INTERNET

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SITTING DAYS—2008

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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
Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

Senate Officeholders

President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Hon. Alan Baird Ferguson
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. Helen Lloyd Coonan

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 Barnaby Thomas Gerard Joyce
Deputy Leader of the Nationals—Senator Hon. Nigel Gregory Scullion
Leader of the Australian Greens—Senator Robert James Brown
Deputy Leader of the Australian Greens—Senator Christine Anne Milne
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 John Reginald Williams
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

Prime Minister
Hon. Kevin Rudd, MP

Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion
Hon. Julia Gillard, MP

Treasurer
Hon. Wayne Swan MP

Minister for Immigration and Citizenship and Leader of the Government in the Senate
Senator Hon. Chris Evans

Special Minister of State, Cabinet Secretary and Vice President of the Executive Council
Senator Hon. John Faulkner

Minister for Finance and Deregulation
Hon. Lindsay Tanner MP

Minister for Trade
Hon. Simon Crean MP

Minister for Foreign Affairs
Hon. Stephen Smith MP

Minister for Defence
Hon. Joel Fitzgibbon MP

Minister for Health and Ageing
Hon. Nicola Roxon MP

Minister for Families, Housing, Community Services and Indigenous Affairs
Hon. Jenny Macklin MP

Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House
Hon. Anthony Albanese MP

Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate
Senator Hon. Stephen Conroy

Minister for Innovation, Industry, Science and Research
Senator Hon. Kim Carr

Minister for Climate Change and Water
Senator Hon. Penny Wong

Minister for the Environment, Heritage and the Arts
Hon. Peter Garrett AM, MP

Attorney-General
Hon. Robert McClelland MP

Minister for Human Services and Manager of Government Business in the Senate
Senator Hon. Joe Ludwig

Minister for Agriculture, Fisheries and Forestry
Hon. Tony Burke MP

Minister for Resources and Energy and Minister for Tourism
Hon. Martin Ferguson AM, MP

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<td>Minister for Veterans’ Affairs</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>Minister for Employment Participation</td>
<td>Hon. Brendan O’Connor MP</td>
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<td>Minister for Defence Science and Personnel</td>
<td>Hon. Warren Snowdon MP</td>
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<td>Minister for Small Business, Independent Contractors and the Service</td>
<td>Hon. Dr Craig Emerson MP</td>
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<td>Economy and Minister Assisting the Finance Minister on Deregulation</td>
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<td>Minister for Superannuation and Corporate Law</td>
<td>Senator Hon. Nick Sherry</td>
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<td>Hon. Justine Elliot MP</td>
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<td>Minister for Youth and Minister for Sport</td>
<td>Hon. Kate Ellis MP</td>
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<td>Parliamentary Secretary for Early Childhood Education and Childcare</td>
<td>Hon. Maxine McKew MP</td>
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<td>Parliamentary Secretary for Defence Procurement</td>
<td>Hon. Greg Combet AM, MP</td>
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<td>Parliamentary Secretary for Defence Support</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Parliamentary Secretary for Regional Development and</td>
<td>Hon. Gary Gray AO, MP</td>
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<td>Parliamentary Secretary for Disabilities and Children’s Services</td>
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<td>Hon. Duncan Kerr MP</td>
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<td>and Parliamentary Secretary Assisting the Prime Minister for Social</td>
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<td>Hon. Laurie Ferguson MP</td>
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SHADOW MINISTRY

Leader of the Opposition
The Hon Malcolm Turnbull MP

Shadow Treasurer and Deputy Leader of the Opposition
The Hon Julie Bishop MP

Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals
The Hon Warren Truss MP

Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate
Senator the Hon Nick Minchin

Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate
Senator the Hon Eric Abetz

Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design
The Hon Andrew Robb AO, MP

Shadow Minister for Foreign Affairs and Manager of Opposition Business in the Senate
Senator the Hon Helen Coonan

Shadow Minister for Finance, Competition Policy and Deregulation and Manager of Opposition Business in the House
The Hon Joe Hockey MP

