods

Senator FAULKNER (New South Wales—Special Minister of State and Cabinet Secretary) (3.07 pm)—Yesterday, Senator Bob Brown asked me a question about the regional disaster response. I indicated to Senator Brown that I would provide that to
him, and I seek leave to incorporate that in Hansard.

Leave granted.

The answer read as follows—

Senator Ellison (Western Australia)—I move:

That the Senate take note of the answers given by ministers to questions without notice asked today.

Senator Sterle—Is there a theme?

Senator Ellison—There is indeed a theme, and it is a very clear one. That is that the answers given to the question, firstly, posed by Senator Johnston and, secondly, posed by Senator Cormann, relate to the impacts of decisions by the Western Australian government.

Off the north coast of Western Australia there exists a huge resource for this country in the Browse Basin that some estimate to be worth $1 trillion. It is no secret that Australia has enjoyed great wealth from the resources of this country. But in Western Australia we have a scandal of epic proportions, where two companies, Woodside and Inpex, have sought over the last years to get permission and approval from the Carpenter government in Western Australia to proceed with providing to Australia riches from those resources. Indeed, we have a situation where Inpex, due to the years of frustration due to indecision and delay by the Carpenter government, are now considering taking that onshore liquefied natural gas refinery to Darwin—and in that delay Australia has been denied the wealth from those resources which it otherwise could have enjoyed.

In Western Australia we have seen, as reported in the West Australian on 26 August, a denial by the Treasurer, Mr Ripper, that any decision has been made by Inpex to move that project to Darwin. It is interesting that, in the same report, that comment by Mr Ripper was not backed by Inpex. In fact, Inpex itself, on its website, has stated that it is drill-
ing and carrying out work in Darwin in relation to a potential development of the project there. It is also interesting that in August this year Knight Frank, on page 16 in an information memorandum for the sale of a commercial property in Darwin, touted the value of this property by citing ‘the imminent announcement of the site for the Inpex gas processing facility’.

What we have here is a situation where Inpex is looking at moving its potential onshore development to Darwin. This would deprive the Kimberley in particular of great wealth, of jobs—in fact we have the statement from Colin Barnett, the WA Liberal leader, who said that jobs, tax revenue, a chance to guarantee more gas for domestic use and WA’s international reputation as a resource state were in danger of being lost if Japanese energy company Inpex built its $12 billion LNG export plant in Darwin rather than the Kimberley.

We are facing a cover-up here, because the state government in Western Australia knows that there is bad news as a result of its negligence, and it does not want the bad news to be known by the people of Western Australia before they go to the polls on Saturday. That is a disgrace. It is something which we are seeing from the Carpenter government—cover-ups and delays in decisions. In the West Australian on 26 August, there was an article which outlined and was entitled ‘The nine things you are unlikely to know before you vote in the state election on September 6’, and the Inpex decision was one of them.

It was interesting that Senator Carr referred to there having been no decision. Of course, when he was pressed by Senator Johnston, he said, ‘As far as I’m aware there is no decision.’ He realised he was on dangerous ground. He realises that in Western Australia there is a huge cover-up as to the reality of the situation.

Similarly, a question posed by Senator Cormann to Senator Ludwig was on a very important issue in Western Australia—the health crisis there. As reported in the West Australian, the Perth’s hospital emergency departments are Australia’s most overcrowded and have dangerously long waiting times. Again, we saw that this government here has a complete lack of knowledge of that. In fact, when Senator Cormann asked whether the Carpenter government had requested more funding for this crisis, the spokesman for this federal government’s health minister was unable to answer, because there has been no request.

Senator WORTLEY (South Australia) (3.12 pm)—I also rise to take note of answers provided today by government ministers. The Rudd government are acting now on climate change because it is a responsible thing to do. We need to act now for Australia’s long-term future, for our children’s future and to protect our economic security. The government are not sitting back with our feet up, nor are we turning our backs on a crisis, denying its existence, like many of those opposite did. The Rudd government are preparing for the challenges of the future by tackling climate change and securing our water supplies. Australians know that acting now on climate change is the responsible thing to do. Years of inaction by those opposite have put us in a crisis situation; we cannot afford to waste any more time.

The situation we face in the Murray-Darling Basin demonstrates clearly that any further delay on climate change is not an option. For nearly 12 years those opposite failed to prepare Australia for the tough challenges of the future. Today, we are confronting the problem of historic overallocation compounded by more than 10 years of drought, and a future where there will be less water in the Murray-Darling Basin as a result of climate change. Those opposite spent
nearly 12 years denying climate change; nearly 12 years of inaction.

Unfortunately, this means that there is not enough water in the system right now to do everything that we would like to do. The needs of people reliant on the Murray for drinking water, irrigators and the environment are all in direct competition for the limited water available in the basin. In the short term, the critical water needs of people reliant on the Murray for drinking water must come first, and they include the residents of Adelaide. We are the first federal government to purchase water entitlements. We are investing $3.1 billion to do this. By using a suite of measures to purchase water entitlements now, we are ensuring that rivers get a greater share of water when it does rain. We are also investing $4.8 billion to make irrigation more efficient by reducing the amount of water lost through outdated, leaky infrastructure. This will make the nation’s food bowl more resilient to climate change by allowing us to use less water to grow food and fibre.

Reduced water availability caused by climate change means we need to be able to trade water to where it will provide the most benefit. The new independent Murray-Darling Basin Authority will put in place a much better system for managing the basin by delivering in the national interest. We need to look to the future, and that is what the Rudd Labor government is doing. We are acting now for Australia’s long-term future. We are preparing Australia for a stronger future. We are a government committed to nation building, making sure our economy emerges in strong shape from these tough international times so that we can provide jobs and security for working families into the future.

When this government was elected we inherited inflation running at a 16-year high. We inherited a record, from those opposite, of 10 interest rate rises in a row. We inherited families struggling to make ends meet. Ask them about the cumulative impact of 10 interest rate rises in a row. At the point the Rudd government took over, those interest rates were the second highest in the developed world. Inflation running at a 16-year high, 10 interest rate rises in a row and the second highest interest rates in the developed world: simply put, those are economic conditions that the government inherited from those who sit opposite.

The Rudd government is providing a secure future, making sure our economy emerges in strong shape from these difficult global economic times, providing quality jobs and security for families. Scrapping the Liberal’s unfair Work Choices laws— (Time expired)

**Senator BUSHBY** (Tasmania) (3.17 pm)—I rise to take note of answers by ministers. Today, in answers by ministers we heard that the Rudd Labor government is going to spend over $76 billion on nation building. Before I get into other comments I would like to ask: if we are economic vandals through giving back $6 billion to taxpayers, what does this make the government in spending $76 billion off the top of its budget?

One of the main arguments for the need for this spending is to stimulate an economy that is failing. Boy, does it need stimulating! Confidence—both business and consumer—is at record lows. That is right: whether you look at business confidence or consumer confidence, the measures today are at all-time lows. You have to go back to the ‘recession that we had to have’ in the 1980s to see confidence at the levels we have sunk to now.

Jobs are being lost. You see major employers right across the country—from Tas-
mania right up to Queensland and across to Western Australia—having to put people off work. I think if you added it up you would find that there are thousands across the country. This fits in. If you look at the National Australia Bank you find that their latest models predict that we will see unemployment in this nation rise to 5.5 per cent by the middle of next year. That is right: 5.5 per cent. That is an extra one per cent of unemployed people around the country. And that means real things to people. What is worse, if no action is taken unemployment will reach six per cent by the end of next year, according to the National Australia Bank model.

The National Australia Bank thinks that Treasury have similar figures, and so the government know this. I suspect that is why they are looking at spending money to try and stimulate the economy—because without action the outlook for our economy is very bleak indeed. Why are we facing this situation? What has happened to an economy that was the envy of the whole world, with record low unemployment, high levels of employment, and solid surpluses of between 1.5 per cent and 1.9 per cent of GDP? And, yes, it is worth noting that if the government had done nothing—changed no policy settings in this year’s budget—we would have experienced a surplus of roughly the same as has been delivered by the government: about $22 billion.

Why are we facing this situation? What has led to the economy turning around from such a strong situation late last year to a point where we are facing such a bleak outlook? The fact is that, immediately upon coming in, the government talked up interest rates in a climate of global turmoil. It looked for a political solution rather than an economic solution.

Senator Sterle interjecting—

The DEPUTY PRESIDENT—Order! I remind Senator Sterle that interjections are disorderly, but they are even more disorderly when you are not in your seat.

Senator BUSHBY—I hesitate to say it but I suspect that what actually happened here is that the newly elected government forgot that it was not in opposition and that it actually had to start governing. It continued to play politics rather than look at what would be the real economic solution. The country faces a crisis of confidence and that is what has led to the situation that we are currently facing. Yet, despite all the government’s blustering, posturing and attempts to rewrite history—I am coming back to the budget—its huge slashing of vital services and its $19.7 billion of new tax hikes over five years, it has still only delivered the same surplus that would have been delivered if the government had not got out of bed.

The government has been trumpeting about how much it was saving but it introduced a massive $34 billion in new spending—that is right: $34 billion. That is an amazing amount for a government that was selling a budget on the basis of how much it would reduce spending. It is important to remember that the robust, sound and enviably strong economy that was inherited by this government in November of last year is very different to that which we inherited in 1996. We really had cause to complain when we inherited that.

We had a $96 billion deficit upon coming into government, and here we have this government inheriting a $22 billion surplus without getting out of bed. We had $96 billion of debt—and that was in 1996 dollars. That was costing us $10 billion a year in interest—$10 billion a year that we could not spend on education and health. What is more, it took us 10 years to repay that. Over 10 years, we had to repay $96 billion in prin-
principal and service the interest costs over that time. Senator Conroy sits over there and talks about how we squandered the proceeds of the mining boom. (Time expired)

Senator McEwen (South Australia)
(3.22 pm)—I particularly want to take note of the answer given during question time by Senator Wong, the Minister for Climate Change and Water, to a question from Senator Minchin. I note that that question was asked in the context of the Mayo by-election to be held shortly in South Australia.

Senator Sterle—Cheap politics.

Senator McEwen—Indeed, Senator Sterle. I find it very disturbing that such dire issues as the future of the lower lakes and future water security in my state of South Australia have become the political playthings of the opposition.

The Labor government have been absolutely up-front with the people of South Australia about the situation in the lower lakes and in particular we have been up-front in saying that there is no easy fix. I do not know how many times South Australian senators, and indeed the minister herself, have said in this place that there is no easy fix for the future of the lower lakes in South Australia, just as there is no easy fix for the whole situation in the Murray-Darling Basin. However, that does not stop the opposition from using this critical and very complex situation, which affects a great number of people in my state of South Australia, to wind people up and offer them false hope.

Dr Nelson, the Leader of the Opposition, appeared on a television program last night where he was asked questions about this issue and he could not quite work out whether he actually believed in climate change. It was particularly disturbing. Here we have the opposition using a dire situation, which gravely affects a lot of people, as a political football in a by-election that they are probably going to win anyway. We had the Leader of the Opposition unable to articulate a coherent position on whether climate change has affected the flows of water into the Murray, whether it is only the effect of drought or whether it is the effect of 100 years of mismanagement and overallocation of River Murray water. He does not seem to understand the situation. Nevertheless, the opposition come up with cheap tricks and stunts to use this issue to influence the outcome of an election that has possibly already been decided.

We see not just the opposition backbenchers but also the shadow ministers travelling up and down the length of the river promising different things to different people, depending on where they find themselves. In the lower lakes they say: ‘It is terrible. Those people upstream are stealing all your water. We know how to fix it. We will just get all of the water off them.’ When they are upstream the opposition say: ‘Those people in the lower lakes just have to cop it. We are going to protect you here upstream.’ They have no coherent plan to deal with the issue. They have no coherent idea how to grasp the significance of the problem and how to move forward on it.

Senator Wong today mentioned a very good submission that has been provided by her department to the inquiry being undertaken by the Senate Standing Committee on Rural and Regional Affairs and Transport into the Murray-Darling Basin. I urge people paying attention to this debate about the future of the Murray-Darling Basin to get hold of that submission because it clearly articulates the nature of the problem and some of the things that can be done to ameliorate the problem. It outlines quite clearly how many options there are but how difficult some of them are to implement. It outlines that nothing will work better than having more water in the system. That will have to come fun-
damentally from rainfall. Thank goodness, we have had increased rain in South Australia, and I understand the levels in the lower lakes have been increased by about 200 millimetres. This has given us some breathing time to determine whether to continue pumping water from one lake to another, to think about another of those hard issues—whether we release the barrages or not—and to think about whether there should be a dam at Wellington and the possible consequences of undertaking a major project like that. The submission outlines all of those options.

(Time expired)

Senator RONALDSON (Victoria) (3.27 pm)—I particularly want to take note of the answer given by the Special Minister of State. Prior to the November election last year and during that election we were promised by the Prime Minister a new era of openness and transparency where he would run a government that was of unquestionable bona fides. We have seen nothing since then except exactly the opposite. This is a man of all spin and no substance. We have seen Ruddism after Ruddism after Ruddism. What he said prior to the election and what he has delivered since are two entirely different matters.

The one thing that defines this government is the CMAX contract for Labor mates affair. In case the Senate needs reminding, I want to get on the record a few facts in relation to this matter. This was a contract for the 2020 Summit given to a company owned by the media adviser to the defence minister, Mr Christian Taubenschlag. There was no tender called for. One attendance by his wife at the Department of the Prime Minister and Cabinet and a $60,000 contract was given to that company. Was the Department of the Prime Minister and Cabinet ever made aware of the fact that this was a company owned by a senior cabinet staffer? No. At no stage were they told that. Was this contract ever put out to tender? No. Was this $60,000 contract given to a Labor mate from within the Prime Minister’s own office?

Since 29 February, when this occurred, the Labor Party has squirmed and squirmed and squirmed. This is a matter of extraordinary embarrassment to you. You know that this has come from deep within the Prime Minister’s office. You know that this does not pass the ‘smell’ test. Indeed, today, in a question from Senator Fierravanti-Wells, the Special Minister of State was again asked if the government staffing unit inquiry was abandoned in light of the commentary of the Auditor-General. I am not entirely sure why Senator Fierravanti-Wells, or I, or Senator Johnston and others should have to repeat this, but I will read it out again. This is a letter from Mr Ian McPhee from the ANAO. It says—and I will repeat it slowly in the off-chance that the Prime Minister’s office is listening or Senator Faulkner is listening:

The audit will have regard to the outcomes of the review being undertaken by the Government Staffing Committee in respect of the engagement process.

What could be clearer than that in relation to the process that the ANAO expects to be followed? They are waiting for the outcome of the government staffing unit and that will form part of their inquiry. The government is aware of it and the Prime Minister’s office is aware of it—because this is where it starts and finishes, in the Prime Minister’s office. And Senator Faulkner can attack us for alleging this is a cover-up! This is an absolute mother of a cover-up! This is an absolute mother of a cover-up! And it comes out of the man who preached openness and transparency. This is a quite clear indication from the Auditor that he wants the government staffing committee to report so it can form part of his inquiry into it. And by suspending that inquiry you have indeed attempted to foil the proper independent inquiry of the ANAO. You stand utterly condemned. As I said be-
fore, this starts in the Prime Minister’s office and it will finish in the Prime Minister’s office.

Senator MILNE (Tasmania) (3.32 pm)—I rise to respond to answers to questions from Senator Trood and Senator Ludlam to the government in relation to the Australia-Russia uranium agreement. There is no-one in this chamber who can plead ignorance when this comes back to bite Australia very badly. Before the Australia-Russia agreement was signed last year, Garry Kasparov, who is a well-known and outspoken person in relation to human rights abuses in Russia, said very clearly that Australia should not assume Russia can be trusted with that uranium. He said that Australia would have to accept moral responsibility if Russia then on-sells the uranium to a rogue state or uses it for other than non-civil purposes.

“Should Australian uranium end up in the wrong hands—and it’s not too far-fetched to suggest that Russia under Putin is already in the wrong hands—Australia will not be able to act innocent or to claim ignorance,” Mr Kasparov said.

Last year, before this agreement was signed, I moved two motions in the Senate pointing out the human rights abuses and that the then President Putin had acted to shut down NGOs and was engaging once again in punitive psychiatry. He is actually putting dissidents back in psychiatric institutions, just as during the Cold War.

I went to see the Russian ambassador about one of those people. I would urge everyone in the Senate to keep asking questions about Larissa Arap, a young woman who was put in one of these institutions. She was naked, bound by her feet, and then injected with drugs to keep her out of action. She is probably still there. I asked the Russian ambassador, ‘How is it that a dissident can be treated like that?’ The answer was simply that they have ways of dealing with people with mental illness in Russia just the same as we do, which, of course, was a ridiculous answer in the circumstances.

I know of young people—with NGOs—who were bashed in an anti-nuclear protest outside the Angarsk nuclear enrichment facility, which is where Australian uranium is going. President Putin’s response to that bashing was that they were neo-Nazi thugs and nothing to do with the government when in fact it is very clear that the government either pays them or organises them—or both—to go around dealing with dissidents for the regime.

Not only that, on the way to Australia last year, President Putin stopped in Indonesia where he signed an agreement to provide Russian military technology to Indonesia and guaranteed to the Indonesians that human rights considerations would not affect defence cooperation with Indonesia, therefore allowing Jakarta to initiate a long-term modernisation of all fighting services. Going on from that, Russia has expressed strong interest in participating in Indonesia’s national nuclear program.

So here we have President Putin on his way to Australia telling the Indonesians that he will provide Russian military assistance and nuclear cooperation. Then he came to Australia to sign up an agreement to get Australian uranium. Nobody in their right mind, looking at former President—now Prime Minister—Putin’s reputation could assume that he would have any respect for treaties with regard to how he might use Australian uranium.

Last year in the lead-up to these negotiations, Professor Rothwell at ANU said to the Howard government at that time that at the very least Australia should seek the inclusion of what is known as human rights and democracy clauses in the Australian-Russian agreement, which would make the promotion of and protection of the respect for human
rights and democratic values part of the agreement so that it would be a reason for Australia to suspend sales if there were abuses in those regards. The Howard government did not do it. Furthermore, there were additional protocols under the safeguards agreement, which Professor Rothwell argued ought to have been a condition of signing. That did not occur either. The Rudd opposition agreed wholeheartedly. Everybody in this chamber, except the Greens and the Democrats, supported this Australia-Russia nuclear deal knowing full well the human rights abuses going on in Russia, knowing Putin was taking Russia back to the old KGB days. Now is the opportunity to repudiate that agreement. I call on Prime Minister Rudd to do just that. Australia cannot bank the dollars from the uranium sales knowing that dissidents in Russia are back in psychiatric institutions and that the thuggery of the Cold War is going on in Russia as we speak.

Question agreed to.

PETITIONS

Death Penalty

The Clerk—A petition has been lodged for presentation as follows:

To the honourable President and members of the Senate in Parliament assembled:

The petition of the undersigned citizens shows that the death penalty:

• is unnecessary for the protection of society anywhere in the world

• has never been proven to be an effective deterrent

• results in the execution, of innocent people in some cases

• offers no opportunity for repentance and rehabilitation to the perpetrators of crime

• and is an affront to human dignity.