Shadow Minister for Energy and Resources
The Hon Ian Macfarlane MP

Shadow Minister for Families, Housing, Community Services and Indigenous Affairs
The Hon Tony Abbott MP

Shadow Special Minister of State and Shadow Cabinet Secretary
Senator the Hon Michael Ronaldson

Shadow Minister for Human Services and Deputy Leader of The Nationals
Senator the Hon Nigel Scullion

Shadow Minister for Climate Change, Environment and Water
The Hon Greg Hunt MP

Shadow Minister for Health and Ageing
The Hon Peter Dutton MP

Shadow Minister for Defence
Senator the Hon David Johnston

Shadow Minister for Education, Apprenticeships and Training
The Hon Christopher Pyne MP

Shadow Attorney-General
Senator the Hon George Brandis SC

Shadow Minister for Agriculture, Fisheries and Forestry
The Hon John Cobb MP

Shadow Minister for Employment and Workplace Relations
Mr Michael Keenan MP

Shadow Minister for Immigration and Citizenship
The Hon Dr Sharman Stone

Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts
Mr Steven Ciobo

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

Shadow Minister for Financial Services, Superannuation and Corporate Law
The Hon Chris Pearce MP

Shadow Assistant Treasurer
The Hon Tony Smith MP

Shadow Minister for Sustainable Development and Cities
The Hon Bruce Billson MP

Shadow Minister for Competition Policy and Consumer Affairs and Deputy Manager of Opposition Business in the House
Mr Luke Hartsuyker MP

Shadow Minister for Housing and Local Government
Mr Scott Morrison

Shadow Minister for Ageing
Mrs Margaret May MP

Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence
The Hon Bob Baldwin MP

Shadow Minister for Veterans Affairs
Mrs Louise Markus MP

Shadow Minister for Early Childhood Education, Childcare, Status of Women and Youth
Mrs Sophie Mirabella MP

Shadow Minister for Justice and Customs
The Hon Sussan Ley MP

Shadow Minister for Employment Participation, Training and Sport
Dr Andrew Southcott MP

Shadow Parliamentary Secretary for Northern Australia
Senator the Hon Ian Macdonald

Shadow Parliamentary Secretary for Roads and Transport
Mr Don Randall MP

Shadow Parliamentary Secretary for Regional Development
Mr John Forrest MP

Shadow Parliamentary Secretary for International Development Assistance and Shadow Parliamentary Secretary for Indigenous Affairs
Senator Marise Payne

Shadow Parliamentary Secretary for Energy and Resources
Mr Barry Haase MP

Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector
Senator Cory Bernardi

Shadow Parliamentary Secretary for Water Resources and Conservation
Senator Fiona Nash

Shadow Parliamentary Secretary for Health Administration
Senator Mathias Cormann

Shadow Parliamentary Secretary for Defence
The Hon Peter Lindsay MP

Shadow Parliamentary Secretary for Education
Senator the Hon Brett Mason

Shadow Parliamentary Secretary for Justice and Public Security
Mr Jason Wood MP

Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry
Senator the Hon Richard Colbeck

Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate
Senator Concetta Fierravanti-Wells
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Tuesday, 25 November 2008

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 12.30 pm and read prayers.

QUESTION TIME

The PRESIDENT (12.31 pm)—Yesterday at question time I undertook to consider points of order which were raised in relation to a second supplementary question asked by Senator Macdonald following a question to the Minister for Innovation, Industry, Science and Research and Minister representing the Minister for Trade, Senator Carr.

As a preliminary point, I note that the new procedures for question time that the Senate adopted on a trial basis have not altered the existing practices of the Senate concerning the relationship between a question and a supplementary question. The only relevant changes in the new procedures are that two supplementary questions are now allowed to the questioner, and answers are required to be directly relevant to the questions.

There were two issues raised in the points of order that were taken by senators: whether Senator Macdonald’s second supplementary question was relevant to his original question, and a related issue; and whether a supplementary question could be asked about a different program than the one referred to in the original question, particularly when that other program falls within the responsibility of the minister represented by the Senate minister rather than the Senate minister’s own portfolio.