Your petitioners ask that the Senate takes urgent action to:

• Promote the abolition of the death penalty in all cases in every country where it still exists, especially in our own region

• Prevent the execution of both Australians and people of other nationalities who have been condemned to death in neighbouring countries such as Indonesia.

by Senator Moore (from 2,227 citizens)

Petition received.

NOTICES

Withdrawal

Senator Wortley (South Australia) (3.38 pm)—Pursuant to notice given at the last day of sitting I now withdraw business of the Senate notice of motion No. 2 standing in my name for five sitting days after today and business of the Senate notice of motion No. 1 standing in my name for seven sitting days after today.

Presentation

Senator Barnett to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the Flags Act 1953 to prevent the desecration or wilful destruction of Australian flags, and for related purposes. Flags (Protection of Australian Flags) Amendment Bill 2008.

Senators Hutchins and Joyce to move on the next day of sitting:

That the Senate—

(a) notes:

(i) the 9th anniversary of the unveiling of the Irish famine memorial at Hyde Park Barracks by the Governor-General, Sir William Deane commemorating the 4,114 female orphans sent to the Australian colonies between 1848 and 1850, and

(ii) the 160th anniversary of the arrival of the first ship, the Earl Grey in Sydney on 6 October 1848;
(b) recognises the contributions made by those Irish settlers and their descendants to Australian society; and

(c) notes:

(i) the hardships suffered by the Irish emigrants as a result of the Great Irish Famine of 1845 to 1850, and

(ii) the million lives lost during the Great Irish Famine, reducing the population of Ireland by between 20 to 25 per cent, from which the Irish population has only recently begun to recover.

Senator Sterle to move on the next day of sitting:

That the time for the presentation of the report of the Rural and Regional Affairs and Transport Committee on the implementation, operation and administration of the legislation underpinning Carbon Sink Forests be extended to 23 September 2008.

Senator Bob Brown to move on the next day of sitting:

That the Senate—

(a) notes the Australian National University’s report, Green Carbon: The role of natural forests in carbon storage, which finds that destroying native forests releases vast amounts of greenhouse gases; and

(b) calls on the Government to seriously consider the report in developing policy.

Senator Siewert to move on 4 September 2008:

That the Building and Construction Industry (Restoring Workplace Rights) Bill 2008 be referred to the Education, Employment and Workplace Relations Committee for inquiry and report by 26 November 2008, along with the following matters:

(a) the powers of the Office of the Australian Building and Construction Commissioner (ABCC);

(b) the conduct of the ABCC and ABCC inspectors in the interpretation and exercise of their powers; and

(c) the extent to which the Building and Construction Industry Improvement Act 2005 breaches internationally-recognised labour standards.

Notice of motion withdrawn: At a later hour, pursuant to standing order 77(3), Senator Siewert withdrew the notice of motion.

Senator WORTLEY (South Australia) (3.39 pm)—On behalf of the Standing Committee on Regulations and Ordinances, I give notice that, 15 sitting days after today, I shall move:


Leave granted.

The document read as follows—

Student Assistance (Public Interest Certificate Guidelines) Determination 2008

The Determination specifies guidelines for the exercise of the power of the Secretary to the Department of Education, Employment and Workplace Relations to disclose information in the public interest.

Paragraph 10(c) of this Determination permits relevant information to be disclosed if it is necessary to brief a Minister in relation to issues that are, or will be, raised publicly by the person to whom the relevant information relates, so that the Minister can correct, amongst other things, ‘an incorrectly held opinion’. The Committee sought clarification on the intended meaning of this term. The Minister advised that the provision ‘an incorrectly held opinion’ is intended to refer to the situation where opinions are formed on the basis of incorrect information. Given this explanation, the Committee has written to the Minister seeking an amendment to the Guidelines to make this clear by referring to ‘opinions formed on the basis of incorrect information’ rather than ‘incorrectly held opinions’.
Senator Milne to move on the next day of sitting:

That there be laid on the table, no later than 4 pm on 4 September 2008, the ‘alternative, more business-friendly formula for providing assistance to trade-exposed, emissions-intensive companies’ circulated to the business community by either the Department of Resources, Energy and Tourism or the office of the Minister for Resources and Energy (Mr Ferguson) ahead of the roundtable meetings on 29 August 2008.

Senator Ludlam to move on the next day of sitting:

That the Senate—

(a) notes the European Union’s concern regarding Russia’s aggressive military actions in Georgia;

(b) notes:

(i) Prime Minister Putin’s long-standing policy of suppression of dissent in Russia,

(ii) Russia’s nuclear cooperation with Iran through the supply of reactor technology and nuclear fuel for the facilities at Bushehr,

(iii) the fragile state of the Nuclear Non-Proliferation Treaty due to the Nuclear Weapons States not fulfilling their legal obligation to disarm,

(iv) the Russian Chief of the Armed Forces, General Yuri Baluevsky has claimed the right to use nuclear weapons ‘preventatively’, and

(v) that it is Australia’s stated aim to be a ‘responsible supplier of uranium’; and

(b) calls on the Government to immediately repudiate the Australia-Russia uranium agreement signed by former Prime Minister Howard and the then President Putin in 2007.

Senator Milne to move on the next day of sitting:

That there be laid on the table, no later than 4 pm on 4 September 2008, the report of the Strategic Review of Climate Change Policies recently completed by Mr Roger Wilkins, AO, with the support by a secretariat located in the Department of Finance and Deregulation.

Senator Bob Brown to move on the next day of sitting:

That the Senate—

(a) notes, with grave concern, the distress of the people affected by floods in India and Nepal; and

(b) extends the sincere wish that the millions of people harmed by the floods find rapid relief and recovery from this disaster.

Postponement

The following item of business was postponed:

General business notice of motion no. 171 standing in the name of Senator Hanson-Young for 4 September 2008, relating to Japanese comfort women, postponed till 25 September 2008.

INDEPENDENT REVIEWER OF TERRORISM LAWS BILL 2008 [No. 2]

Referral to Committee

Senator TROETH (Victoria) (3.43 pm)—I move:


Question agreed to.

PRIME MINISTER OF NEW ZEALAND

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.43 pm)—I move:

That the Senate calls on the Government to explain the recent release of adverse comments about the New Zealand Prime Minister Helen Clark.

Question negatived.

Senator BOB BROWN—I would have it noted that the Greens supported the motion.

The DEPUTY PRESIDENT—I would assume that would be so, because you moved it, Senator Brown, but we can note it.
PRIVACY AWARENESS WEEK

Senator O'BRIEN (Tasmania) (3.44 pm)—At the request of Senator Faulkner, I move:

That the Senate—

(a) notes that on Wednesday, 27 August 2008 as part of Privacy Awareness Week 2008, the inaugural Australian Privacy Awards and the Australian Privacy Medal were awarded; and

(b) congratulates:

(i) Justice Michael Kirby as the first recipient of the Australian Privacy Medal, for his work over more than two decades on privacy laws and principles not only in Australia but, through his work with the Organisation for Economic Cooperation and Development, on the development of the privacy principles that underpin privacy laws throughout the developed world,

(ii) Medicare Australia for winning the Grand Award for its dedicated implementation of privacy practices throughout the organisation, as well as its commitment to privacy training,

(iii) the other category winners, including Telstra Corporation (Large Business Award), Australian Dental Association NSW Branch (Community & NGO Award), Child Support Agency (Symantec Government Award), and Data Solutions Australia (Microsoft Small-Medium Business Award), and

(iv) the Privacy Commissioner, Karen Curtis, and the Office of the Privacy Commissioner, for their work initiating these awards, the first of their kind in the world.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Western Australia

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

The harmful impact on the people and economy of Western Australia of the Rudd Labor Government’s so called policy of ‘ending the blame game’, which has resulted in a politically motivated conspiracy of silence between the Federal Labor Government and the WA State Labor Government on important public policy issues.

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 DEPUTY 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 JOHNSTON (Western Australia) (3.46 pm)—The Rudd government, in the short time that it has been the government, has lived by the mantra of ending the blame game. In my home state of Western Australia, we have the most dysfunctional and incompetent state Labor government in our state’s history. And what do we hear from Prime Minister Rudd? Absolute silence. This is what ending the blame game has evolved into: absolute silence. The price for that silence, as one scandal after another unfolds, is that Premier Alan Carpenter sits back and allows Canberra to reach into the pockets of Western Australians and Western Australian resource projects. The $2½ billion tax grab from the North West Shelf gas project is the most partisan financial assault upon Western Australia in living memory, and Premier Carpenter has defended Canberra against the best interests of Western Australians—a position, until this point in time, never countenanced or seen before.
This tax drive-by shooting, as I style it, will increase domestic gas prices and business gas prices in Western Australia simply because—and this is the thing that most senators from the eastern states have no knowledge of, do not understand—there is not a business or project in the whole country, the whole of Australia, that could take a whacking like this without passing on this pain. Taking $2.5 billion out of one project in four years, you have to pass that on. So WA will be paying for Labor’s largesse that is almost exclusively focused on the eastern states.

All we hear about in this place is water, eastern states transport, rail in New South Wales. That is what we hear. What do we hear about Western Australia? Nothing. Absolutely nothing.

Senator Sterle—You should have been here yesterday. I spent 15 minutes talking about Western Australia!

Senator Johnston—Of course, before the last election we knew about this in Western Australia. We knew that this is what would happen under Prime Minister Rudd: an eastern states based union oligarchy that controls Australia to the detriment of Western Australia.

In this current election campaign, who has been missing?

Senator Mark Bishop—It’s the Liberal Party that has been missing in action, and the party leadership!

Senator Johnston—We have seen neither hide nor hair of the Prime Minister. But let me tell you, Mr Deputy President: he did stop in Perth on the way home from the Olympics and visited Gerard Neesham’s Clontarf Aboriginal sports academy without telling anybody. This is why, at the Labor Party launch on Sunday, Minister Penny Wong was used in Labor’s election launch as the eastern states star. Not Kevin Rudd, not Julia Gillard—not even Chris Evans, who comes from Western Australia!

Senator Mark Bishop—Yes, he was. He represented the Prime Minister. He said that yesterday!

Senator Johnston—The point about this is this: the reason we did not see these so-called stars in Western Australia is because they know that this state government is utterly dysfunctional, scandal ridden and the subject of—

Senator Sterle—You want to talk about scandals? Well, thank you!

Senator Johnston—one Corruption and Crime Commission investigation—

The Deputy President—Order! I would remind Senator Bishop and Senator Sterle that they are both on the speakers list, and if they could confine their remarks to their speaking times, it would assist the debate.

Senator Johnston—Thank you, Mr Deputy President. The reason the so-called stars have not fronted in the state election is because they know this government is the subject of one Corruption and Crime Commission investigation after another.

I want to talk about my recent visit to Balgo Hills, which is a great little window of exposure on what this dysfunction is all about. This is a community 300 kilometres south of Halls Creek in the Tanami Desert. We have more than 400 Aboriginal Australians living in 30 houses. No wonder there are social problems in a community such as this—400 in 30 houses—and Labor have been in power in Western Australia for eight painful years. We have two highly professional police officers—the likes of which are very, very hard to find living in a remote community—enforcing the law with great skill and compassion, with tremendous cultural awareness. They are two truly great
Australian policemen whom I pause to con-
gratulate.

I met them; I discussed how they are bat-
tling along with very limited government
support. This is a statistic that is important:
they make more than 300 arrests annually
between the two of them. They have to man-
age this community and three outlying com-
munities—just the two of them. It takes them
five hours to drive remand prisoners into
custody in Halls Creek. This is a national
disgrace and obviously there is the matter for
these two officers, as courageous as they are,
of occupational health and safety. Do you
think the state government has done anything
to help them? They have had a request in for
two more officers for as long as they can
remember and all they get is silence. This is
the same sort of silence that Western Austra-
lia is given under the blame game mantra of
this government. Both state and federal gov-
ernments say all of the right things about
Aboriginal health, education, housing and
welfare, but the reality is that nothing tangi-
ble, meaningful or lasting is being done—
and Balgo is a classic example. This is Labor
at its worst: saying all the right high-minded
things, leaving the communities and doing
absolutely nothing.

I want to highlight a further scandal in this
community, apart from the 400 people in 30
houses and the two police officers with over
300 annual arrests. I want to mention this:
the medical officer said to me, ‘We do not
even have a mortuary facility.’ For those
senators unfamiliar with Aboriginal cul-
ture—and there a few of them here this af-
ternoon—I want to mention that often when
an Aboriginal person passes away they are
not buried for several weeks. The average
temperature in Balgo is beyond 40 degrees.
Is it not too much to ask that a state govern-
ment with over $2 billion in the kitty in
budget surplus could provide a small mortu-
ary facility for this community and the sur-
rounding communities? This is a national
disgrace—and they sit over there saying that
they are ending the blame game! Let me start
the blame game. Let me put an end to bipar-
tisanship on this. These people must be ac-
countable. The federal minister needs to
stand up to these corrupt state governments
and do something about it. It is the wealthiest
state government in our history, and we have
a Commonwealth government with a $22
billion surplus, and these good people of
Balgo cannot even get a mortuary facility.

I want to congratulate those people of
Balgo who are working so hard and doing
the wonderful things that they do without
any significant assistance from either federal
or state governments. The Catholic Church
must be congratulated for the fantastic work
it does, and I want to put on record the work
of Father Eugene and Brother Rick, who run
the school, and the Catholic parish. Where
would the people of Balgo be without the
Catholic parish, without the church’s consid-
eration, love, care and support? It would
truly be an even greater tragedy than it is
now. I want to commend George Lee, who is
chairman of the council, and all of the people
of Balgo for the work they do, particularly in
the area of the art work that they do. I want
to congratulate Sally Clifford and Annette
Cock, who run the art gallery, and all their
staff for the dedication and professionalism
they apply to that community in selling and
promoting the community’s art work.

It might be surprising to know that Minis-
ter Roberts from Western Australia and fed-
eral Minister Macklin visited Fitzroy Cross-
ing in April. When we were there, which was
just last week, we heard that all the con-
cerns—the models, the proposals, the work
that had been done by the people of Fitzroy
to help set out what plans they had—were
put to these two ministers. The result was
absolute silence. There was not even the
courtesy of a response or a reply from either
minister. This is absolutely disgraceful. They talk the talk but they do nothing in terms of walking the walk. With due respect to Minister Macklin—because I know she would want to take some action; she is a good person—this nonsense of ‘ending the blame game’ is actually about people’s lives. She must take action and do something positive for these people. ‘Ending the blame game’ is a euphemism for doing nothing. But, worse, it is the turning of a blind eye to the scandalous incompetence of eight hard years of state Labor.

Senator MARK BISHOP (Western Australia) (3.55 pm)—I am pleased to have the opportunity to speak on this discussion about ending the blame game. Let me commence by quoting a few words of the current Prime Minister as he addressed the first COAG conference this year after the election of the Rudd Labor government. He said:

The new Australian Government was elected at the end of last year. We were elected on a platform of ending the blame game between Canberra and the States and Territories. And in the six or seven months since then, in the three meetings of the Council of Australian Governments that have been held since then, we have sought through practical actions to give effect to that.

What did Mr Rudd and the rest of the Australian government inherit from 11 years of Howard government administration? In terms of constitutional arrangements and in terms of relationships between federal, state and local government, we inherited a system that can only be described as approaching dysfunctional. All we had year in, year out was blame, avoidance of responsibility and limitation of resource allocation. What were the Australian people crying out for? They were crying out for a responsible set of governments to sit down and agree on responsibilities and negotiate outcomes and go back to their respective states and allocate those responsibilities and carry out their agreed functions. They wanted their federal government and their state governments to give practical effect to the division of powers expressed in our Constitution—that is, most powers are given to the states, particular powers are given to the Commonwealth and the remainder are left to the states to allocate.

So what were they seeking? They were seeking the same thing as they sought in the 1890s: a functioning, rational, efficient system of government at a federal and state level. What has been the solution of the Rudd Labor government to give effect to that cry from the Australian people, expressed so well last November? We have brought down a policy process of cooperative federalism. The COAG processes, the regular meetings between Commonwealth and state governments, give effect to that new radical approach of cooperative federalism. It is about an exchange of views, the delineation of responsibilities, accountability and responsibility in the allocation and administration of public moneys all under the umbrella of fiscal responsibility.

What is the summary to date of those processes of the Rudd Labor government through the COAG process? COAG processes are up and running well. Up to a dozen areas of dysfunctionality have been identified by the current government and COAG committees have been established. They are chaired by cabinet ministers, and it is their responsibility to ensure that the intent of the Australian people—expressed, as I said, so well last November—to give effect to reasonable and practical change is achieved. That is what is going on now through the COAG processes under the umbrella of cooperative federalism, and it is chaired and led by responsible cabinet ministers who report back to cabinet to give effect to that much needed change.
What is the major initiative in all of the areas that have been identified as being the repository of dysfunctionality? Housing, welfare, education, public hospitals—long-term planning and strategy has been identified as the key to give effect to practical and realistic change in those areas. Large, significant amounts of Commonwealth funds have been allocated to that process.

Part and parcel of that process is not shovelling a bunch of money over to the states, as has been the practice for the past 12 years. Attached to the allocation of Commonwealth funds in a range of key areas has been an agreement with signed documents—indeed, signed up to by the respective state governments—that go under the headings of state accountability, state responsibility, state transparency and state adherence to agreed goals that will become public. All state and territory governments around this country have agreed to it. They are all attending the meetings. They are putting together packages of agreed outcomes, the dialogue has come to a conclusion and the plans for implementation, the plans for change and the plans for a new vision of cooperative federalism are well in place, being implemented and well advanced.

What is the key feature of that dialogue, of change to date and of new practices? The key feature is simply this: along with identification of problem areas that are capable of being rectified by the Commonwealth goes the allocation of funds to do that. What is the responsibility of the states? Firstly, it is to implement agreed change. But more importantly and more critically, for the first time since Federation in 1901 all of the states in the key areas of health, public hospitals, education, welfare, planning, resources and infrastructure have agreed or are in the process of agreeing to a set of agreed outcomes, benchmarked to particular tasks that are going to be made public.

So it is no chimera that is out there. It is no mirage. The states have signed up, led by the Commonwealth via particular cabinet ministers in particular areas of responsibility, and there is going to be major change, which is going to be public and will be tested by outcomes and results because there is a set of agreed benchmarks in each particular area. That is a mighty change. It is significant. It is going to revitalise our federation. It is going to be a wonderful development over the next 20 years to have spending, accountability and responsibility in the allocation of public funds.

Let’s look now at some four or five particular policy areas as to what is the change—what’s the walk, not just the talk—in the past six months of the current Rudd Labor government. Firstly, in the area of health we are investing in immediate results while building brick by brick the long-term sustenance and the long-term foundations of our own health system. We have made an immediate injection of over $1 billion to relieve some of the pressure on particular public hospitals in particular states.

The government, having allocated that $1 billion to the states to redress immediate problems, has also established something that is about the long term, something that is about the future, something that is about sustainability in this area. I refer of course to our $10 billion Health and Hospitals Fund. What an absolutely wonderful development that one government and cooperative states can go ahead for the next 10 years knowing that there are billions and billions of dollars allocated to improving and maintaining that improvement in our public hospitals!