Having considered the questions and the points of order taken by the senators, my preliminary conclusion is that Senator Macdonald’s second supplementary question was relevant to his original question, and that the question sufficiently arose from the terms of his original question. I have drawn this conclusion on the basis that, in asking his original question, Senator Macdonald referred to the minister in his own capacity and as representing the minister responsible for the other program, the Export Market Development Grants Scheme, and stated that the subject of his question was Australia’s innovation system. His second supplementary question then referred to the EMDG Scheme as part of the government’s investment in innovation.

I emphasise that this matter will be listed for consideration by the Procedure Committee when an assessment is undertaken of the overall results of this trial of the new procedures. I also emphasise what I said in my statement at the beginning of question time yesterday and in my responses to the points of order, which was that my intention is to allow question time to flow as smoothly as possible and to ensure that neither questioners nor ministers, in answering questions, are placed at a disadvantage.

BUSINESS

Rearrangement

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (12.34 pm)—by leave—I move:

That—

(1) On Tuesday, 25 November 2008:
   (a) the hours of meeting shall be 12.30 pm to 6.30 pm, and 7.30 pm to 11.40 pm;
   (b) the routine of business from 7.30 pm shall be government business only; and
   (c) the question for the adjournment of the Senate shall be proposed at 11 pm.

(2) On Wednesday, 26 November 2008, consideration of government documents be not proceeded with and that government business continue till 7.20 pm.

(3) On Thursday, 27 November 2008:
   (a) the hours of meeting shall be 9.30 am to 7 pm, and 8.30 pm to 11.40 pm;
(b) the routine of business from 12.45 pm till not later than 2 pm, and from not later than 3.45 pm shall be government business only;

(c) consideration of general business and consideration of committee reports, government responses and Auditor-General’s reports under standing order 62(1) and (2) not be proceeded with;

(d) divisions may take place after 4.30 pm; and

(e) the question for the adjournment of the Senate shall be proposed at 11 pm.

Question agreed to.

WATER AMENDMENT BILL 2008
Second Reading

Debate resumed from 10 November, on motion by Senator Sherry:

That this bill be now read a second time.

Senator NASH (New South Wales) (12.34 pm)—I rise today to make a contribution in this debate on the Water Amendment Bill 2008 and to indicate my generally broad support for the bill, noting of course that there is significant room for improvement with amendments. The bill itself amends the Water Act 2007 and it is particularly important to note that one of the hallmarks of the national plan was consultation with industry and community in developing a way forward for the Murray-Darling Basin. It is very important to note that because we have not seen from this government that level and degree of consultation with the industry—with irrigators and farmers—and with the community to make sure that we get the future for water in the Murray-Darling Basin right. I place on record my recognition of the work done by John Anderson, the previous Leader of the Nationals and Deputy Prime Minister, towards water reform in this nation. It is something that has been noted in this place on a number of occasions, and I commend him for the work that he did.

During the recent inquiry of the Senate Standing Committee on Rural and Regional Affairs and Transport into the bill, it became very apparent that there were a number of issues of concern not only to the industry but also to associated groups and interested areas. There are a number of amendments that need to be adopted to improve the bill. There are a range of areas that I will talk about this
afternoon, but one of the issues is the very important one of water efficiency. We certainly believe that targets need to be set to make sure that those water efficiency savings are there. We believe that the way to best make the basin sustainable is through those water efficiencies and through water savings.

What we have seen so far from the government is a focus on buyback. What they are completely focused on is the belief that buyback is the best way to return water to the basin. I think we even heard the Minister for Climate Change and Water say recently on Adelaide radio that the fastest way to return water to the rivers is to purchase it. That would seem to be an incorrect premise, because if we can get better water efficiency in the basin through the water utilisation that currently exists then that is what is going to return water to the basin most quickly. Our plan is to make sure that there is funding available to assist those irrigators with that infrastructure efficiency.

I have recently done a tour of the Murray-Darling Basin—from one end to the other—and I spoke to a lot of farmers and irrigators along the way. There have been some terrific on-farm innovations by farmers to improve their efficiency. We are talking to farmers who, through simple technology like linear move irrigation, can reduce water use and make their farms up to 30 per cent more efficient. If we can do that with the water that is currently available by providing financial assistance to implement those measures needed to improve efficiency on farm then that has to be the best way to return water to the basin. Through that process of government assistance—and irrigators were very much on side with this—there would be a share that would remain on farm and a share that would go back to the environment. I think anybody in this chamber can see that that is going to be the most efficient and quickest way to get water back into the basin. Certainly there is a role for buyback where necessary, but we disagree with the government’s view that that is the primary way and the best way to return water back into the basin.

It is interesting to note, too, in terms of that water going back into the basin, the comparison that we can make here. In the initial $50 million buyback that the government undertook across the Murray-Darling Basin, it was initially announced that there would be 34,000 megalitres targeted in that process. Indeed, only at Senate estimates a few weeks ago did it become clear that only 22,000 megalitres were potentially going to be there as savings through the entitlement buyback. At that point, only 9,000 megalitres had actually got through onto the register. Of that amount, only 849 megalitres was real water, real allocation. The minister is saying that buyback is the fastest way to deliver water, yet that water is not going to be available for that allocation until it rains—until that water is there and can be allocated against that entitlement. Our very strong view is that water efficiency and water savings are important. Indeed, I think the Murray Irrigation Area have said that there is something like 300 gigalitres that they have identified that they could save if only the government would invest the money with them. I reiterate that these savings are not just on farm; they are going to go back to the environment through the investment in that infrastructure.

One issue that has been raised in terms of the savings that are being made in the basin is the north-south pipeline, which is being built to take water from the Murray-Darling Basin to Melbourne for urban water use. I
raise this now because it contrasts directly with the real water savings—that 849 megalitres—that have already been made in the Murray-Darling Basin. We have recently had two inquiries looking into this issue. This was raised as part of the inquiry looking into this bill. The recommendation from coalition senators on both occasions was to stop the pipeline. We have this ludicrous situation of the pipeline being built to take water from the Murray-Darling Basin to Melbourne for urban water use. What we are looking at is 75,000 megalitres of real water a year being sucked out of the basin for urban water use in Melbourne. Melbourne, at the same time, is allowing something like 400 gigalitres in stormwater run-off to just disappear and is not doing anything to ensure its own sustainability as an urban capital. We are told that that 75,000 megalitres is going to come from savings from the food bowl and that those savings will deliver the water to Melbourne. Any water that is saved in the Murray-Darling Basin through water efficiencies and water savings should stay in the basin. Given the current state of the Murray-Darling Basin and all the work that is going towards ensuring the sustainability of the basin, under no circumstances should water be taken out of the basin.

It is clearly stupid that we are looking at a bill that is designed to improve the situation for the future sustainability of the Murray-Darling Basin when the government is allowing—Minister Garrett ticked it off under the EPBC Act—potentially 75,000 megalitres of water per year to be sucked out of the basin to go to Melbourne for its urban water use. The effect this is going to have, particularly on our rural and regional communities that are going to suffer as a result, is being completely disregarded by the government. Under no circumstances should that pipeline be allowed to continue to be built or to take water out of the basin.

Let us look at those two figures. To date, with all the investment and all the work that the government says it is putting into water savings in the Murray-Darling Basin, and with the importance of having sustainability, they have saved 849 megalitres of rural water so far. How much water is potentially coming out of the basin for Melbourne per year? Seventy-five thousand megalitres. It is hypocrisy for the government on the one hand to say that they are doing all they can to save the Murray-Darling Basin and on the other hand to do absolutely nothing to stop this pipeline—and this is against a background of talking about cooperative federalism with the states when they were all Labor. The fact that the government is standing by and watching this happen is ridiculous.

It is interesting to note that the Australian Conservation Foundation is extremely aware of this issue. I quote from Dr Arlene Buchan at the recent Senate inquiry into the issue of the pipeline:

You have the Murray-Darling Basin, which is on its knees, and there is a suggestion that they will move 75 gigs of water annually from the Goulburn district to Melbourne when Melbourne pumps about 400 gigs of water out to sea every year as wastewater. It is ridiculous. The basin is on its knees. Why would anyone propose moving water from a basin which is on its knees, away from communities and the environment which are stuffed, and send it to Melbourne, which can look after itself?