A further $780 million has been invested in ending the blame game in dental health, something that the first Howard government in 1996 and 1997 decided to get out of. One of their first key efforts was to get out of
public dental health. Twelve years later the Rudd Labor government is addressing that issue, allocating the funding and making sure those most in need in our community, generally pensioners and aged Australians, have access to a well-funded public dental health system. Furthermore, an additional $275 million—think about it: $275 million—is going to be invested in 31 GP superclinics right across this continent.

Let’s leave health, with the practical changes that have been implemented in the last eight or nine months, and turn now to another expression of cooperative federalism which ends the blame game—that is, housing. The Housing Affordability Fund provides up to $512 million over five years to address two significant supply side barriers to developing new housing. What are those two barriers? Firstly, the holding costs associated with planning and approval delays such as interest, land tax and council rates, all of which at the inception of purchase of housing fall upon consumers, who bear the front cost.

What is the second arm of change there? It is the cost of developing new infrastructure such as water, sewerage and transport. There is $512 million in the Housing Affordability Fund, and it will target specifically the lack of infrastructure, which acts as a barrier to the release or development of land. If you have not got land released and if you have not got proper planning processes in existence, you cannot have new houses and people go without.

The National Rental Affordability Scheme will see $623 million over the next four years to stimulate the construction of affordable rental dwellings. So we are helping public housing, we are helping infrastructure provision, we are reducing the costs that consumers have to bear up-front; and, for those who do not want to or choose not to purchase their own home, we have the National Rental Affordability Scheme, which will see over $600 million over the next four years to stimulate the construction of affordable rental dwellings. That is a wonderful change and a wonderful set of practical outcomes, which are a direct result of the election of the Rudd Labor government and the new way of doing things—cooperative federalism.

What are we doing in this area? We are going to increase the supply of land by releasing surplus Commonwealth land for the purposes of building new houses and new communities. So, as our states grow, as our population grows and as our youngsters marry and raise their own families, we will have the ability to provide them with housing, modern infrastructure and all the needs that young families in new communities have. Again, that is a direct response to the shortcomings of the previous Howard government and a direct result of new cooperative federalism as understood and administered by the new COAG process.

Finally, it is not just the demand side that is important. We are going to assist young Australians to start putting aside moneys from their disposable income now so that in four, five or seven years time when they choose to settle down and raise their own family they will have a significant deposit. They will then be able to go to a seller and say: ‘I’ve got the 30 grand or the 40 grand. That’s my deposit. I can afford the repayments and I want to buy that particular house.’ How are we going to do that? We are going to do that through the First Home Savers Account.

Public housing, infrastructure, renting, affordability, choice for youngsters, new housing lots in new communities—all of those issues have been addressed as part of the COAG process under the umbrella of coop-
erative federalism. What is that about? That is about ending the blame game.

Let us leave housing and health and turn to another critical part of policy for government, and that is education. Let us look at what is going on in the area of education. It is about ending the blame game. The Rudd government is going to work with all of the states and territories to improve the quality of education in three key areas. Today in caucus, Mr Rudd outlined the plans. Earlier this week, the Deputy Prime Minister, in a major speech, attacked the deficiencies that exist in our education system and outlined a set of proposals whereby parents, principals, teachers, boys and girls can go forward on the basis of full knowledge and full information. We will be able to provide the quality education that we all want for our children.

Firstly, what are we going to do in the area of education under the COAG process as part of the new cooperative federalism? We are going to improve the quality of teaching by recognising and rewarding top teachers and recruiting the highest performing graduates to teaching. No longer will a significant number choose to go off into architecture, law or medicine. The status of their profession is going to be upgraded and in due time lots of graduating university students are going to say: ‘That’s a profession that has a worthwhile end. That’s a profession that is respected in the Australian community. That’s a profession that I want to enter into. I’m going to devote my life to improving the outcomes for youngsters in the education system.’ We are part and parcel of leading the change here so that we have a quality education system going forward over the next 20 years for our youngsters.

What is the second thing that we are going to be doing in the area of education? We are going to be measuring school performance to make it easier for parents to understand their child’s and their school’s performance. That is a very radical change. It is a critical development. How worthwhile this is and how much merit is attached to it cannot be overstated. The things that parents want to know about their children’s progress are how they are going at school, how they compare to little Johnny next door, how they can do better, how they can do more work from home and how they can get a better result. (Time expired)

**Senator CORMANN (Western Australia)** (4.10 pm)—Ending the blame game has turned out to be nothing more and nothing less than a huge comprehensive state and federal Labor cover-up. It is nothing more and nothing less than a politically motivated conspiracy of silence where the Prime Minister, Kevin Rudd, says to the Labor premiers, such as Alan Carpenter, ‘I won’t blame you if you won’t blame me.’ That is exactly what we have witnessed under this new policy of supposedly ending the blame game.

The reality is that the best way to ensure good government for the people across Australia is a strong federal system. We need a system with both strong and competent state and federal governments. And right now we have got neither. We need a system with all of its important checks and balances hard at work; a system in which premiers stand up to Canberra whenever Canberra pursues public policy—particularly when it relates to areas of state responsibility—that is bad public policy. Whenever the Commonwealth pursues policy that will have a bad impact on the state of Western Australia, I would expect the Premier of Western Australia to have a view and to stand up for Western Australia. But nothing of the like has happened.

We have a fine tradition in Western Australia where in the past strong premiers have stood up to Canberra, irrespective of political persuasion. Strong premiers like Sir David
Brand, Sir Charles Court and Richard Court stood up to Canberra and were guided solely by what was in the best interests of their state, irrespective of whether there was a Liberal government in power in Canberra or not. But these days, we have Alan Carpenter, who was quite happy as Premier of Western Australia to be critical of John Howard as Prime Minister and of policies pursued by the Howard government.

Senator Sterle—He was not alone. There were quite a few million of them.

Senator CORMANN—Alan Carpenter was particularly unsuccessful in convincing the people of Western Australia of the merits of his arguments in the lead-up to the last federal election. As you well know, we were able to return 11 out of 15 federal members of parliament from Western Australian on behalf of the Liberal Party.

The ACTING DEPUTY PRESIDENT (Senator Moore)—Senator Cormann, I remind you to make your comments through the chair.

Senator CORMANN—Yes, Madam Acting Deputy President. The reality is this: since the election of the Rudd government, our Premier in Western Australia has gone quiet. He has stopped standing up for Western Australia. He has started to put political opportunism and his political interests ahead of the best interests of the people of Western Australia. On the scrapping of the highly successful Regional Partnerships program and of the Investing in our Schools program—which has helped school communities across Western Australia to improve their schools—silence is what we have had from the Premier of Western Australia.

When it came to the imposition of a new $2.5 billion tax, which is going to push up the price of gas in Western Australia, Alan Carpenter condoned it explicitly. He waved Kevin Rudd through and said, ‘No worries.’ When Woodside came out and made public statements telling the people of Western Australia the absolute bleeding obvious—that they as a business would seek to pass on the additional cost imposed on them by the Commonwealth—Alan Carpenter, as Premier of Western Australia, shot the messenger instead of standing up for Western Australia.

Then we had this disastrous decision to increase the Medicare levy surcharge thresholds. In our federation, in some policy areas there is obviously an overlap between state and federal responsibilities. Clearly, health is one of those areas. If you have a bad public policy decision at one level of government, that will necessarily flow through and have an impact on the other level of government.

The impacts of the decision to increase the Medicare levy surcharge thresholds have been very clearly identified through the Senate inquiry. It will have an impact in pushing up the price of health insurance premiums. It will see at least 644,000 people leave private health insurance, according to Treasury evidence. It will see 57,000 people over the age of 65 leave private health insurance, according to Treasury evidence. It will put huge additional pressure on public hospitals in Western Australia.

Have we heard anything from the government in Western Australia standing up for WA, standing up for the patients in Western Australia that need timely access to quality hospital care? No, we have not. There was some token resistance from Jim McGinty, the Minister for Health in Western Australia, straight after the budget. As reported in the West Australian on 16 May:

... WA Health Minister Jim McGinty said the State was entitled to more Commonwealth funding for hospitals after changes to the Medicare surcharge.
Did he follow through on that? No, he did not. Did he put in a formal request to the federal government: ‘We need some additional funding to deal with the additional demand that is now going to be faced by our public hospitals?’ No, he did not. That has been evidenced by answers provided to questions on notice by the Department of Health and Ageing. Again today the minister was ducking and weaving when I asked him whether the Carpenter government had submitted a formal request for additional funding to deal with the additional pressures faced by public hospitals. He was giving me the Labor Party rhetoric that could well be campaigning rhetoric, but he was not answering my question: ‘Yes or no—did Alan Carpenter, Jim McGinty or anybody in the state government in Western Australia ask for additional funding for our public hospitals?’ No, they did not.

This is actually a really interesting case study when it comes to the conspiracy of silence and the huge cover-up that is currently taking place. I will give you a bit of a flavour of what the current situation in Western Australia is like when it comes to public hospitals. After eight years of Labor mismanagement, our public hospitals in Western Australia are very much under pressure. They are in a mess. I will read a couple of newspaper quotes to the Senate. An article in the *West Australian* on 25 June 2008 headlined ‘Public hospitals had to turn away babies’ states:

Thirty newborns were among almost 900 public hospital patients transferred to private hospitals at taxpayers’ expense because a bed or appropriate service was unavailable, documents released under Freedom of Information laws reveal.

The *Sunday Times* of 29 June 2008, in an article entitled ‘300 deaths in waiting’, states:

UP TO 300 patients could die unnecessarily in WA emergency departments this year because of chronic overcrowding, the Australian Medical Association of WA has warned.

Of course, hospitals in WA then were hit by the gas crisis. Theatres had to be shut down because of a shortage of gas. Last weekend, a front-page article in the *West Australian* of 30 August entitled ‘Hospital ED risk “worst in nation”’ stated:

Perth’s big hospital emergency departments are the worst in Australia for overcrowding, with the latest national figures revealing they have the highest rate of patients waiting dangerously long periods of time to be admitted to a ward.

The first part of a national snapshot of tertiary hospital emergency departments by the Australasian College for Emergency Medicine shows that 47 per cent of WA patients waiting for a bed faced access block, the term used to describe the proportion of patients waiting more than eight hours to be admitted to a ward bed.

The point is this: this is before the changes to the Medicare levy surcharge thresholds will come into effect. This is the situation today. The reality is this: these changes that the government has proposed and that are quietly being condoned by state Labor governments around Australia, which initially put up some token resistance but then fell into line, will put huge additional pressure on public hospitals across Australia and in particular in Western Australia, when we already have the worst possible situation.
We were promised cooperative federalism in health. What happened? What did the Rudd government actually do when they decided to introduce this particular policy measure? Did they cost, model or assess the flow-on consequences, the flow-on impact, on public hospitals, a state responsibility? No, they did not. Do you know what they called it? The bureaucrats at Senate estimates said, ‘These are second-round effects. We don’t worry about second-round effects.’ Never mind that it was going to be the patients in public hospitals in Western Australia that would end up suffering because they will have to wait longer, and they will have to wait for dangerous lengths of time moving forward.

Did the state government in Western Australia ask for access to the federal government’s modelling? No. Did the federal government, in the spirit of cooperative federalism, volunteer access to its modelling for state and territory governments so that they could at least have the best information in front of them when they were assessing the impact on their public hospitals? No, they did not.

Only one state health department across Australia actually made themselves available to answer questions at the inquiry. Do you know where the information came from on which they based their assessment of the impact on their public hospitals? No, they did not.

Back last year when COAG first met, there would have been 19 previous COAG meetings where we had leaders come away pretty unhappy with what they got. They were always largely complaining about money. What we have seen since then is a new COAG agenda, where in actual fact we have got state and federal leaders—not the bureaucrats, because previously it used to be the bureaucrats—getting together, putting job lists together, with ownership of achieving the targets set in them. So we have got an absolute transformation of state and federal policy.

We had all that carping about state and Commonwealth funding agreements, but now we are really bedding down special purpose payments and the benchmarks and outcomes attached to those payments. Labor have promised extra cash for states and territories because they have agreed to unprecedented federal involvement in their affairs,
embracing a gruelling work program that is going to deliver major national reforms over the next few years.

Chief ministers and premiers have all got their sleeves rolled up and got stuck into an ambitious program of work. We have ministers chairing these working groups, with state ministers being the deputy chairs. They are really on all the key issues of the nation, including the key issues for Western Australia. Western Australia has also got its sleeves rolled up and is well into this program of COAG reform. We have various kinds of working groups. There is the heads of Treasury SPP working group, and they are getting right into the nitty-gritty of the financial frameworks that are going to deliver these new outcomes. That is core to the program—that is, the special purpose payments. To quote Kevin Rudd, they are:

...are part of the deep structure, folklore and mysticism of Commonwealth-state relations.

But, in fact, we are demystifying that and putting some real programs together to make these things transparent and accountable.

The kinds of things that we are getting on and doing include the Indigenous issues across working groups. In fact, Indigenous issues are a theme across all the working groups so that we can start to get real outcomes and cooperation on the kinds of issues that we all know are so important: health, aged care, housing, early childhood education and care, schooling, skills and workforce development and assisting people with disabilities. So Indigenous issues are now a core stream through all the different working groups.

We have climate change and water. We know how significant climate change issues are to the nation, and they are particularly important to Western Australia. Western Australia has a drying climate, and we are highly vulnerable to climate change. On that basis, Western Australia is playing a leading role in looking at plans for adaptation, because we need to put together real plans and build our capacity to adapt to climate change. We also have the energy efficiency subgroup, where we can start to get some cooperation across state and federal governments on fantastic energy efficiency measures. I am quite used to this. There are an endless number of federal energy efficiency measures and an endless number of state energy efficiency measures, but there has historically been very little coordination across these things, and now we will be able to coordinate these issues and they will be able to feed into things like the Carbon Pollution Reduction Scheme. We will have far more coherent policy approaches to these issues.

There are significant things that we all know are important, such as early childhood development, and that is getting on with the National Quality Standards Framework and an early learning years framework. On public housing, we have been looking at a new housing agreement and also at the National Rental Affordability Scheme. State and federal governments have been working together to hold cooperative stakeholder meetings, so it is not only engagement between governments; it is actually engagement with the Australian public—the Western Australian public in this case.

We have also seen renewable energy target design options coming together from the Department of Climate Change, consulting and meeting with WA stakeholders. We have been working on adaptation plans, renewable energy and feed-in tariffs, energy efficiency, water and, indeed, the Carbon Pollution Reduction Scheme. I think nothing speaks louder than the progress that is finally being made towards the Carbon Pollution Reduction Scheme. States were really going it alone and putting in a lot of the groundwork before we finally came together, under the
leadership of Senator Penny Wong and Prime Minister Rudd, to see a Carbon Pollution Reduction Scheme really begin to come to fruition, which we are finally on the cusp of seeing happen. States really had to go it alone for a very long time in trying to get these issues—(Time expired)

Senator ADAMS (Western Australia) (4.27 pm)—As I rise to speak this afternoon I would also like to congratulate the community of Balgo, as my colleague Senator Johnston has done. There was one thing that I was very impressed with in the community: the school and the community store had formed a partnership. Truancy had been rife in this little community—as you are aware, Madam Acting Deputy President Moore, because you were with us as well. The community decided that something had to be done, and the day we were there was the third day of a program in which the store remained closed until 65 per cent of the students were at school. Through this partnership the school would notify the store that it could open once this had happened. The day we were there, the program had been running for three days and the school had 85 per cent of its students. So it was working, without the governments. They were desperate: how could they get their students to school? So, without government assistance, the community had done this. It was a great little community, and I think that both the Catholic school and the store should be congratulated for this initiative. I hope that it continues.

Unfortunately, being a rural person and someone who supports the bush, I feel that both federal Labor and state Labor have walked out on the bush. Since taking office in November last year, the Labor government’s policy agenda has sent a clear message to regional and rural communities: ‘As long as Labor is in government, your needs will be neglected.’

The member for Brand, the Parliamentary Secretary for Regional Development and Northern Australia, was in Karratha at a recent conference. He described a call from the locals for extra funding for local infrastructure as whinging. I really do wonder about that. A place like Karratha has terrific need for extra housing and has many jobs but cannot fill them simply because there is no accommodation. Just where do they go when the Parliamentary Secretary for Regional Development and Northern Australia—and Karratha is in Northern Australia—makes a statement like that?

I will give you a sample of what Labor have cost regional Australia in the last eight months. They have introduced a new 33 per cent luxury car tax on all vehicles, including four-wheel drives over $57,123. Of course, most people would know that when you get out into remote Australia four-wheel drives are an essential part of being able to conduct one’s business. They have abolished the hugely successful Regional Partnerships and Growing Regions programs, of which I was very supportive, with no new money for regional projects until late 2009—just in time for the next election.

Labor have axed the Agriculture Advancing Australia program, including Advancing Agricultural Industries, FarmBiz and Farm Help. They have axed the women’s representation in decision-making program and have cut funding to rural health services, regional arts programs and rural financial counselling services. They have also cancelled the $900 million Optus and Elders joint venture, denying regional and rural Australians access to competitive high-speed broadband by the end of 2009.

Coming back to the West Kimberley region, the Minister for the Environment, Heritage and the Arts, Peter Garrett, wants to add 17 million hectares to the National Heritage
List, putting an end to new developments and stifling job opportunities for Indigenous people. There was no consultation with the people who earn their living in the area. An article appears in today’s the Australian, titled ‘Jobs for Aborigines: Rudd’s army of nation builders’, which states:

Kevin Rudd is poised to use a $76 billion nation-building infrastructure program to tackle indigenous disadvantage by insisting Aborigines be recruited to work on dozens of new roads, ports and railway projects across the nation.

I agree with this, but we really do have this conflict where things are going a little awry within the Office of Regional Development in Northern Australia.

But, we do have hope. We have Liberal candidate for the Kimberley, Ruth Webb-Smith. She is working very hard. For 40 years she has been a teacher in schools and Indigenous communities. She is a pastoralist from Yakkamunga Station between Broome and Derby, and states that she wants to:

... represent the people of the Kimberley in State Parliament, to work with the local community to secure the long-term future of our region. The Carpenter Government has ignored the needs of rural and remote Western Australia. We do know how to survive doing it tough in the Kimberley, but we deserve a government that values the contribution the region and its people make to our great State.

I commend Ruth Webb-Smith for standing as a candidate and I do hope she is successful for the sake of the people of the Kimberley.

Moving to Esperance, where they have had problems with lead coming from a mining company’s ships, today’s West Australian has an article titled ‘Esperance lead report not ready before poll’. Are the Carpenter government really hiding these things? The article goes on to state:

... the Esperance lead contamination fiasco is unlikely to be released this week, sparking accusations that the Carpenter Government will avoid scrutiny over the issue before the election.

Esperance residents said frustration was building after up to eight months of delays in the critical report, commissioned by the Government to provide a broader look at the remaining lead contamination risks in the town.

Shadow health minister Kim Hames said the early election had cost the Esperance community access to the report by environmental consultants Golder Associates.

Esperance is not very far from where I come from, and I think the people of Esperance deserve better from this government and from the Carpenter government.

The Patient Assisted Travel Scheme is something that is very dear to my heart. Following the Senate Standing Committee on Community Affairs report on the inquiry into the operation and effectiveness of patient assisted travel schemes titled Highway to health: better access for rural, regional and remote patients, I have written to the minister twice. The report was handed down in November 2007. We still do not know if our recommendations have been accepted. The way I feel about this is that the Australian healthcare system is based on the principle that all Australians are able to have access to the same level of health care, regardless of where they live. Luckily, the Western Australian shadow health minister has come out with a very comprehensive PATS policy and has taken up the plight of regional cancer patients, me having been one of them.

Any patient who is living more than four hours drive from Perth will now—under a Liberal government, if it is elected—be able to fly to a metropolitan hospital for treatment under the Liberal Party’s reformed Patient Assisted Travel Scheme instead of the current minimum 16-hour drive under the Labor government. The only treatment cancer patients can receive is in Perth. We do not have any regional areas that can provide radio-
therapy. Some hospitals can provide chemo, but most patients have to travel to Perth. It really upsets when I have colleagues who say: ‘We cannot afford to stay in Perth. We cannot be away so therefore we won’t have treatment.’ That is just not on. And—surprise, surprise—Minister for Health Jim McGinty has finally said, ‘Perhaps subsidies need to be increased, at least to keep pace with the rise in petrol and accommodation costs.’ So, guess what, we are now having another review into PATS subsidies.

Quickly going to Regional Partnerships, I have had a number of my shires in rural Western Australia desperate to try to get funding to carry out small projects within their community. They have their partners organised, but unfortunately it will not happen because there will be no funding available until 2009-10. At present we have Regional Development Australia community consultations going on. I have been to three of these meetings and—surprise, surprise—what do you have to do? You are told: ‘You tell us what you would really like.’

After the axing of a very successful program in Regional Partnerships, which worked for everyone, we now have to sit back and wait until we can get these Regional Development Australia partnerships off the ground. I understand that the area consultative committees, which will become Regional Development Australia, are going to be cut down from 54 throughout the nation to probably 30. Unfortunately, the office in Perth has been closed down. Therefore, we are going to have to rely on the eastern states bureaucrats to tell us what we need in Western Australia and what projects should and should not get up. And, guess what, the Carpenter government has said nothing.

(Time expired)

Senator STERLE (Western Australia) (4.37 pm)—There are a few things I want to sort out before I make my contribution to this debate. One does have to be sceptical and wonder whether, if there were not an election in Western Australia this week, we would have a barrage of Western Australian Liberal senators busting their backsides to get up here and propose MPs about how bad things are in WA. But I am going to talk about how great—

Senator Troeth—Madam Acting Deputy President, I rise on a point of order. I consider the action attributed to Liberal senators by Senator Sterle to be a distinctly unparliamentary remark and I ask you to ask him to withdraw it.

The ACTING DEPUTY PRESIDENT (Senator Moore)—Senator Troeth, I do not consider that to be a point of order. I take your point, but there is no point of order. I think it was in the terms of the debate. But I remind Senator Sterle of appropriate parliamentary language, and the Senate is listening to you, Senator Sterle.

Senator STERLE—Thank you, Madam Acting Deputy President. As I said, I do want to clear up a few things. Firstly, I think it was Senator Johnston talking about the condensate tax and how bad things are in Western Australia and how bad things are for Woodside. Let me just clear something up for senators opposite and for those who may be listening who are not from Western Australia. Woodside are a wonderful company; make no mistake about that. Woodside invest a lot of money in Western Australia’s North West Shelf and should be commended for the efforts that they have made in employing not only a lot of Western Australians and eastern staters but also a lot of workers from overseas. Let us make that very clear. I actually delivered to the Woodside site long before there was an LNG plant there. When there was only an ATCO hut that was acting as their office, I moved the furniture into it. So I
have had a long association with Woodside. I made a lot of money from Woodside in the days of my removal business by moving Woodside people.

But let us make something very clear, despite the wailing and crying and the crocodile tears from those opposite. Woodside’s profit—and there is nothing wrong with profit, before senators on the other side go into hysterics; profit is good—this year was over $1 billion. And we in the Rudd government welcome that news; we think it is fantastic—absolutely no dramas. It just shows what a wonderful opportunity the state of Western Australia provides for investment.

But as Senator Carr mentioned in answers to questions without notice yesterday, if the condensate tax had been applied this year, Woodside’s profit would unfortunately not have been over $1 billion. It would have been only $950 million. Now, that would be a reason for Western Australian senators opposite to be upset, I suppose, on behalf of Woodside: $950 million. That rolls off the tongue very easily: a $950 million profit.

But, if the condensate tax had been paid, that Woodside profit would still have been—Senator Boyce, for your benefit—$340 million more than this time last year.

**The ACTING DEPUTY PRESIDENT**—Through the chair, Senator Sterle.

**Senator STERLE**—Through the chair. It would still have been a wonderful outcome.

So let us just clear up why senators on the other side want to go into a political spin and, I believe, waste a lot of the Senate’s time on pulling these nonsense MPIs: it is so they can get up and bang on about the Western Australian election coming up this week. I would like to make a contribution on the Western Australian election this week, because three Western Australian senators spent most of their contributions in this debate talking about the election. Let us look at the election. It is 3½ years since the last one. It will be decided this Saturday—and, hopefully, on Saturday night Western Australians will discover who will be governing Western Australia.

But I want to talk about health in that state. Health is a very important thing. Nothing sickens me more than when I hear senators opposite, Australian senators, trying to insult the intelligence of all Western Australians and all Australians by saying that we have a third-class health system in Western Australia. I absolutely despise that. I feel sick in the stomach, because as part of the privilege of being an Australian senator I travelled to Papua New Guinea on a bilateral visit and, along with other senators, Liberal senators as well, I had the good fortune—I would not say the misfortune—to see actual Third World health systems. If you get invited into a hospital and you are looking at a child who is dying from AIDS lying on a cloth mattress, with no pillow, not even a sheet—

*Senator Adams interjecting—*

**Senator STERLE**—those are Third World conditions. Senator Adams, if you want to contribute to this debate because you were a nurse—

**The ACTING DEPUTY PRESIDENT**—Through the chair, Senator Sterle.

**Senator STERLE**—through you, Madam Acting Deputy President—I welcome taking that fight to you. That is what we call a Third World health system. It does tug on my heartstrings to hear that nonsense coming from those on that side.

Since we are talking about Western Australia, let us talk about ending the blame game, because it is under that guise that the MPI was presented, even though for senators opposite it is: ‘Let’s talk up the election in Western Australia at every opportunity we can’—and I welcome that opportunity. But
let us talk about ending the blame game. As my colleague Senator Bishop said, Australians went to the last election fed up to the back teeth with the blame game. Australians do not give a damn what government it is; they are just sick of all tiers of government blaming everyone else. And that is all we had before the last election. So the Prime Minister, Mr Rudd, made it very clear that he would end the blame game.

While we are on the subject of health, let us talk about one of the Rudd government’s initiatives: investing in high-quality hospitals and medical care. The government has formulated the National Health and Hospitals Reform Plan, putting in no less than $3.2 billion, to ensure that Australian families have access to high-quality and affordable health care, by working with the states and territories, not against them. So we can start talking about good things happening in health.

Let us come back to what is happening in WA, because I do not want to waste too much of my time. We will talk about the election and the moribund party that is the Liberal Party. Let us talk about leadership in Western Australia, shall we? Shall we talk about 2005 when Mr Colin Barnett was the leader of the Liberals? Mr Barnett had a spectacular crash and burn, as you all remember. He had a dream of building a canal from the Ord down to Western Australia. My mates in the Labor Party called it the ‘cane toad national highway’. Things were going along well. Mr Barnett was hanging his leadership and the election win on the canal. But you see Kununurra or the Ord are a long way away—about 3,400 kilometres by road and, as the crow flies, it is probably a couple of thousand—and he had this massive blow-out in the costings. We call it the cane toad highway; they call it ‘Colin’s far canal’, because it was a long way from Perth. It was a spectacular crash.

They have gone through three or four leaders in that time and if we want to talk about spectacular crashes let us look at the last leader of the Liberal Party of Western Australia, Mr Buswell, shall we? If any truck driver had performed like Mr Buswell in the workplace and they had come to seek my support and guidance on what they had done with bra snapping and sniffing chairs, I would have told them, ‘Not only are you sacked, take this advice: pack up your lunch bag and get the hell out of here before the husband gets here and lands one on your sniffer.’ It was absolutely disgraceful, but that is Liberal Party in Western Australia.

Senator Troeth—I rise on a point of order, Madam Acting Deputy President. Again I will draw your attention to what I consider to be extremely unparliamentary language.

The ACTING DEPUTY PRESIDENT (Senator Moore)—It is on the borderline. I do not consider it is actually unparliamentary in terms of process but I will remind Senator Sterle of language. In my opinion I do not consider it a point of order. I think that the process was in debate and the issues referred to are on the public record.

Senator STERLE—Thank you, Madam Acting Deputy President. It does bewilder me. I do not know what is wrong with reporting what has been in the media for the last six months. (Time expired)
at least 30 children brought into Australia for adoption may have been stolen from their parents as part of a child-trafficking network in India are of the most serious nature. The report refers to one case, in particular, in which a nine-year-old Indian girl called Za-been, who was stolen as a two-year-old and adopted by a family in Queensland. She is innocent of her origins and the circumstances in which she came to Australia. This appears to be but one of several such cases. The allegations demand a clear and considered response. The Attorney-General’s statement is the response by the Australian government for which we have been waiting since the reports first surfaced. It is of great concern to the opposition that there has been no clarity or leadership from the government on this important matter. This has, unfortunately, been compounded by the Attorney-General’s empty statement.

Crimes pertaining to the illegal trafficking of children are among the most insidious imaginable—whether they involve taking children to serve as child soldiers or sex slaves, or even selling them as commodities to overseas adoption agencies. Although it is far from clear from the vague terms in which the Attorney-General’s statement is couched, it appears to be the government’s position that, as the child or children in question are Australian citizens, the adoption of the children stands as far as Australian law is concerned. However, while saying that, the Attorney-General also acknowledged that if the allegations are proven then the birth parents may be able to bring a case in the Family Court for the restoration of the child to India.

The position of the government would appear thus to be inconsistent. Is it the policy of the government that the interests of the Australian adoptive parents should prevail over the interests of the overseas parents from whom the child was abducted? Or is this a matter which depends upon determination by the Australian courts, where the outcome may vary from case to case? If it is the latter, will the Australian government intervene in such proceedings? What position will it take if it does? The Attorney-General’s statement leaves all of these issues unclear.

It is not enough to say that the best interests of the child will be the governing criterion, for that statement alone provides no clear guidance as to the policy of the Australian government on any of those issues which I have raised. It is all very well for the Attorney-General to make his ministerial statement on behalf of the government as if he has done his job in relation to this matter, but all he is doing in reality is deferring the matter to the courts and hoping for the best. The fact is that he has left a string of key questions unanswered in relation to this matter. In addition to the questions I posed a few moments ago the following questions arise, the answers to which are opaque from the Attorney-General’s statement:

- Can he assure Australian parents that they will not face the expense and uncertainty of proceedings in the courts of their adoptive children’s country of origin?
- For parents concerned about the status of their adopted children, are resources available to answer any questions or specific concerns that they might have?
- Would Australian government assistance be available to either the birth parents or the adoptive parents in a circumstance such as the one there was, the subject of the report?
- Is it a condition of the granting of an adoption visa that the immigration department carry out checks with regard to the legitimacy of the adoption agency before the adoption visa application is granted?
- Are there plans for legislation to deal with the determination of the appropriate parenting orders where there is a dispute either as to the validity of the adoption or the antecedent circumstances in which the adoption occurred?
The Attorney-General’s statement provides no guidance on any of these questions. In addition there are difficult questions as to the possible conflict of the laws of Australia and the countries of birth of adopted children, compounded by difficulties created by inconsistencies between different laws governing overseas adoption in the various states within Australia.

A number of these matters were considered by the 2005 inquiry into adoption of children from overseas in 2005, chaired by the member for Mackellar, Mrs Bronwyn Bishop. In September 2006, the previous government accepted the majority of the recommendations, including the recommendation that the Australian government take primary responsibility for the management of intercountry adoption programs and for the establishment of new programs.

These reforms would go a long way towards ensuring that these distressing cases are not allowed to occur in the future—and, if they do, that there is transparency and clarity for the various parties involved as to the manner in which they are to be dealt with. This government needs to take national leadership now to ensure that cases such as these where children have been adopted in Australia from a country prior to that country’s ratification of the Hague convention do not cause unnecessary trauma to parents, and most importantly to the children involved.

As Dr Nelson, the Leader of the Opposition, said on 23 August:

We mustn’t undermine confidence nor the ability of Australians to be able to adopt children from overseas. Many of these children desperately need homes. They can only dream of living in a country like Australia with a loving Australian family, and whilst the investigation continues, and we should get to the bottom of it and find out what went wrong, under no circumstances should we move away as Australians from our ability to be able to adopt children from overseas.

Australia’s overseas adoption programs are important. They make lives better. To ensure confidence into the future, and to clarify the situation as to those affected by these distressing cases lately reported, the Attorney-General must take leadership and clarify a policy position on behalf of the Australian government. His statement today signally fails to do so.

Question agreed to.

COMMITTEES

Public Works Committee

Report

Senator TROETH (Victoria) (4.54 pm)—I present the report of the Parliamentary Standing Committee on Public Works, Referrals tabled March-June 2008, and I seek leave to move a motion in relation to the report.

Leave granted

Senator TROETH—I move:

That the Senate take note of the report.

Question agreed to.

Legal and Constitutional Affairs Committee

Extension of Time

Senator TROETH (Victoria) (4.55 pm)—by leave—I move:


Question agreed to.

TRADE PRACTICES LEGISLATION AMENDMENT BILL 2008

First Reading

Bill received from the House of Representatives.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (4.56 pm)—I 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 CARR (Victoria—Minister for Innovation, Industry, Science and Research) (4.56 pm)—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—

TRADE PRACTICES LEGISLATION AMENDMENT BILL 2008

Introduction and overview
This is a Bill to amend the Trade Practices Act 1974, to improve its ability to promote competition and fair trading in Australian markets.
This Bill is a reflection of the importance that the Government places on competition policy.
The Australian Labor Party has a strong legacy of competition reforms, having been responsible for the introduction of the TPA in 1974 to enhance the welfare of Australians, through the promotion of competition, fair trading and consumer protection.
Labor again made substantial improvements to the Act in 1986 as well as instigating National Competition Policy in the 1990s.
The NCP put in place many of the policy settings that have resulted in Australia’s strong economic performance over the past decade.
These competition reforms have had a cascading effect throughout the economy. And a strong, competitive economy benefits all Australians.
It is this Government’s fundamental belief that competition policy is at the core of the Government’s economic agenda.
This Government believes that being pro-business and pro-competition delivers the best results for consumers. Those opposite simply do not have the same concern for consumers.

Part IV of the Trade Practices Act promotes competition by prohibiting anticompetitive conduct. Section 46 in Part IV prohibits unilateral anticompetitive conduct, most notably by prohibiting corporations from misusing substantial market power to harm or eliminate competitors or competition generally.
Part IVA of the Trade Practices Act promotes fair trading by prohibiting unconscionable conduct. In particular, section 51AC of Part IVA prohibits unconscionable conduct in connection with the supply of goods or services to, or the acquisition of goods or services from, a corporation.
However, it is the Government’s belief that a series of court decisions have undermined the operation of the Act, Section 46 in particular.
It is not just me who believes this; the ACCC has been making this point for several years. The ACCC has been fighting with one hand behind its back when it comes to anti-competitive conduct.
In opposition we indicated that we would strengthen the TPA to restore it to its original 1986 intention.
Late last year the then Government rushed through amendments to improve the operation of section 46 but it was a clear case of “too little, too late”. At the time, Labor supported those changes, but said more needs to be done.
This Bill strengthens section 46 and section 51AC as part of the Government’s ongoing commitment to improve Australia’s trade practices laws. The amendments constitute the biggest TPA reform in over 20 years.

Outline of measures in the Bill
The Bill covers four key areas of reform.
Firstly, the Bill makes a number of amendments to section 46 to improve and clarify the operation of that section in relation to anticompetitive unilateral conduct.
Secondly, the Bill amends the Trade Practices Act to require that at least one of the Deputy Chairpersons of the ACCC have knowledge of, or experience in, small business matters.
Thirdly, it amends section 51AC to extend the protection it provides against unconscionable conduct in business transactions.
Finally, the Bill clarifies the ACCC’s information gathering powers, to facilitate effective enforcement by the ACCC.

**Schedule 1: Misuse of market power by corporations**

Schedule 1 of the Bill makes amendments to sections 46 and 86 of the Trade Practices Act.

Section 46 contains two prohibitions against unilateral anticompetitive conduct. Firstly, subsection 46(1) prohibits a corporation with a substantial degree of market power from taking advantage of that power for a prescribed purpose. Secondly, subsection 46(1AA) prohibits a corporation with a substantial share of a market from engaging in sustained below-cost pricing for one of the same prescribed purposes.

Amendments relating to predatory pricing

The Government will be making amendments to section 46 to enhance its ability to address predatory pricing.

Predatory pricing refers to a particular type of unilateral anticompetitive conduct, whereby a firm deliberately sells at unsustainably low prices in an attempt to drive its competitors out of the market.

Predatory pricing harms competition and consumers. However, it should be distinguished from legitimate, pro-competitive conduct, such as vigorous discounting, which benefits consumers.

The Bill amends the prohibition on predatory pricing in subsection 46(1AA) to align it with the prohibition on the misuse of market power in subsection 46(1).

Consistent with the findings of the Senate inquiry, a specific prohibition against predatory pricing makes predatory pricing a clear target of section 46. However, the specific prohibition should compliment the long-standing prohibition in subsection 46(1), rather than being inconsistent with it. The present reference to market share has given rise to uncertainty and may reduce pro-competitive price competition in markets. The ACCC has publicly stated that subsection 46(1AA), as currently drafted adds considerable confusion to the law, and should be amended to clarify the protection it provides.

In particular, the Bill amends subsection 46(1AA) to focus it on a corporation’s market power as opposed to its market share. The size of a firm including its market share will, however, remain a relevant factor in establishing a corporation’s market power for the purposes of the revised prohibition.

The Bill also clarifies the role of recoupment in predatory pricing cases under subsection 46(1AA).

Presently section 46 does not expressly provide whether it is necessary to prove recoupment to establish a case based on predatory pricing. Some submissions to the Senate inquiry raised concerns about this lack of clarity and its impact on the effectiveness of section 46. As a consequence, the Senate inquiry recommended that section 46 be amended to clarify that it is not necessary to prove recoupment in order to establish that a corporation has engaged in predatory pricing.

The High Court’s decision in the Boral case meant the ability to recoup losses incurred from below cost pricing is a necessary precondition in establishing a breach of section 46. As said by prominent commentators, the Boral case set up a ‘cogent case for reform.’

The Bill gives effect to this recommendation for reform. It is appropriate for section 46 to clearly provide that recoupment is not legally necessary in order to establish a breach relying on predatory pricing conduct. Recoupment may be an indicator of predatory pricing, but it should not be an essential precondition.

Clarification of the meaning of ‘take advantage’

To contravene section 46 a corporation must ‘take advantage’ of its substantial market power for a prescribed purpose. This requires a causal connection between the relevant conduct of the corporation and its substantial market power.