I think that very clearly puts forth the view of a lot of witnesses that we had appearing before the inquiry. There is no indication that the government has looked at the social and economic impact on those rural and regional communities that are going to suffer as a result of this pipeline going through.

This leads me to the broader issue of the impact of the potential reduction of water throughout those communities. We on this side of the chamber believe that there should
be community impact statements done by the government to determine any effects that are going to happen as a result of their water buyback. The government is doing nothing to assess the potential social and economic impact on our rural and regional communities of removing water through the buyback process. Indeed, for all intents and purposes, it seems a very ad hoc process. We have seen the situation with Turill. We have seen the situation with Tandow. I think if we were able to very clearly question the other side of this chamber on why that buyback has taken place, what exactly it is going to do, who it is going to assist, where the water is going to end up and why they have targeted that particular area—which we have done on a number of occasions—the decisions and determination would not be there. I am sure we would get the government’s oft used explanation: ‘It’s an election commitment, so we’re going to do it.’

But this side requires rather more from the government than that. We need substantive proof that the processes that the government is going through to reach their end of the buyback process are substantiated, clear, level and measured. One of the things that is very interesting—I mentioned the $50 million buyback before—is that the department recently appeared at the inquiry and freely admitted that there had been no specific study done at that point in time in terms of the social and economic impacts of the $50 million buyback on those communities. They have commissioned an ABARE report to look into it, but that is not due until the middle of next year and, if it does come out with some negative findings, there is no process in place to address the impacts that already will have occurred in those communities.

The lack of focus from the government on determining what the impacts might be is of great concern to the coalition. We are talking about hundreds of rural and regional communities across this nation, particularly in the Murray-Darling Basin, who stand to be severely impacted by any potential water reduction in their communities. It is not just about the farms that the water is taken from and the impact on those farmers, those irrigators and that land—those on this side clearly recognise this—it is about the flow-on effects in those rural and regional communities. It is about the funding flow on, the effect on jobs, the effect on businesses, the effect on schools, the effect on essential services and the effect on the population. It is vitally important that we focus on those impacts and on those effects. Those communities are the core of our rural and regional society. I think the minister stated during the estimates process that it was a result of over-allocation and climate change, taking no responsibility at all for trying to determine what the potential impact of those buybacks might be.

There are a number of other areas where the coalition believes we can improve the bill through amendments. We will be raising those amendments during the committee stage. There is certainly a necessity for a structural adjustment assistance package. The government is very clearly going down a path whereby there will be some dislocation in communities as a result. When we were previously in government there was a very clear recognition that government had a role in assisting communities to restructure as a result of water reductions due to any changes in those water arrangements. It is very important that we realise that it is about the fabric of those communities. They will need some determined assistance from government with restructuring. To go into their communities, buy up the water and then say, ‘Thanks very much; we’ll leave it up to you now,’ while thinking that the process itself is structural adjustment, as has been referred to by the department, would be just wrong. The
government needs to clearly focus, as we did in government, on what needs to be done to assist those communities.

The issue of the transparency of the buy-back process has also been raised. We need to ensure that there is a full disclosure process to ensure that Commonwealth water purchases are fully transparent. People in irrigation regions right across the basin deserve to have a very clear and transparent process and to know the price and volume of water and also where, when and how water transactions have taken place. I think it is only fair and equitable to be able to provide that to them.

We have also seen the issue concerning the definition of ‘critical human needs’. This is something that was raised quite often during our inquiry process. We believe it is not clearly defined by the act itself. It certainly needs to be defined in such a fashion that the definition very clearly reflects the intent of the bill. The minister referred to it the other day as being ‘drinking water’. That is not clear in the bill. So that is something that we would like to see addressed.

There is also the issue of the separation of climate change from new knowledge, which we will explore further in the committee stage. Again this is something that needs to be very clearly spelt out for irrigators. We believe it should be deleted from the bill because of the uncertainty that it is creating. I believe that the issue of food security more broadly also needs to be debated in this country. This is an example of something that brings to the fore the broader issue of food security. In respect of this bill, the coalition will be moving a number of amendments during the committee stage. I thank the Senate.