Presently section 46 does not provide any guidance as to the meaning of ‘take advantage’.

The Senate inquiry considered that the present judicial interpretation of ‘take advantage’ was too narrow, focusing on the physical capacity of a corporation to engage in the relevant conduct rather than its intent or rational for doing so. Consequently, the inquiry recommended that section 46 be amended to clarify the terms meaning.
The Bill implements the Senate inquiry’s recommendation. It incorporates four non-exclusive factors into section 46 which may be considered by the court in determining whether a corporation has taken advantage of its substantial market power. Importantly, the amendment ensures that, in addition to considering whether a corporation could have engaged in the relevant conduct in a competitive market, the court may also consider whether that corporation would have been likely to do so.

Jurisdiction of the Federal Magistrates Court

The ability of parties to effectively pursue rightful claims is as important as having well-drafted laws.

Concerns have been expressed about the costs and delays associated with bringing section 46 matters. If the costs associated with privately pursuing section 46 claims are prohibitively high, then it will not be as effective in addressing anti-competitive conduct.

The Bill addresses these concerns by conferring jurisdiction on Federal Magistrates Court to hear private matters arising under section 46. By doing so, the Bill improves access to justice for businesses in cases arising under this important provision, in appropriate circumstances.

The Federal Court, will appropriately, continue to hear cases brought by the ACCC.

Schedule 2: Misuse of market power by persons

Schedule 2 of the Bill makes equivalent amendments to the version of section 46 in the competition code. That provision applies to all persons in the states and territories, by virtue of application legislation enacted in those jurisdictions. The amendments are made in accordance with the 1995 intergovernmental Conduct Code Agreement to maintain consistent and complementary competition laws throughout Australia.

Schedule 3: Other amendments

Schedule 3 of the Bill makes three other amendments to the Trade Practices Act to promote competition, fair-trading and consumer protection.

Firstly, Schedule 3 ensures that small business has a prominent and permanent voice at the ACCC by requiring that a Deputy Chairperson of the ACCC have experience in, or knowledge of, small business matters.

Secondly, Schedule 3 repeals the price thresholds that currently limit the protection afforded by section 51AC of the Trade Practices Act against unconscionable conduct in business transactions. By doing so, the Bill implements a recommendation of the Senate inquiry. It enhances the protection afforded by section 51AC by focusing the prohibition on the wrongdoing involved, rather than arbitrary monetary thresholds.

The Australian Securities and Investments Commission Act 2001 applies the same rules as those dealing with unconscionable conduct in section 51AC of the Trade Practices Act to the supply and acquisition of financial services. To ensure continued consistency between the unconscionable conduct provisions of the ASIC Act and the Trade Practices Act, the Bill duplicates the changes made to section 51AC in section 12CC of the ASIC Act. As required under the Corporations Agreement, the Ministerial Council for Corporations was consulted in relation to the amendments to the laws in the national corporate regulation scheme.

Thirdly, Schedule 3 of the Bill clarifies the ACCC’s information gathering powers. The ACCC has expressed concerns that its ability to enforce the law has been adversely affected by its inability to use its section 155 powers after seeking an interim injunction. Uncertainty also exists as to when those powers cease. By addressing these concerns, the Bill enables the ACCC to fully investigate suspected breaches of the law to the benefit of consumers without interfering with the court’s role in supervising litigation.

Conclusion

This Bill improves the overall effectiveness of the Trade Practices Act in protecting competitive processes in Australian markets. Importantly, it makes particular enhancements to the Act in relation to the legitimate interests of business, particularly small business.

It provides the ACCC with the tools it needs to vigorously protect competition, fair trading and consumers.

In particular, by identifying and addressing the real impediments that have prevented the law
from functioning properly the amendments will clear major blockages that have prevented more cases under section 46. In this regard, it is telling that the ACCC’s Chairman, Mr Graeme Samuel, stated on 11 June 2008 that as a result of the amendments contained in the Bill small businesses will soon enjoy the greatest protection in 30 years against predatory pricing and the misuse of market power.

As noted by Mr Samuel, the result of more cases now being able to proceed will be a win for all those who look to the Trade Practices Act to protect the competitive process.

This Bill represents the most significant reform of the TPA in 22 years

This bill is important to our economic reforms: in the tradition of Labor Governments, making markets work, driving efficiency and putting consumers at the forefront of government policy.

Debate (on motion by Senator Carr) adjourned.

FIRST SPEECH

The PRESIDENT—Before I call Senator Furner, I remind honourable senators that this is his first speech. I therefore ask that the usual courtesies be extended to him.

Senator FURNER (Queensland) (4.59 pm)—Standing here today in this great democratic house before all senators, visitors and family is a humble and proud opportunity. I congratulate all senators for their success in the last election as either new or continuing members of this 42nd Parliament. I also acknowledge the traditional owners of the land upon which we are gathered here today. When I was in Parliament House on 13 February this year, the focus of the day was consciously and quite appropriately on the apology to all Indigenous Australians.

As a newly elected senator, I cannot help evaluating the future. We are all fortunate and responsible in having a genuine opportunity to accomplish proper legislation to showcase our great nation as leaders in sustainability for our future generations—generations who should be able to take for granted access to better education, generations which should not have to live week to week and worry whether the family can afford to pay the next bill in the pile on the fridge and generations which should be able to hold their heads up high in their workplaces knowing they have dignity and equality to bargain with their employers for a fair day’s pay for a fair day’s work. For our future generations our biggest challenge is the environment. It concerns me to hear sceptics claim that there are no changes in the climate or that the economic price is too high to deal with climate change. If we do not act now, the droughts and unseasonable weather patterns we have experienced over the past several years will pale into insignificance.

Twelve February this year marked my inaugural journey to Canberra and Parliament House. I had never had the opportunity or occasion to visit this esteemed house until then. My journey to this house and Labor values, unbeknown to me, started back in my young prime as a youngster growing up in a housing commission home on the northern side of Brisbane in the suburb of Chermside. My parents never spoke of politics. Those conversations came from external discussions and debates with other families. Later on in subsequent years I was handing out how-to-vote cards for a Labor Brisbane City councillor. That was the start of my political journey. Shortly after, on 11 November 1975, Remembrance Day, while working as a trade’s assistant at ACF and Shirleys fertiliser plant in Brisbane, I became embroiled in a stirring, momentous occasion. News had just been released that the Governor-General had sacked Prime Minister Gough Whitlam. From there, there were gatherings of tradesmen and labourers to discuss this harrowing event. What I recall of the day is a mixture of anger and disbelief that one of this country’s greatest Labor leaders had been sacked. It
followed that every worker decided to withdraw their labour for the remaining part of the day in abhorrence over his sacking by the Governor-General.

Following my period of work as a trade’s assistant and floor-covering layer, I ended up in the transport industry, driving initially small delivery vehicles then escalating to semitrailers. Little did I know at the time my further development in political life was about to unfold through the trade union movement. Not long after, at the age of 18, I became the youngest union delegate of the Transport Workers Union Queensland branch while working for Luya Julius. Furthermore, not realising it at the time, I would also become an elected organiser for the TWU 12 years later.

No journeys in life are possible without the assistance of caring people. The people in my journey are my families. Of these, I reflect upon three. The first family is the Furner family. As mentioned previously, I grew up in Chermside, Brisbane, along with two older brothers, Ken and Russell, and my younger sister, Helen. My parents were conscientious and worked to make ends meet and to provide a home and food and education for the family. Dad, who I am pleased is here in the chamber today, was a police officer, and Mum, who is ill and was not able to make the journey, was a nurse. Sometimes like ships in the night they passed each other when they came home off opposite shifts. Both were loving and caring, although with a stern hand. I believe they are both personally responsible for the strong work ethic and social justice values I have today, values and beliefs which shall hold me in fine stead when I converse with and represent people of our nation.

In my early twenties and having married my beautiful wife of now 29 years, we started the next generation of Furners. My darling wife, Lorraine, who is here today, I would like to thank you for all your love, patience, support and insight throughout the last two years of my Senate campaign. My son Troy I saw firsthand during the election campaign become a man of strength, encouragement and faith in the Labor movement. Thank you for all your assistance. My two beautiful daughters, Stacey and Sally, who I believe slowly flourished and, like Troy, without their father’s influence began to understand the social differences between right and wrong. I would not have survived to be here today without you all, so in many ways that means I owe everything to you. I would also like to acknowledge Lorraine’s parents, who are in the gallery here today and who are really like second parents to me.

The second family is the Labor Party. I come to this chamber as a representative of the Australian Labor Party, one of the oldest and greatest social parties, a party forged out of the great union struggles of the late 1800s in Queensland to give workers a parliamentary voice, a party with the accountability to represent their interests and a party whose foundations have been built on values that I have always been committed to: fairness, parity of opportunity and social justice for all.

To the broader Labor family, I will run the risk of naming some names and inadvertently therefore leaving some people out. There are so many capable and dedicated people who deserve acknowledgement. I think in the current circumstances it is more crucial than ever that the contributions of these people are recognised. All of us in the Labor Party know that we would disappear overnight without the unselfish dedication and commitment of numerous people who contribute so much of their own time, money and energy simply because they believe in the ideals and policies of the party. Labor people who require mentioning include
branch people like Bob McIntosh, Mick Colwell, Michelle McJannett, Patrick Bulman and Mark Warmley, who are just the absolute salt of the earth. You are only a few of the countless many who gave up their valued time to help numerous candidates like me.

Queensland Labor Party officials who guided and helped me through the campaign include: state secretary, Anthony Chisholm; lead organiser, Chris Forrester—my good friend; party treasurer, Damian Power; Linus Power; and past state secretary Councillor Milton Dick. Senator John Hogg and Senator Claire Moore—as a Queensland Senate team we campaigned well together and I am extremely appreciative of your help. To the other Queensland senators, Joseph Ludwig and Jan McLucas, it is great to be here with you. Member for Brisbane, Arch Bevis, member for Blair, Shayne Neumann, member for Dawson, James Bidgood, member for Rankin, Craig Emerson, member for Flynn, Chris Trevor, member for Oxley, Bernie Rippoll, member for Petrie, Yvette D’Ath, member for Longman, Jon Sullivan and member for Capricornia, Kirsten Livermore—thank you for all your committed support during my campaign. Of the Labor ministers of the 42nd Parliament, I thank Kevin Rudd for his inspiring leadership and Treasurer Wayne Swan and the Minister for Trade, Simon Crean, for their guidance. And I thank past Labor minister the Hon. Con Sciacca who, with his business partner, Vince Kartelo, helped me no end.

The third family is the trade union movement. For the past 30-odd years I have been proud and honoured to be a member of various unions. They are, in sequence, the Transport Workers Union, the Australian Services Union and my own union, the National Union of Workers—and an official of three unions for over 19 of those 30-odd years. There are so many people I wish to acknowledge today for their role in developing me and assisting me throughout my union career and Senate campaign. My first union organiser, Allan McPaul, who subsequently became my union boss at the TWU Queensland branch has been an inspiration and friend to me. In fact, I would go as far as advocating he was my mentor in my union career.

For four years I served the honest professional men and women of the Queensland Police Service as an industrial officer for the Queensland Police Union of Employees. This role was both rewarding and challenging, with many disputed conditions achieved in the Queensland Industrial Relations Commission. I was honoured to organise the involvement of the Queensland Police Union members in two consecutive Labour Day marches for the very first time.

And, of course, there is my own union, the National Union of Workers. I first commenced employment with the Queensland branch in May of 1996 as an organiser, progressing to senior organiser then onto branch secretary in October 2003. The NUW is a progressive and professional union representing many types of industries throughout this country. I wish to thank branch secretary John Cosgrove, Les Seaman, Russell Vieritz, all other officials, staff, all the branch committee of management, union delegates and members who helped me tirelessly over the past years in Queensland. I wish to thank Derrick Belan and the officials and staff of the New South Wales NUW branch—which is well-represented in the chamber today—for their exceptional assistance during my campaign. Also, I thank the national office for their help. I recognise David Smith, secretary of the Australian Services Union and Dave Hanna of the Builders Labourers Federation for their generous support. And I, for one, will be working with Dave and his fellow members shoulder to shoulder in seeing the back of the excessive powers of the
CHAMBER

ABCC. Additionally, I thank the Queensland Teachers Union for their help.

Notwithstanding the aforementioned unions, no-one can disparage the professional and committed ‘Your rights at work’ campaign in which the whole of the union movement engaged workers and their families. The ACTU, under the stewardship of Sharan Burrow and Greg Combet, now member for Charlton, led a sterling campaign for workers rights and are congratulated. If it had not been for the ‘Your rights at work’ campaign and the election of a Kevin Rudd Labor government, with their commitment to introduce new IR laws which will bring back the fair go, many workers would be worse off under John Howard’s insidious industrial relations laws.

During the election campaign the past government tried to demonise union officials. Despite this, my resolve became stronger in defeating that government and installing a Kevin Rudd Labor government. One only needs to look at the community work many unions are involved in to dispel the myth that union officials are thugs. One such example is, over the past three years, the National Union of Workers Queensland branch officials and members, Senator Moore, other local branch members and I have been involved in ‘Relay for life’ for the Queensland Cancer Council, raising up to $50,000 searching for the cure for cancer—a far cry from thugs, in my view.

On Friday, 14 December 2007 I was privileged to be at the Australian Electoral Commission’s declaration of the Queensland Senate results. As all successful elected candidates spoke, I listened with interest to their varied experiences during their campaigns. Personally, during my campaign I was fortunate in meeting and forming friendships with lovely people from our multicultural groups we have in this country. Thank you to Nabil and Awatief, from the Middle East, who I met on Anzac Day 2007 at a Lebanese memorial event; Lan and Chau and their son David, who have been long-term friends who helped me on 24 November in important Vietnamese election booths in the seat of Oxley; and Ramish and Satwinder, from the Indian Sikh community, who have shown me different cultures and rewarding experiences.

In spite of the number of persons I have thanked previously, it would be remiss not to pay tribute to all Queenslanders who put their trust in me and the election of an Australian Labor government on 24 November 2007. Queensland Labor performed to its optimum in the federal election, delivering the largest swing across the nation, a swing of 7.5 per cent to Labor. Queensland Labor added nine seats to its stocks, the best result of all the states. Queensland Labor now holds Blair, Bonner, Dawson, Flynn, Forde, Leichhardt, Longman, Moreton and Petrie. Additionally, Labor went marginally close to winning Bowman, Dickson and Herbert, with exceptional candidates.

I would like to extend my genuine appreciation to all the Senate staff in the various departments who have made me feel welcome. You are a group of professional and dedicated people. To my own staff—Michelle, Jasmine and Alana—I do not think I could ask for more dedicated and committed electorate staff.

I have many interests, including the following. Having coached my son and fellow team members of Pine Rivers United Soccer Club, I am interested in most codes of football. As a keen bush trekker, I hold a deep empathy for the environment. Having visited and trekked many of Queensland’s national parks, my second home is the bush. My favourite walks and relaxation are O’Reilly’s in the Lamington National Park, not far from the Gold Coast. In fact, 2008 commemorates...
the establishment of Witches Falls, the first Queensland national park in 1908, later becoming a section of Tamborine National Park. I am interested in diverse cultural and culinary experiences not only in Australia but in other parts of the world. I am a strong believer in human rights for all. I believe in fitness of the body and mind. Therefore, I will no doubt see many of you in the Parliament House gymnasium of a morning. As a unionist, and having spent over half of my working life thus far devoted to the union movement, I am interested in industrial relations and the union movement.

As a Queenslander, I have been fortunate to travel most of the state either through work or on vacation. Queensland, in my biased view, is a vibrant and beautiful part of this country which develops good people and amazing opportunities—people like Andrew Fisher, the first Queensland Labor Prime Minister, whose term as PM commenced on 13 November 1908. He was the first Prime Minister to hold a majority in both the Senate and the House of Representatives, in 1910. During Fisher’s period as Prime Minister a number of important projects were undertaken. The Royal Australian Navy was established, the Commonwealth Bank was set up, the northern territory of South Australia was transferred to the Commonwealth, the federal capital of Canberra was founded, and the construction of the trans-Australian railway line linking Perth to the other capitals began. As well as introducing maternity allowances, Fisher acknowledged the need for greater political equality for women.

Ironically, a century on in the same month, November, we saw the second Queensland Labor Prime Minister, Kevin Rudd, and his government elected. Why would you want to be anywhere else other than in Queensland? This Friday, as a Queenslander I will stand proudly in this chamber watching Quentin Bryce’s swearing-in as Governor-General of the Commonwealth of Australia.

Queenslanders face many challenges in the next decades. However, we are well positioned to govern for the future. Queensland grew 6.8 per cent in the last financial year—the 11th consecutive year in which Queensland exceeded Australia’s economic growth rate. For the seventh year in a row, Queensland will outstrip the growth of every state other than Western Australia. Queensland now contributes $187 billion to the national income and $35 billion to the national exports.

In the past five years, Queensland has created more than 367,000 new jobs and the population has grown by close to half a million. Our challenges include population growth, with approximately 1,700 people crossing the borders into Queensland every week. Infrastructure in South-East Queensland is under enormous pressure. Queensland is Australia’s most decentralised mainland state, with 40 per cent of those who come to Queensland every week moving to our regional areas. With booming cities like Gladstone, Mackay and Cairns, in 2008-09 the government will invest $826 million in nation-building road projects. After 11 long years of neglect, the artery that runs through the heart of these communities, the Bruce Highway, will receive from this government a $2.2 billion upgrade.

Our challenges come after 11 years of neglect in workplaces, where the past government’s Work Choices industrial relations laws created divisive barriers and confusion between employers, employees and their unions—insidious divides to satisfy ideology of a past-obsessed government, a government which was hell-bent on destroying the ‘fair go’ in our workplaces. Now we are faced with creating a fairer Australia.
This year the Rudd Labor government honoured its commitment to abolishing Australian workplace agreements. Only this government is committed to building a modern, fair and flexible industrial relations system that will provide a decent safety net for future workers—a safety net that provides for national employment standards that prevent workers from falling through the cracks.

On the back of the population growth in Queensland we are faced with an ever-increasing skill shortage not just among our trades and professional workers but among semi-skilled workers such as labourers, forklift operators and fast-food operatives. The past government’s only answer was to bring in overseas migrants on 457 visas. As a modern government, we need to encourage and build our skill base through tertiary education. This government is modernising our employment services system by changing the focus to skill up workers, to engage with employers and, indeed, to provide real incentives for providers to get people into jobs that industry needs to fill. Over the next five years this government will provide 238,000 training places for job seekers at an expense of $880 million.

Our biggest challenge, not only in Queensland but across the nation, will be climate change. There are predictions that Queensland will see the demise of one of the seven natural wonders of the world, the Great Barrier Reef, as we know it and of increases in temperatures of 4.5 Celsius, leading to impacts in the state’s ability to produce agriculture. Out of all the challenges we will face as senators in this 42nd Parliament, I would strongly advocate that we should not be responsible for the demise of our beautiful country and should show initiative and responsibility before it is too late to act on climate change.

I come to the Senate in some trepidation of the history and tradition of this place and of the importance of its part in the democratic life of our nation. I come with an excitement and enthusiasm at the challenge and the trust which the people of Queensland have placed in me. With full respect, I bring the challenge to you, fellow senators, that we combine our skills to be part of the generation that took the opportunity to change the direction of climate change, and not the last generation that was responsible for the demise of our nation and the world.

The commitment I solemnly provide here today is: over the next six-year term I shall work enthusiastically and convincingly to be part of an Australian Senate which delivers for the needy, for equality and for fairness to all. Regardless what school, what work or what culture, creed or religion, you will be the focus. Thank you for your indulgence.

FIRST SPEECH

The PRESIDENT—Pursuant to order, I now call Senator Cash to make her first speech and ask honourable senators that the usual courtesies be extended to her.

Senator CASH (Western Australia) (5.22 pm)—It is with significant honour that I rise to make my first speech in the Australian Senate. Mr President, I commence my remarks by offering my congratulations to you on your election to the office of President of the Senate. Having watched my father, the Hon. George Cash, in his role as President of the Legislative Council of Western Australia and currently as Deputy President, I have a true appreciation of the roles and responsibilities that befall the President of the Senate and I wish you well.

I extend my congratulations to all senators elected at the 2007 election—in particular, those elected for the first time. I also extend my appreciation to the Clerk of the Senate.
and to his staff for their assistance and advice since my election.

As someone who believes in the principles of federalism and in houses of review, I am honoured to have been elected as a Liberal senator for Western Australia. There is no doubt that Western Australians recognise that a critical institutional safeguard for all Australians is a competent and properly functioning Senate—a Senate which scrutinises, criticises and passes judgement on legislation having regard to, in the case of the citizens of my state, the interests of Western Australia. This scrutiny ensures that a federal government located in Canberra, many thousands of kilometres in distance from Western Australia, is still held accountable for actions that affect the people of my state.

Although there is a long history of federalism and federalist thought, Australia’s federal system is one of the longest running of the world’s current federal systems. Of course, the establishment of the Australian federal system did not happen overnight. During the 1890s there was considerable debate between representatives of the various colonies considering the merits of establishing an Australian federation. It is well-documented that there was considerable reluctance on the part of Western Australia to join the federation.

It is also clear from the conference debates that when the Commonwealth was created in 1901 the states proposed to transfer only limited powers and intended to retain the maximum constitutional powers for themselves. One hundred and seven years later, it is fair to say that our founding fathers did not envisage that the passage of time, changing circumstances and the broad interpretation of Commonwealth powers by the High Court of Australia would see a profound encroachment by the Commonwealth on previously intended state areas of responsibility.

 Whilst accepting the change in powers of the Commonwealth due to High Court interpretation, I believe that we, as senators, must always pay proper regard to the constitutional compact as it was originally conceived. Wherever it is consistent with good policy, we should seek to make decisions that, whilst reflecting the national interest, uphold and respect the interests of the states. As former Prime Minister Sir Robert Menzies was heard to say after a fiery and contentious Premiers Conference, ‘Six state premiers send me up the wall, but I would not have it any other way because it is our insurance against dictatorship.’

Western Australia, apart from being the largest state having an area of almost one third of the Australian continent, is a very significant contributor to the national economy. Without question, my state has emerged over the last two decades as an economic powerhouse. Western Australia, with about 10 per cent of Australia’s population, has historically generated approximately 30 per cent of Australia’s export revenues. However, the recent commodities boom has pushed this figure to now exceed 40 per cent. My state generates more export income than New South Wales and Victoria—Australia’s two most populous states—combined.

Western Australia has been blessed with an abundance of natural resources. The state’s economy is primarily export driven with China, Japan, South Korea and India being key export destinations. Last year, Western Australia exported more than $55 billion worth of minerals and petroleum as a result of global demand for our natural resources. The continued rapid industrialisation of China and India is expected to significantly increase the demand for our mineral exports into the future.
Whilst Western Australia is abundant in mineral resources, it offers much more in its economic contribution to the nation. Agricultural exports make up the state’s second major export industry. The fishing industry is also important. We have a flourishing shipbuilding industry located at Kwinana, south of Perth, and many other industries of international repute.

The growth Western Australia is experiencing is providing great benefits and opportunities for our nation. To ensure that we take full advantage of this opportunity and maximise benefits to all Australians, we need a bold and coherent vision and long-range contextual planning to adequately address the infrastructure needs of Western Australia not just for today but into the future. As a senator I want to contribute to the development and implementation of policies that promote the building of infrastructure that is necessary to ensure that my state, and therefore the nation, enjoys continuing prosperity. Western Australia’s vast natural resources place it in an enviable position but much of its economic potential is still to be realised. One of the foremost opportunities will be the further development of the state’s mineral resources through increased downstream processing.

As government decisions can often impose unnecessary and sometimes unintended burdens on industry, we must make certain that decisions affecting Western Australia’s resources industry do not unwittingly affect the capacity of industry to flourish and grow for the benefit of the nation. There is no doubt, in my view, that a failure by the Commonwealth to properly recognise Western Australia’s unique needs would be detrimental to the national economy. This would ultimately impact on the capacity of government to deliver essential services and social dividends to all Australians.

I am a strong believer in recognising that the development of industry should not be fettered by unnecessary regulation. In my view—a view that has been fashioned by my years of legal practice—every piece of legislation should be subject to rigorous impact analysis. Ideally, this analysis should be published as a formal statement and tabled in parliament as part of the legislative procedure. Such an impact statement should include a considered analysis of the economic, social, environmental and practical impacts of a proposed law. We should never forget that the regulation we impose on industry invariably results in the imposition of compliance costs.

As a Liberal, I believe in minimal government interference and that the role of government is to create and maintain a regulatory and taxation environment conducive to allowing the private sector to get on with the job. We must therefore be cautious when considering new legislation and the consequences flowing from it, and we should not inhibit business with unnecessary red tape. There may well be merit in the argument that law-makers should only introduce a new regulation if at the same time they remove a redundant or superseded one.

Of course, it is imperative that in seizing the opportunities and benefits that flow from economic activity we recognise the social and environmental impact on local communities of actions taken by industry. The concept of the community licence to operate and the obligations flowing from this should be prevalent in decisions that we make affecting industry. We must work to cultivate a future that is not only economically and environmentally sustainable but also socially sustainable. As legislators, we should encourage industry to work with the local communities in which they operate to ensure that, in conjunction with government, important services such as health and education are provided
and, where possible, that local and Indigenous employment is promoted.

On a recent visit to the iron ore town of Newman, I was pleased to note that BHP Billiton has established programs designed to support sustainable communities. I am also aware of similar programs being endorsed and implemented in Western Australia by Rio Tinto, Fortescue Metals and other mining companies. These companies should be commended for the work that they are doing. Government should encourage and enhance opportunities for industry support and participation in delivering services and benefits to local communities with special needs.

It is well recognised that the most fundamental responsibility of a government is the security of its nation and its people. After the nation’s security come the critical areas of health and education, followed by myriad other responsibilities which are demanded by the community and which are provided by both the government and the private sector. Financing these growing responsibilities demands efficient economic utilisation and management of both our human and natural resources. This requires the input of secure energy and water supplies along with transport infrastructure to enable access to both domestic and export markets.

It is clear to me that the two great challenges that will affect Australia’s future potential will be the production of competitively priced energy and water. In Western Australia it is the lack of competitively priced energy, in particular in the state’s north, which must be addressed so that optimum return on our resources may be achieved. Given the events of recent months in Western Australia, it is clear that we do not have a generation system that is capable of guaranteeing the energy security that is critical to our growing needs. There is a need in relation to Western Australia to focus our efforts in developing bold, visionary policies that provide the incentives for industry to produce competitively priced energy and an adequate supply of water to accommodate the vast opportunities that exist across the state.

A failure to adequately plan for long-term investment in these precious commodities will restrict the opportunities for growth in Western Australia and, as a consequence, will be detrimental to the national economy. Gas and oil located in the north-west of Western Australia, coal in the south-west and uranium deposits in the pastoral and remote regions can, with bipartisan support, be transformed into the energy chain. Currently our gas is exported to support the energy demands of other nations with whom we actually compete in our domestic and global markets. There is significant potential for greater downstream mineral processing within Western Australia at locations close to the natural resources.

The renewable energy options of solar, wind, wave, tidal, geothermal and biomass are all relevant to Western Australia. What we require to promote the development of these natural resources and downstream processing opportunities is a visionary strategy which is underpinned and supported by a national development plan. I have had the opportunity of travelling throughout our vast Kimberley region and I am convinced, given the huge coastal tidal movements, that tidal power represents a feasible energy option for the region. What is currently missing in the tidal energy option is the necessary start-up support at a national level—support which will be repaid many times over once tidal power is producing competitive energy.

Apart from energy, the other great challenge is water. Where there is water there can be food. There are many opportunities in our northern region to grow food and crops for
domestic use and for export to the growing markets of nearby Asia. It should be remembered that the export destinations of Indonesia, Singapore and Malaysia are geographically closer to Western Australia’s port towns of Broome and Derby than to Melbourne and Sydney. Those senators who know the Fitzroy Basin area will be aware that there is significant potential for agricultural and horticultural industries being developed in the Fitzroy Basin.

I am also very supportive of the need to move forward with the development of the Ord River stage 2 project, which has been bogged down by the bureaucracy at both state and national levels. It is imperative that the northern Australia task force, which was established by the previous Liberal government, acts with haste in its research studies into opportunities in the north-west of Western Australia. If we consult with and invest greater decision-making powers in the local people and in industry in the north-west, we will reap the economic and environmental rewards through industrial and agricultural sustainability, coupled with diverse employment opportunities.

Prior to the 1993 state election in Western Australia, the Hon. Richard Court outlined his vision. This included a gas pipeline to be built from Karratha to Kalgoorlie along a route that would provide users access to our natural gas supplies. Many at the time were sceptical, but within a short time after Richard Court was elected Premier the pipeline was built by private enterprise and it continues to be operated by private enterprise today. I foresee in the future a gas pipeline linking the Western Australian gas fields with the eastern states. With global oil prices now around US$117 per barrel, I also foresee the potential for clean coal technology and coal-to-liquids operations in Australia, although I acknowledge the first of these plants may be on the east coast.

Unlike some who see nothing but doom and gloom consequent upon the constant changes occurring in our global natural environment, I recognise that the elements that affect our global climatic conditions are complex and that over the millennia of time our global climate has changed and will continue to change. It is my view that for Australia to succeed in the challenges inherent in the issues relating to climate change, we must first recognise that it is a global problem and as such will need to be addressed at a global level. Whilst it may give some people a warm inner feeling for Australia to go it alone in its response to climate change, a unitary approach will not succeed and is likely to place Australia at significant economic disadvantage in comparison to its competitors in the global economic market. Given that Australia, with 0.32 per cent of the global population, contributes only about 1.43 per cent of total global carbon emissions, the most realistic and beneficial approach for Australia in seeking a global solution is to actively engage the major global polluters, such as China, India and the United States, to significantly reduce their own carbon emissions while at the same time focusing on developing clean fuel technologies which result in lower emissions and which can be exported worldwide.

In future years when I look back at my time in the Australian Senate, I hope to be able to say that I contributed to developing and implementing policy that has ensured that the state of Western Australia, and consequently the nation, is a stronger and more prosperous place than it was when I first commenced here. Responsible and ultimately successful societies methodically plan for and build strategic infrastructure for the long-term benefit of their citizens. My challenge, and indeed our challenge as representatives of the people of the states and territories of Australia, is to ensure that we have
the courage to make the right decisions and where necessary the tough decisions not only for the short term but also for the long-term social, economic and environmental benefit of all Australians.

It was said by the Reverend Theodore Hesburgh, President Emeritus of the University of Notre Dame in the United States:
The very essence of leadership is that you have to have vision. You can’t blow an uncertain trumpet.
And this is so true of one of the greatest political contributors in my state’s history, former premier Sir Charles Court. A true visionary, Sir Charles was the person who laid the foundations for Western Australia’s resources boom, the benefits and rewards of which the nation is reaping today. In the 1950s, when Sir Charles Court entered Western Australian politics, we were a mendicant state with a small population. However, what we did have were huge repositories of natural resources. Sir Charles recognised the potential in these resources. Over the next two decades he made tough political decisions, decisions that he saw as being necessary if the state of Western Australia was to become the economic powerhouse that he envisaged it could, and indeed has, become.

Sir Charles was a man of action and did not let anything stand in his way, literally. His obituary in the Australian on Monday, 24 December 2007, stated:
When, as minister for industrial development, he led a group of Japanese industrialists to his office, only to find it locked, he smashed the glass door, and turned to his startled guests with the explanation: “We don’t let anything stand in our way in this state.”

And this is the optimism and sense of resolute purpose that is still required to this very day of the people’s representatives.

I am proud to reflect upon the fact that those attributes were hallmarks of my great grandfather Samuel John Cash, who is recognised in Western Australian history as a person who contributed in a significant way to the mining industry. He is a foundation inductee of the Australian Prospectors and Miners Hall of Fame located in Kalgoorlie. Sam Cash was a prospector whose own gold loaming methods earned him the title ‘The Prince of Loamers’. His contemporaries have credited him with discovering over 100 gold mines, with the pinnacle of his career being the discovery of the Barbara Mine on the Hampton Plains, south-east of Coolgardie, which he later sold to the then Western Mining Corporation. He is the author of Loaming for Gold, which has been read by many prospectors and has been responsible for the discovery of untold wealth by exponents of the loaming system.

There are so many supporters in Western Australia to whom I owe a debt of gratitude and thanks. I cannot mention them all but must acknowledge just a few. I thank the members of Western Australian Liberal Party for their encouragement and support. I thank those members of the party, as well as many other friends, who are here today in the gallery with me. I undertake to be an effective and tireless campaigner for the Liberal cause and your voice in Canberra, advocating the advancement of the interests of Western Australia and the regions which make up our great state.

To my home division, the Moore Division of the Liberal Party of Western Australia, in particular its president, Councillor Ian Goodenough, and his family: your support and friendship is valued and always appreciated. To my staff, who in the very busy first few months of work have performed above and beyond the call of duty: thank you. To Senator Mathias Cormann, my colleague and friend: the advice you have given me since my election has been invaluable and I thank you. To my parents, Ursula and George: I thank you for the support and guidance that
you have given me during my life. You have, leading by example, instilled in your four children a strong work ethic. You taught us that life is not easy—to achieve, you must work hard; to achieve more, you must simply work harder. That lesson will serve me well in this place. Finally, to my amazing husband, Richard Price, my sisters Melinda and Joanna, my brother, Andrew, and my niece, Aleisha, who is here today in the gallery: your love and support have been my strength and motivation in my political pursuits over the years, and I record my gratitude to you. I am forever grateful that you are here today sharing this occasion with me.

Mr President, I would like to conclude with two quotations that I believe will be relevant to my role as a senator. The first is again from the Reverend Hesburgh. He said:

My basic principle is that you don’t make decisions because they are easy; you don’t make them because they are cheap; you don’t make them because they are popular; you make them because they are right.

The second quote is a simple one from another reverend—the Reverend Jesse Jackson:

Never look down on anybody unless you are helping them up.

I thank honourable senators, and I thank you, Mr President.

COMMITTEES

Corporations and Financial Services Committee

Report

Senator BOYCE (Queensland) (5.50 pm)—I present the report of the Parliamentary Joint Committee on Corporations and Financial Services, Statutory oversight of the Australian Securities and Investments Commission, together with the Hansard record of proceedings.

Ordered that the report be printed.

Senator BOYCE—by leave—I move:

That the Senate take note of the report.

This report follows a public hearing on 18 June 2008. At the outset I would like to record my appreciation to the former members of this committee who left when the new Senate term began on 1 July. The committee is very appreciative of the work of former senator Grant Chapman, who was the deputy chair of the committee, and former senators Andrew Murray, Linda Kirk and Ruth Webber. Under the Australian Securities and Investments Commission Act 2001 the committee is charged with parliamentary oversight of the Australian Securities and Investment Commission and its panel as well as the operation of Australia’s Corporations Law scheme.

Our committee’s most recent report focused on five aspects of the operations of ASIC. These were: the regulation of financial markets, particularly issues relating to short selling and margin loans; ASIC’s strategic review; ASIC’s response to recent property investment scheme collapses such as the Westpoint-style property investment schemes; the regulation of financial planners and the introduction of professional indemnity insurance by financial planners for negligent advice; and the regulation of banking and credit providers and the implementation of the government’s green paper proposals.

I think we need to look at this report in the context of ASIC’s response to the collapse of margin lenders such as Opes Prime and Lift Capital. In particular there is a very widely held misunderstanding, it seems, about the nature of margin lending schemes and the unsecured nature of the products they purport to promote. The committee was deeply concerned about the disclosure rules that apply to short selling and margin lending. We heard from ASIC about the commission’s own concerns about the risk disclosure obligations of these organisations. This of course
is a matter that is currently in the hands of the government and subject to the green paper. The committee strongly holds the view that ASIC should continue to press for improvement in the disclosure laws and the way they function, but we note in our report that the improvement of the disclosure rules and warning about potential misconduct will not, of itself, have a radical or discernible effect. The committee believes that the tightening of the disclosure rules must be accompanied by a closer working relationship between ASIC and the Australian Stock Exchange on instances of insider trading and market manipulation.

On a personal note, I draw the Senate’s attention to current moves, which I certainly think are positive, to consider ending the Australian Stock Exchange’s monopoly on stock trades and regulation. I also draw the Senate’s attention to a couple of other aspects in the committee’s report. We heard from ASIC about their internal restructuring program and how the restructure was designed to improve and streamline the agency’s ability to meet their responsibilities. The committee certainly approves and supports ASIC’s restructuring plans but there is a certain level of concern about how they are going to go about resourcing those additional responsibilities. We heard that ASIC is able to accommodate the extra expenditure it will incur to achieve its statutory obligations and objectives in the 2008-09 budget year by reorganising its priorities and through this restructure. But ASIC admitted that its level of resources may not be sustainable beyond 2009-10. This is particularly the case, we were told, if some of the Australian Stock Exchange’s market supervision responsibilities are shifted to ASIC in the near future. Given the current concerns about disclosure and the agency’s ability to monitor activity in the market, this is of particular concern.

I would also like to draw the Senate’s attention to the committee’s comments regarding aspects of the regulation of high risk property investment schemes. The collapse of Westpoint, Fin Corp, ACR and similar schemes must be a very real concern not only to Australian investors and regulators but also because of the effect that they can have on the Australian economy, particularly regarding the confidence they drain out of the investment environment in Australia. The committee heard from ASIC that it had responded to these collapses by implementing more stringent measures to protect consumers, but the committee was concerned about ASIC’s tardiness in addressing some of the problems associated with this sector.

I also draw the Senate’s attention to some of the responses that arose out of questions that I asked of ASIC during a public hearing. In evidence that was given to the committee, ASIC advised that their restructuring would see a reduction of 13 senior members of management. On top of this they also have the two per cent so-called efficiency dividend that the government has required of departments and agencies. We have an agency that has been given increased functions and that has undertaken, very rightly I believe, to put a far greater emphasis on assessing systemic risk and future systemic risk within their strategic review. You now add to that the loss of a very large group of senior managers within a budget that has been far more constrained by the government’s requirement of an efficiency dividend. We also have a reduction in the corporate knowledge and expertise that ASIC will have as a result of these changes to its structure. I think we have reason to be rightly concerned and very vigilant that ASIC will be able to undertake the tasks that it has set itself for the next 12 months and into the future.
As a member of the Corporations and Financial Services Committee, I will be paying very close attention to this issue to ensure that ASIC’s restructure, the reduction in the number of managers and their increasing focus on looking at systemic risk for the future does not adversely affect their ability to monitor this market and to carry out their functions.