Senator SIEWERT (Western Australia) (12.54 pm)—I rise to speak on an extremely important issue facing Australia. We face one of the most complex and difficult social, economic and environmental crises ever in the Murray-Darling Basin. The basin is the food bowl of the nation, and there are many communities in the basin that are dependent on its water for their industries and their town supplies. The basin’s ecosystems, including 17 Ramsar wetlands of international significance, are also highly threatened, and 80 to 90 per cent of its wetlands have already been lost as a result of overallocation and poor management. The Greens believe this is truly a ‘wicked’ problem, in the mathematical sense of the term. It involves a series of complex interrelated systems which are only partially understood, where difficult decisions need to be made based on incomplete and conflicting data. It also crosses a number of jurisdictional boundaries and brings together a range of different stakeholders with intersecting and competing interests.

We appreciate that the government are making some effort to do something about the issue through the Water Amendment Bill 2008 and acknowledge that they have got a little further along than the last mob did. But the change, when it finally comes, will be too little too late if this bill proceeds una-mended. We remain concerned that the model of whole-of-basin governance set out in the Water Amendment Bill has been overly compromised by the need to get the states onboard and goes for the lowest common denominator. While it is an incremental improvement on the previous Murray-Darling Basin agreement, it is still restricted by too many issues. In particular, it is restricted by, when it comes down to it, the veto power of the states. And there have been too many compromises along the way—such as the $1 billion food bowl bribe to Victoria and delaying the implementation of the Basin Plan until 2019.

The reality of the referral of powers that supports this legislation is that, at any point, the executive of any one of the states can
decide to withdraw that referral without needing to draft a bill or put a motion through their state parliament. They can simply say, ‘I don’t want to play ball anymore; I’m taking my bat and ball and going home.’ It is then ‘game over’ for basin reform. This is the risk we face going down the path of ‘cooperative federalism’ on water reform. The government has handed over huge buckets of money—such as the $1 billion Victorian bribe and the rest of the $12.9 billion Water for the Future fund. The government has compromised on a whole range of measures—such as the existing water-sharing plans remaining in place until 2019 and allowing the definition of ‘critical human need’ to extend to such things as piggeries and golf courses. Despite all these compromises and delays, we still face the risk of finally getting to 2019 and then having one or more of the states baulking at the final hurdle, pulling the pin and cancelling the referral of their powers.

Our leading scientists are warning that we need to significantly reduce water use within the Murray-Darling Basin in the face of a significant and serious reduction in projected levels of run-off as a result of climate change. The Wentworth Group told a recent Senate inquiry that they believe we will need to cut consumptive use of water in the basin by 42 to 53 per cent to remain viable. Dr Tom Hatton, the Director of the Commonwealth Scientific and Industrial Research Organisation’s Water for a Healthy Country Flagship and leading scientist on the sustainable yields project, has also told us that the relationship between rainfall and run-off has changed dramatically and that, combined with a shift in seasonality, we could expect to see significantly less run-off in the future, probably in the order of 50 per cent. The flagship released the final report of its sustainable yields project yesterday. It had some pretty dire and gloomy outlooks for the basin.

Besides the compromises already mentioned, there are two fundamental problems with the current approach to reform in the basin. The first problem is that basin communities have not been part of the consultation and negotiation process for the new arrangements. The only key stakeholders, from the government’s point of view, have been the state governments. The second problem is that the Commonwealth investment in water buyback, infrastructure improvements and structural adjustment are being rolled out slowly and in an ad hoc fashion with no consideration for the social, economic, environmental or structural impacts in the places where water is bought or infrastructure investments are located.

The Greens believe that a far more consultative and democratic approach would generate a fairer, more robust and more sustainable outcome. The kind of perverse outcomes we have seen from the intergovernmental agreement process reflect the narrow self-interest of the states and would not have survived a more open process of public debate—for example, the new pipeline to extract an additional 75 gigalitres from the system at a time of crisis. The definition of ‘critical human need’, which is not restricted to the core survival requirements of ‘drinking water, health and sanitation’ but could include piggeries and golf courses, probably would not have got through that public consultation process either. And you may not have seen agreement to a plan that only requires us to return extraction levels to sustainable limits by 2019.