Senator COONAN (New South Wales) (5.59 pm)—I rise to speak briefly on the Statutory oversight of the Australian Securities and Investments Commission report. As the newly appointed deputy chair of the committee, I am pleased to have the opportunity to contribute to better regulation of corporations and the financial services industry in Australia. It is an area of great interest to me. I was very interested in Senator Boyce’s comments and her presentation and the issues that she raised in relation to this report. I also want to pay tribute to the hard work of former members—they have been mentioned of course by Senator Boyce—as well as give a little note of consideration and of appreciation to the secretariat. They always do sterling work. In this particular case we have Senate legend Cleaver Elliott standing in for Geoff Dawson, together with Andrew Bomm as principal research officer and Ms Laurie Cassidy in the sometimes thankless task of executive assistant. I look forward to working closely with them over the hearings of this committee, wherever they may be held.

As I have only very recently been appointed to the committee, I was not involved in this report’s preparation or deliberations. Nonetheless, I am pleased that the committee has given consideration to issues that are of enormous significance to the proper functioning of the share market and the regulatory surveillance that is necessary to achieve this. The turmoil in the share market in February certainly highlighted some of the regulatory gaps that exist in how Australian markets are regulated. Concerns that undisclosed covered short selling—where shares are borrowed, sold, repurchased at a lower price and returned for a profit—is affecting market transparency and encouraging illegal market manipulation have been raised at numerous times over the year to date. This report identifies the issues surrounding margin lending and short selling in Australia, especially in light of the collapse of Opes Prime and Lift Capital due to investors not being aware of the unsecured nature of their holdings.

During the public hearing on 18 June this year, ASIC were questioned on whether they were monitoring margin lending and short selling adequately. ASIC told the committee that they had issued public warnings about false and misleading rumours on share trading and recommended improved disclosure rules on short selling. The committee’s view was that ASIC should maintain greater cooperation with the ASX to prevent insider trading and market manipulation.

Following ASIC’s strategic review, it was decided they could more effectively function if they restructured their operations. This includes restructuring the organisation from four silo directorates to 17 outwardly focused and outward-facing stakeholder teams. ASIC’s restructuring plans will provide a greater emphasis on understanding and conducting surveillance of financial market activities. ASIC have also been pursuing tougher restrictions on debenture advertising to reduce the chances of another Westpoint style property investment scheme collapse as well as monitoring the availability of insurance cover in the marketplace since the introduction of compulsory professional indemnity insurance for financial planners.

With the government’s looming federal takeover of corporate regulation, as mooted in the government’s green paper, a number of
queries about the effect it will have on ASIC were raised. As the options outlined in the green paper have not yet been finalised, ASIC reported that the effects are not yet known; they can only anticipate what they might be. I do look forward to seeing Senator Sherry’s finalised proposals with much interest.

Finally, reverse mortgages were again raised with ASIC. Although there have been few complaints to the regulator about reverse mortgages, ASIC anticipates that a number of problems with these products may yet surface. The coalition supports the committee’s comments that ASIC should continue to use all avenues available to it to educate consumers about the risks associated with reverse mortgages. The committee is of the view that coverage in the mainstream press is far more effective than on ASIC’s website and thus media coverage should be a significant objective for ASIC to aim for to help ensure better outcomes, particularly for the elderly.

I anticipate and apprehend that comments in respect of further reports may be a bit more comprehensive than my comments in relation to this report, but I do commend it to the Senate and I look forward very much to participating in future debates and reporting the committee’s deliberations to the Senate.

Question agreed to.

NATIONAL GREENHOUSE AND ENERGY REPORTING AMENDMENT BILL 2008
Second Reading

Debate resumed.

Senator O'BRIEN (Tasmania) (6.05 pm)—I seek leave to incorporate speeches by Senators Lundy and Wortley.

Leave granted.

Senator LUNDY (Australian Capital Territory) (6.05 pm)—The incorporated speech read as follows—

I rise to speak today on the National Greenhouse and Energy Reporting Amendment Bill 2008. This reporting system will collect robust and comparable data across the Australian economy that will underpin the emissions trading scheme and provide better information to the public.

Climate change is one of the most serious environmental challenges facing Australia, and indeed the world, today. We know that climate change is having real effects. For instance the top 11 hottest years on record have been in the last 13 years, and of real concern to many Australians is that there will be increasing extreme weather patterns. The CSIRO and Bureau of Meteorology have predicted that we will experience 20 per cent more drought months over most of Australia over the next 20 years, and 40 per cent by 2070. The Australian Bureau of Agricultural and Resource Economics have also predicted that that if we don’t act now on climate change, exports of key commodities will fall by up to 63 per cent in the next 20 years. That is why we need to act now because we can’t afford to waste anymore time – this country has wasted enough time already.

These facts make Dr Nelson’s statements on Late-line last night all the more disturbing. He claimed there was no link between climate change and lower rainfall. In defiance of the science, it is astounding that the opposition is still in denial.

In a survey to all Canberra residents that I conducted last year, climate change was one of the top 3 issues that Canberrans identified as most concerning them. Unlike the previous Government, this Government has a comprehensive plan to combat climate change including:

• Implementing a Carbon Pollution Reduction Scheme to reduce Australia’s carbon pollution at the lowest possible cost to families and business

• Setting a target of 60% cuts to the 2000 carbon emissions levels by 2050.

• Setting a medium-term target for emissions reductions by the end of 2008
Expanding the renewable energy target, so that by 2020, 20% of Australia’s energy comes from renewable sources.

Driving a clean energy revolution with policies such as the establishment of a $500 million Renewable Energy Fund, a $150 million Energy Innovation Fund and, of course, the $500 million National Clean Coal Initiative.

Helping Australian families green their homes with policies such as green loans, a one-stop green shop and rebates for energy efficient rental homes.

Investing in cleaner transport through measures such as the Green Car Challenge and the $500 million Green Car Innovation Fund, and finally,

Implementing a Climate Change Adaptation Plan for Australia’s World Heritage and iconic areas.

The Australian Labor Government is also taking a lead on the world stage and is helping to shape a global solution. As the first act of the Rudd Government, we put Australia back on the world environmental map by ratifying the Kyoto Protocol.

Added to this, we will continue to play an active role in global negotiations for a new global agreement on tackling climate change.

On a local level, I know here in the ACT many households are working hard to reduce their carbon footprint by changing to energy efficient light bulbs, recycling, reducing their energy use and choosing more environmentally sustainable transport options, like public transport and cycling.

Many households are also contributing to climate change solutions by choosing to install their own solar panels or buying GreenPower – in fact 10,200 ACT residents purchased Green Power in the 12 months to the end of March 2008.

The ACT Labor Government has also taken the environmental initiative and introduced numerous measures to make Canberra a greener city including:

- The Electricity Feed-in (Renewable Energy Premium) Bill 2008, introduced by Mick Gentleman MLA, and passed by the Legislative Assembly in July 2008. The Feed-in tariff will provide Australia’s most generous rate to households returning electricity to the grid from renewable sources.
- Amending the Utilities Act to ensure that all new electricity customers will be offered GreenPower on sign up to their new account. GreenPower works by customers paying a premium to have the equivalent of all or part of their electricity usage sourced from accredited renewable energy sources. This is the first of any such scheme in Australia.
- And, the ACT is the first State or Territory in Australia to charge stamp duty based on the environmental performance of new vehicles. The Green Vehicles Duty Scheme is a significant step towards reducing transport emissions in the ACT, which accounts for 25 per cent of ACT emissions.

These are important contributions that are being made by ACT households and the ACT Labor Government – but we all must take responsibility for if we are going to have a sustainable future.

Corporations within Australia want and need to be able to play their part in the effort to reduce our greenhouse emissions as well. This bill will provide a framework for corporations to better understand their greenhouse gas emissions and their energy use. It is critical that corporations are accountable for and understand their carbon footprint, and that is what this amendment seeks to do.

This bill makes a number of enhancements to the administration of the National Greenhouse and Energy Reporting ACT 2007.

Firstly, this bill enhances public disclosure requirements, by expanding the number of items which can be published about a corporations actual greenhouse gas emissions and energy use – such as disclosing information about how they calculate their emissions.

The bill also provides some clarifications about what can be publicly disclosed.

We know everyone needs to do their bit to tackle climate changes, that’s why the data will be available to state and territory governments and to the Australian public to inform effective climate change action at all levels in Australia.
This will also provide the Government with an even better understanding of corporate greenhouse gas emissions and energy use. The bill will allow the Minister to specify conditions for measuring gas emissions and energy use, including a ratings system for such methods. This will ensure consistent information is given by corporations to the public while not imposing additional regulatory burdens on industry.

A national reporting system is good news for business as it will cut duplication and reduce the cost burden currently imposed by the patchwork of separate state, territory and national reporting schemes. Leading Australian businesses are already measuring, managing and reporting greenhouse gas emissions information publicly, and to governments.

It’s also good news for the public as this system will provide information to the public on the greenhouse and energy performance of large Australian companies.

Conclusion:
In conclusion, the Federal Labor Government has consulted extensively with all levels of government, business and the public on the development of these Regulations. The Government will also continue to take steps to ensure all corporations understand whether they need to report, what they need to report, how and by when.

If Australia is to effectively address the significant challenges of climate change, we need robust and comparable data to inform our policy responses and that is what this bill is aiming to achieve.

Senator WORTLEY (South Australia)
(6.05 pm)—The incorporated speech read as follows—

I rise in support of the National Greenhouse and Energy Reporting Amendment Bill 2008.

The Australian Government is committed to reducing greenhouse emissions and robust, accurate and reliable data is essential to achieving this goal in the most efficient and effective way possible.

The spirit of this bill reflects the spirit of this Government – one of accountability and commitment regarding the considerable challenge of climate change.

This bill also reflects our spirit of openness and transparency.

It is designed to remove red tape and duplication and improve clarity in the reporting of corporate energy use and greenhouse gas emissions.

It will also reduce the number of reports that businesses are required to submit under the current patchwork of greenhouse and energy programs across Australia.

The bill also will ultimately give the public better access to information on corporate energy use and greenhouse gas emissions, by expanding the range of information which can be published by the government.

Therefore, this bill will result in a more accurate and open national greenhouse and energy reporting system.

It will achieve this by streamlining the administration of the National Greenhouse and Energy Reporting Act 2007 through various minor amendments.

These amendments will not have a budgetary impact and do not increase the load on industry – in fact, they are designed to simplify the regulatory burden and improve flexibility when it comes to the registration of corporations under the Act.

Corporations exceeding set thresholds are required to register under the system. They are required also to supply their energy and emissions data.

Under the changes proposed by this bill, a corporation that reasonably expects it will in future, meet an energy or emissions threshold listed in the Act, can apply for registration ahead of meeting the threshold.

While flexibility is a feature of the bill’s changes, it will not prove a soft touch regarding the disclosure of information on corporate emissions, energy use and production.

It will make sure investors and the public can access information on both direct and indirect greenhouse gas emissions of a corporation – otherwise known as scope 1 and scope 2 emissions – rather than just a single total.
This change has been added as a result of public consultation, and makes clear whether a company's emissions are mainly direct or indirect.

As well as their emissions profile being disclosed, corporations will be able to reveal publicly the methods used to measure their emissions – and the accuracy rating of these methods.

This will remove any questions over the reliability of the data released.

Further insurance comes in the form of a new requirement that external audits not only cover a corporation itself, but also extend to members of its group.

After all, the accuracy of this data gathered by the National Greenhouse and Energy Reporting System is crucial, as it will facilitate future policy-making on energy and greenhouse issues.

However, the transparency of reporting under the present system isn’t the only aspect addressed in this bill.

Duplication of reporting is a significant consideration.

Currently the states, territories and the Commonwealth each have greenhouse gas and energy programs with corporate reporting requirements, meaning there is doubling up.

Therefore, a goal of the new system will be to eradicate this duplication by centrally storing data which may serve the needs of governments across Australia – and the Government will work with the states and territories through COAG to achieve this.

With the passing of this bill, the system also will be a foundation for the introduction of an emissions-trading scheme and will help Australia meet its international reporting responsibilities.

In a nutshell, this bill aims to simplify, clarify and make more effective the administration of Australia’s greenhouse gas and energy reporting system.

Therefore I commend it to the Senate.

Senator LUDWIG (Queensland—Minister for Human Services) (6.06 pm)—I want to thank all of those who have contributed to the second reading debate on the National Greenhouse and Energy Reporting Amendment Bill 2008. The National Greenhouse and Energy Reporting Act establishes a framework for the collection of high-quality greenhouse and energy data. This data will be used to inform government policy, meet Australia’s international reporting obligations and allow for the elimination of duplicated greenhouse gas and energy reporting requirements in government programs. The act will also provide data which will be used in the development of the Carbon Pollution Reduction Scheme. This bill will enhance the act by allowing the public and investors to access more information on the greenhouse gas emissions and energy performance of Australian corporations. This bill will also improve administration of the act, simplify the registration process for Australian corporations and clarify details relating to auditing of corporations’ reports. The act facilitates reduction in the number of reports that businesses are required to submit under the current patchwork of greenhouse and energy programs across jurisdictions.

This bill confirms the government’s commitment to ensuring the system is implemented efficiently and effectively to reduce the regulatory burden on Australian corporations. As I said at the beginning, I thank the senators in the debate on the National Greenhouse and Energy Reporting Amendment Bill 2008 and I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Senator LUDWIG (Queensland—Minister for Human Services) (6.08 pm)—I move:

That this bill be now read a third time.

Senator MILNE (Tasmania) (6.08 pm)—I want to draw Senator Ludwig’s attention to the fact that during the second reading debate I asked three specific questions in relation to...
this legislation, and I had thought that in the
government’s summing-up they would have
responded to those. That has not happened,
but I am sure the advisers will have provided
some information. I do not wish to delay the
Senate but I hope that the minister will give
me a response to the issues about individual
facility reporting and public reporting of in-
dividual facility emissions. The second issue
was in relation to why we set 25,000 when
the EU has set 10,000 for phase 3 of their
emissions trading scheme—what the ration-
ale was and whether we are going to be see-
ing that. The third issue was with regard to
the differentiation between the implementa-
tion of the phasing-in of stricter requirements
for reporting. We are doing that for corpora-
tions but apparently not for individual facili-
ties, so I wanted to have an explanation from
the government as to why that is the case and
how that is to be addressed. I ask that the
minister respond to those particular issues.

Senator LUDWIG (Queensland—
Minister for Human Services) (6.10 pm)—I
will take the opportunity during the third
reading contribution to provide a response to
Senator Milne in respect of the matters that
were raised earlier. The first question was:
why was a 25 kilotonne facility threshold
rather than a 10 kilotonne facility level
threshold selected through an interjurisdic-
tional process under the COAG as providing
the greatest coverage of emissions and en-
ergy data whilst minimising the reporting
burden on small to medium enterprises? This
was based on modelling done with the regu-
larity impact statement for the relevant act.

The second question was: why was there no
public disclosure at the facility level? Green-
house gas emissions have global impacts
rather than local. On this basis the decision
was made, in consultation with investors,
industry stakeholders and state and territory
governments, that the National Greenhouse
Gas and Energy Reporting System could
more relevantly disclose data at the corporate
rather than facility level. The Carbon Pollu-
tion Reduction Scheme green paper has iden-
tified the options for emissions data to be
disclosed publicly at the facility level. Deci-
sions on the need for this will be taken as
part of the Carbon Pollution Reduction
Scheme design in consultation with industry
investment, government and non-
government stakeholders. The third question
was: why don’t facility level thresholds
phase down in a similar way to corporate
level thresholds? The response to that is that
corporate level thresholds phase down to the
preferred thresholds to enable corporations
that may not have previously reported to
prepare their reporting systems. The facility
level thresholds have included the preferred
final threshold from the first reporting period
to ensure that liable entities under the Carbon
Pollution Reduction Scheme are reporting as
early as possible. As such there was no need
to phase down thresholds at facility level.

The answers to questions asked by Sena-
tor Xenophon are as follows. The first ques-
tion was: how will the online system ensure
that reporting of scope 2 or indirect emis-
sions will not increase the regulatory burden
on Australian companies? The response to
that is in four parts. Firstly, the online report-
ing system is already being used successfully
under the Greenhouse Challenge Plus pro-
gram for corporations to report scope 2 emis-
sions data to government. Secondly, many
corporations are already reporting this data
publicly in sustainability reports and,
through voluntary systems, the carbon dis-
closure project. Thirdly, calculating electric-
ity scope 2 emissions is a simple matter of
multiplying electricity consumption by a
state average emission factor; and, fourthly,
the online system allows companies to sim-
ply enter their electricity data which is al-
ready required for energy reporting. The sys-
tem automatically converts it to emissions using the standard emissions factors.

The second question comes in multiple parts. I turn to: how is the government going to take into account studies such as the Mackay study through the ANU on measurement of forestry sinks? The response to that is: building sound scientific knowledge of carbon storage in Australian forests is important. Australia has developed a world leading national carbon accounting system to account for greenhouse gas emissions from land based sectors, including carbon storage in native forests. The government NCAS draws on Australian research from peer reviewed scientific studies and encourages research into these fields. The government welcomes the Australian National University’s research on carbon storage in intact natural forests in south-east Australia. Also it is important to build sound scientific knowledge of carbon storage in Australian forests. The methodology for the estimation of carbon in Australian forests using the NCAS is based on comprehensive review of published research by the CSIRO, and the synthesis of this work is published in scientific journals.

The estimation, methodology and national accounts follow guidelines prepared by the Intergovernmental Panel on Climate Change and are subject to comprehensive review within Australia and internationally. It is also noted that the carbon accounting approach for forests, which underpin our national accounts, has been misrepresented in the Mackay report. Lastly, the Department of Climate Change would be interested in engaging with researchers once the research has been published and considered along with the existing body of research.

Question agreed to.

Bill read a third time.

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**HIGHER EDUCATION SUPPORT AMENDMENT (REMOVAL OF THE HIGHER EDUCATION WORKPLACE RELATIONS REQUIREMENTS AND NATIONAL GOVERNANCE PROTOCOLS REQUIREMENTS AND OTHER MATTERS) BILL 2008**

In Committee

Consideration resumed from 27 August.

Bill—by leave—taken as a whole.

Senator Milne—Madam Temporary Chairman, on a point of order: has the opposition’s amendment been moved yet?

The TEMPORARY CHAIRMAN (Senator Moore)—No, it has not.

Senator Mason (Queensland) (6.16 pm)—Before moving the amendment standing in my name, I would like to make some preparatory remarks and then perhaps ask a question of the minister. I listened with great interest to the debate last week about this bill. Much of the debate that had to do with workplace relations and the HEWRRs was in fact largely irrelevant. You will be aware, Madam Temporary Chairman, that the government and indeed the parliament of this country—revoked the legislation which provided the architecture for the HEWRRs arrangements. If there was any doubt left at all, on 29 July this year regulations were made by the Minister for Education, Ms Gillard, that in fact formally remove HEWRRs from the operation of this bill. So, even though the HEWRRs took up much of the time of government senators, they are irrelevant insofar as this discussion has to do with anything at all.

One thing that all senators agreed on was that universities were not well administered in the eighties and nineties. Indeed, university governing councils were often regarded as somewhat dysfunctional. The national governance protocols were not only sup-
ported by universities but developed in consultation with them. That is an important point to remember. The national governance protocols were not developed in antagonism with universities; they were developed in cooperation with the higher education system. Up until the change of government in November last year there was only mild criticism of them at best. There may have been some criticism and it is fair to say, as both government senators and Senator Milne on behalf of the Australian Greens mentioned, that there were some compliance costs. But there are always compliance costs when it comes to any arrangements relating to accountability, so that was not unusual, and the criticism was mild at best.

The opposition believes that to remove the national governance protocols because of at best vague concerns flagged by both government and Greens senators is ridiculous and that it is the wrong way to go. There is nearly $9 billion worth of public expenditure here and the opposition believes that it should be accounted for, that the way this money is spent in terms of university administration is very, very important and that it should be subjected to transparent arrangements. We do not make any apologies for that at all.

These are protocols that were developed in consultation with universities on the back of—let’s face it—often dysfunctional university councils in the seventies, eighties and nineties. The opposition still believes that those protocols were a great benchmark for university administration, and we do not apologise for there being a sanction if those protocols were not adhered to. In fact, the opposition believes that they are important benchmarks for the continued operation of our universities.

I noted the question last week from Senator Xenophon, which I think was in question time last Thursday, about the Audit Office and the Ombudsman. Accountability is something that all governments and all institutions receiving public money should be subjected to. Again, we make no apology for that. I also listened, earnestly and with great interest, to the Prime Minister’s speech last week to the National Press Club about education. The Prime Minister spoke, I think it is fair to say, passionately about education and the idea that schools should be accountable for outcomes. If schools do not perform, it is possible in the final analysis that they will be merged or perhaps even closed down.

I think the Prime Minister and the government are serious about reforming education. But you cannot at one level say it is important to have accountability in secondary education and somehow say it is not appropriate to have appropriate accountability at the tertiary level. It is absolutely vital and the opposition again asks the government: why is it necessary to remove this regime of accountability, which was, again, made in consultation with universities?

I accept the criticism of the government and of Senator Milne on behalf of the Greens that some vice-chancellors do not want this regime. That is probably right. I suspect that some of them do not want this accountability regime—that is probably fair. But you know what? That is bad luck. This is $9 billion worth of public money. It is not owned by any vice-chancellor. This is the taxpayers’ money, administered by the parliament. We vote this money for public expenditure, and universities should be accountable to the minister first and through the minister to this parliament for how that money is spent. The opposition makes no apologies about that at all. The fact that some vice-chancellors might think, ‘Ah, gee, this somehow inhibits my creativity, and what a terrible thing that would be,’ is not something that the opposition is concerned with. We want good uni-
versity administration and make no apologies for the fact that in the final analysis there can be sanctions.

I have a question. We will see how we go. I understand the government’s position, so I will not press this too deliberately, Senator Evans and Senator Ludwig. How will the government guarantee that good governance practices are pursued by universities if the government will no longer be able to enforce any standards? In other words, what will the sanctions be for noncompliance with quality standards?

**Senator Ludwig** (Queensland—Minister for Human Services) (6.23 pm)—The consequence of breaching the requirement is as follows. It is a condition of funding under the Commonwealth Grants Scheme that a higher education provider must meet the quality and accountability requirements, which are found in sections 36 to 60. If a provider breaches a condition of grant, the minister may reduce or require repayment of some or all of the grant. That can be found in section 54-1. The minister may also revoke a body’s approval as a higher education provider if the minister is satisfied that it has breached a condition of grant or a quality and accountability requirement. That can be found in section 22-15.

What this is not about is what the Liberals put in place, which was a system of micro-management that tied universities up with red tape. Rather than let the universities get on with the business at hand, you tried to ensure that you could influence them around the table.

**Senator Milne** (Tasmania) (6.24 pm)—I rise to say that, consistent with my remarks last week, the Greens will not be supporting the opposition’s amendment that they have foreshadowed in relation to making funding a sanction for not doing as the government says. But the point that I wanted to make tonight is precisely the same point that the opposition has made. At the very time I was on my feet last week welcoming the end of the Howard government mentality of sanctions and punishment for universities if they did not do what the Howard government said and congratulating the Rudd government for getting rid of that principle, the Prime Minister was delivering his speech on the education revolution in which he was talking about doing to our schools exactly what the Howard government did to universities. That was the very thing that horrified me.

At these two levels, there are totally inconsistent policy positions. For example, the minister, Julia Gillard, in her second reading speech on this bill said:

This bill is about getting the heavy foot of the Liberal Party off the throat of our universities.

Frankly, what the Prime Minister was doing last week was putting the heavy foot of the Labor Party on the throat of our schools. Ms Gillard, the minister, said that this was about removing unwarranted bullying and government interference in our universities and in other higher education providers. Now we have the Prime Minister doing just the same.

Last week, he threatened the states and the education unions by declaring that future education funding would be conditional on information about the performance of individual schools being made available to parents. He demanded that the states agree to a new national system of school transparency by December. He went on to say that it would be a non-negotiable condition of the four-year Commonwealth-state education funding agreement to come into effect in January. Exactly the thing that the government have said that they wanted to get rid of regarding university funding they have now done regarding school funding.
They have said that every child in Australia, no matter where they live, how much money their parents earn or what language they speak, is entitled to a good education. I could not agree more with that statement. Every child is entitled to leave school able to read and write and to be given the opportunity to achieve the best they can at school and afterwards. Every school has a responsibility to give children that opportunity. And they have to be funded to do so. That is the point. Unless you fund public education, you are not going to get those outcomes.

What is so wrong and wrongheaded with the Prime Minister and the Deputy Prime Minister saying to principals, ‘We’ll pay you more and you get those results or you’ll get sacked,’ is the assumption that every child going into every school approaches school with the same social capital. That is not the case. Instead of taking this bullying approach, which the government has said it is repudiating for universities—instead of replicating that in schools, we need a national conversation about an education revolution. The whole community has to think about the social capital it provides to kids as they are growing up and getting ready for school.

You have to accept that in some areas you are going to have students presenting for school and being hungry. Are you going to sack a principal because some of their kids come to school hungry and cannot learn because they cannot concentrate? In Tasmania, we have breakfast clubs in several schools. Communities are raising money to provide Milo and toast so that students can eat something before they start the school day.

The same thing is happening in other areas. Students turn up to school not necessarily even having been home the night before because they have stayed, in all sorts of circumstances, elsewhere. There are some homes in which there are no books to read, there are some homes where people do not even talk to their kids and some homes where kids do not even get to the point of being able to count 1 to 10 or to know anything about the ABC before they go to school. There are others where parents have invested huge amounts in getting their children ready for school. To say, ‘You will perform here as this principal and every child will achieve to this level in this school or you will be rated down in some sort of league table’ absolutely denies the reality that is the case in the Australian community.

We need to fund schools to be able to educate children appropriately and to the best level that they can achieve, and that means funding schools and having programs for special needs children that are appropriately funded. I just cannot believe the inconsistency of the government policy here. Of course I am going to support the government’s legislation and I am going to repudiate the coalition’s amendment, which is saying that you should tie funding to universities based on this draconian idea that you will bully the universities into governing themselves in a one-size-fits-all or else you do not get your funding. At the same time, I would like to hear from the government why that is a terrible thing when it comes to universities but it is an appropriate thing when it comes to schools education. As a principal, it is a very bad idea and it is appalling for education.

Putting computers in schools and taking a sanctions view of education, saying, ‘We will pay you and sack you if you do not get the outcomes’ is so wrong-headed. It is not collaborative, it is not understanding of societal needs and it is even refusing to realise that public schools in Australia are educating some of the most difficult children to educate and some of the kids with very special needs, and that requires adequate funding and support. If you are going to have inclusion of
special needs children you have to have appropriately funded schools so that you have aides who can assist them in their learning. You have to have class sizes that are small enough to allow students to be able to achieve to their full potential.

The government is adopting a demanding attitude and is talking in terms of ‘failing schools’. The Prime Minister is saying, ‘Kids out there going to average schools deserve every opportunity that kids at flash schools have.’ What is an average school? What is a flash school? I assume that that is the difference between a public school and a private school, because that is how it would have been under the Howard government, and what we are seeing replicated here are Howard government policies.

The fact of the matter is that public education is the backbone of our society. It is the reason we have got the democracy that we have, which has allowed people, on the basis of merit, to be able to make their way in Australian society, and we have been proud of that. One of the things we have been most upset about in the last 10 years is the increasing gap between the rich and the poor, and that is what I thought the Rudd government were about addressing. They certainly have said they are about addressing that. But you are not going to get that unless you fund public education. What we have seen in this decision to duck public education funding in terms of the formula, for another four years, is to see public education falling further behind in the funding stakes. The Prime Minister then says, ‘We are not going to fund you adequately, but if you do not perform we are going to sack you and we are going to shift responsibility for literacy and numeracy.’ Isn’t it time we started to look at broader societal ways of addressing that?

If you have got a parent between 15 and 30 who cannot read and who struggles with numeracy, then the children they have are also going to struggle with that and are going to be significantly disadvantaged when they go to school. From the moment they reach school they are going to know that, compared with others in their class, their sense of self-worth will be diminished, and it will not be their own fault. How are we going to deal with the fact that we have a large number of disadvantaged adults in our community? We have to raise the whole idea of lifelong learning. We have to take away the stigma associated with the people in our community who cannot read and write as well as they need to but would like to, and we need to help them to be able to do so.

To take the appalling attitude that the Howard government took to governance in universities, tying it to funding and having a sanctions and punishment regime, and to shift that to schools is inexplicable and it is not going to get us anywhere. It is so far from an education revolution. You cannot have a revolution that is not funded. You cannot have a revolution just by putting computers in schools and giving them equally across the government and non-government system without addressing the current inequity of funding between public and private education. We have to fund public schools in order to be able to do what they need to do to get this society to a point where we can take advantage of a knowledge and information based future.

I would appreciate from the government an explanation as to how it is that the Minister for Education can stand up in relation to this bill and say:

Our higher education providers were expected to run things the Howard-Costello way—or face
severe financial penalties that reduced core funding for teaching and learning.

The Minister for Education said that in relation to higher education and the very next week she said the complete opposite when it comes to schools. I am sure I speak for a number of people in the Senate who would appreciate some understanding of the inconsistency in this philosophical position.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (6.36 pm)—I understand that the opposition is intending to move an amendment to this bill. Would this be an appropriate point at which to do so? I could sum up on the various issues that have been raised after those amendments have been moved.

Senator MASON (Queensland) (6.37 pm)—The minister is partly correct. I want to ask a few questions of the minister before I move my amendment, just to see if I need to move my amendment. I want to ask a few questions and test the minister on the policy ground before moving my amendment.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (6.37 pm)—I am happy to respond to Senator Milne’s question if that is the point. I think, Senator Milne, that there is a difference in approach here. I appreciate the support you have indicated for the government’s position with regard to this bill. You are quite right: this is a punitive measure in this bill aimed at a reduction in funding. The financial penalty would be substantial—some 7.5 per cent of a university’s base grant. What the government and the Minister for Education are arguing with regard to schools is a different approach entirely, and that is a means by which the government is seeking to negotiate with the states about the new funding agreements. The detail of those funding negotiations will, of course, be resolved in the process of negotiation, and I look forward to the opportunity to discuss the specifics of those bills when they are actually before the chamber. At no point have I seen in any of the comments made by Minister Gillard that there would be a penalty on grants in the form that this particular bill is in before the chamber at the moment.

Senator MASON (Queensland) (6.38 pm)—Is the minister’s principal concern the fact that the minister has the capacity to impose a sanction on universities for noncompliance with the government’s protocols? Is that the issue, or is the issue the fact that the government wishes to stop, to use Senator Ludwig’s language, ‘micromanagement’ of university governance?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (6.39 pm)—The concern that the government has with the foreshadowed amendments that you are seeking to present to this chamber today, Senator Mason, goes with the issue of the micromanagement of universities. There is a fundamental philosophical difference between us and you on the issue of the management of universities. The view that this government takes is that we do actually trust universities. The view I would ascribe to you is that you do not. You fundamentally take the view that you need a punitive mechanism like this because universities will inherently disappoint you. We do not share that view.

What we do say is that there are ample requirements in the current legislative framework for accountability to ensure that universities report to and effectively work with government departments—both the Department of Education, Employment and Workplace Relations and, in my case with regard to the research programs, the Department of Innovation, Industry, Science and Research—and that that accountability mechanism is sufficient. You do not need a punitive measure like this—a penalty of 7.5 per cent
to be taken from a university’s base grant if the National Governance Protocols are breached in the way which you seem to think will happen.

Senator MASON (Queensland) (6.40 pm)—But under section 54-1 of the act the minister has the capacity to reduce, or require repayment of any part of, a grant. In other words, the capacity for a minister to sanction is there and, indeed, under the principal act the power is not just to reduce the grant to a university by \(7.5\) per cent; in theory it could be the entire grant—I am not suggesting that that would happen. In other words, a sanction greater than the sanction included with respect to the National Governance Protocols is included in the act under section 54-1, so obviously the government is not against the idea of the minister using a potentially large financial sanction against universities for non-compliance with governance or quality standards.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (6.41 pm)—Thank you, Senator Mason. Yes, you are quite right: there is a provision under section 54-1 that, if a provider breaches a condition of a grant, the minister may reduce, or require repayment of some of, the grant. It is entirely discretionary. It is a process of negotiation that occurs where there is an allegation of a breach. To my knowledge, it has never been exercised, because these matters are resolved through a negotiation process.

On the other hand, the proposal that you have before the chamber is for a mandatory \(7.5\) per cent reduction of the university’s base grant. Nothing could be more different in the approach and, of course, that is the point I make to you. There are ample measures of accountability in the legislation, but they are based on discretion and a sensible discussion with people who actually run universities. The assumption that you make is that universities should be treated like some 1950s high school where the minister sits back, sort of like a director general of education, and can manage universities as if they operated something like schools in a previous generation. The directors general of education used to have that sort of power. They do not even have it in schools anymore. That is not how the school system functions anymore, but that is the mentality that the Liberal Party seems to be relying upon.

Senator MASON (Queensland) (6.43 pm)—Minister, thank you. I appreciate that answer, but clearly, because there is no proposal to get rid of section 54-1—and I hope Senator Milne is listening—there is a punitive sanction, potentially larger than the one of \(7.5\) per cent that currently exists, against universities for noncompliance. The minister said that it is within the minister’s discretion. Both are within the minister’s discretion because the minister would have to decide whether, in fact, the National Governance Protocols have been met and, under section 54-1, would have to decide whether there have been sufficient quality or governance failures to warrant, in effect, some fine or some taking away of the grant. So clearly—this is the point, Senator Milne—the government does not mind having a potential sanction against universities, because it is there under section 54-1. Clearly that is not the problem the government has. It is not about sanctions against universities, because they are in the act. So, if it is not sanctions the government has a problem with, it must be micromanagement of university affairs, because it clearly is not about sanctions.

I want to ask the minister: if it is not about sanctions—because the sanction is larger under section 54-1 than it is under the National Governance Protocols—then what particular national governance protocol inhibits the creativity of vice-chancellors in...
universities? What part of the National Governance Protocols means that there will be micromanagement? What part of the National Governance Protocols will inhibit university creativity—which one?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (6.45 pm)—Senator Mason, I think you should read section 54-1 in the context of section 60-1 under division 60 of the current act. It sets down the procedures by which a minister may act to reduce a grant or require repayment of a grant. It is quite a complicated process:

(1) Before making a decision under paragraph 54-1(a) or (b) in respect of a body, the Minister must give to the body notice in writing:
(a) stating that the Minister is considering reducing the body’s grant, or requiring the repayment of a grant made to the body, as the case may be; and
(b) stating the amount of the proposed reduction or repayment and the reasons why the Minister is considering taking that action; and
(c) inviting the body to make written submissions to the Minister within 28 days on either or both of the following matters:
(i) why that action should not be taken;
(ii) why the amount of the proposed reduction or repayment should be reduced; and
(d) informing the body that, if no submission is received under paragraph (c) within the time required, the action will take effect on the day after the last day for making submissions.

That indicates that the minister cannot act unilaterally. Under the opposition amendments that are foreshadowed, there is a mandatory 7.5 per cent reduction in a university’s base grant if, in someone’s assessment, the university has not met the National Governance Protocols.

Senator MASON (Queensland) (6.46 pm)—Minister, with great respect, if you look at section 60-1 you will see that, in the end, it is at the minister’s discretion and the minister will make the decision. It is that clear. So the government clearly does not oppose the idea of sanctions against universities. Clearly, the objection is the second objection—that the National Governance Protocols would micromanage universities. I asked this question before, Minister: which of the National Governance Protocols would be guilty of doing that?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (6.47 pm)—The approach that the government takes is that there should be voluntary arrangements entered into in regard to the national protocols. The current provisions require, in division 60, that the minister would be subject to legal sanction themselves if they sought to breach the law. So, when you say it is at the discretion of the minister, there are quite defined procedures that the minister must follow. Your proposal is a mandatory 7.5 per cent reduction in the base grant, quite arbitrarily, if a minister chooses to take the view that there has been a breach. This government is saying that universities are run by professional people and there is a proper process by which engagement occurs between departments of the Commonwealth and those administrations. There is ample opportunity through the existing legislation, both in terms of the teaching and the research program, to ensure that proper procedures are followed. If a university is in breach, in the minister’s view, of any funding agreement then there are procedures for moneys to be repaid. But the minister themself must follow those procedures to secure those repayments. What you are suggesting—and what there was under the previous government’s arrangements—is a
mandatory application of a 7.5 per cent reduction.

Senator MASON (Queensland) (6.49 pm)—Minister, my point is that the government does not object to the imposition of financial sanctions against noncompliant universities as a matter of principle. That is the point I have been trying to make to Senator Milne. The government is not in principle objecting to imposing financial impositions upon universities. That is a matter of principle, because no-one has said that section 54-1 will be removed. My question, which I ask for the third time, is: which of the National Governance Protocols inhibits the creativity of universities to adapt?

Progress reported.

DOCUMENTS
Consideration

The government documents tabled today were called on but no motion was moved.

Senate adjourned at 6.50 pm

DOCUMENTS
Tabling

The following documents were tabled:

Mid-year economic and fiscal outlook—2007-08—Statement by the Treasurer (Mr Costello) and the Minister for Finance and Administration (Senator Minchin), October 2007.

Departmental and Agency Contracts
The following documents were tabled pursuant to the order of the Senate of 20 June 2001, as amended:

Families, Housing, Community Services and Indigenous Affairs portfolio agencies.
Innovation, Industry, Science and Research portfolio agencies.
Resources, Energy and Tourism portfolio agencies.
Treasury portfolio agencies.

Indexed Lists of Files
The following document was tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 January to 30 June 2008—Statement of compliance—Office of the Privacy Commissioner.