The Australian Greens are very well aware of the need to move quickly to establish the Murray-Darling Basin Authority and get the Basin Plan underway. That is why we are so frustrated and disappointed that, after drag-
ging their feet in the reform process for so long, our governments are now attempting to undermine and circumvent the normal democratic process of legislative review by saying that we cannot alter this legislation because it has been agreed under the IGA. They argue that amendments to this legislation are not possible or desirable because they would require renegotiation with the states over the details of the powers referred. That is, of course, undermining the role of the Senate yet again. We are told it is a done deal—that only players such as the ALP state governments need to be consulted. The community has been sidelined.

We note, however, that there are large and important parts of the existing Water Act and the Water Amendment Bill which are not dependent on the referral of powers. We fully expect that the government will argue that amending these bits of the legislation will somehow breach the spirit of the agreement with the states and may threaten the deal they have done behind closed doors with the state governments. We think this would be a disingenuous response from the government and we are putting them on notice that we will not wear it. It is not the role of this house to rubber stamp intergovernmental agreements between the states and the Commonwealth that result in the lowest common denominator and, in this case, compromise the health of the basin.

We are being told that we have to rush this legislation through this place so that we can set up the authority, but the government is also saying, ‘Oh, by the way, did we remember to tell you that the Basin Plan doesn’t come into existence until 2019?’ By my calculations that buys us 11 years. By bringing forward a reform package for the Murray-Darling Basin that relied on the referral of powers, the government made it clear from the outset that it was important they secure not just the support of their state colleagues but also the support of the communities—communities that the people in this place represent. Our concerns and the concerns of the basin communities, irrigators, floodplain graziers, scientists and environmental advocates have clearly been on the record since the ALP came to government.

The Greens will be putting to the Senate a series of amendments, some of which were first put to this chamber last year when we were first debating the Water Act 2007. These include amendments dealing with the independence of the authority, ecosystem health, averages and shares of environmental water and mining—and I will come to the Sugarloaf pipeline shortly. Many of these amendments arose from the committee inquiry held into that legislation and also from the water policy initiatives inquiry held by the Senate Standing Committee on Rural and Regional Affairs and Transport two years ago. They are also based on the advice to those inquiries from the likes of the late Professor Peter Cullen, Professor Mike Young and Dr Arlene Buchan.

The government is relying on our concern and commitment to securing a sustainable future to compel the Senate to accept a flawed but slightly better outcome against the risk of a significant delay to introduce a fairer and more robust system. The deal effectively means that the cap on sustainable diversions will not be operating in Victoria until 2019 and will not be operating in other states until 2014. This fact undermines, as I said earlier, the argument of urgency. The Greens believe that the Basin Plan should be in operation as soon as possible, and certainly long before 2019. Again, we will be moving amendments to ensure that this occurs.

We want to see the Murray-Darling Basin Authority up and running as quickly as possible so that the Basin Plan can be released
and used by basin communities to help them to make informed decisions about the future shape of their communities and to plan for a sustainable future. However, we recognise that under the current arrangements the only power that these plans will have—while existing state water-sharing plans are recognised and continue until 2014 or 2019—is one of polite moral suasion in pointing out how unsustainable the current levels of over-extraction under the existing state plans are. At the moment, moral suasion is the only way that we can persuade these states to bring their water use into line with the Basin Plan. We do not believe this is good enough, so we will be moving amendments in relation to this to ensure that the Basin Plan is implemented way before 2019.

The irony of the problems that have been brought about by the Rudd government taking a ‘behind closed doors’ approach is that the very problems that are undermining current arrangements—that is, the states clinging to narrow self-interest and forcing compromises—would have been amenable to the moral suasion of an open and robust public debate into the pros and cons of these particular measures. As I said earlier, we believe that, if the issues around critical human need had been exposed to the light of day and had been available for public discussion, they would have been strongly focused on actual critical human needs rather than on the expanded definition of ‘critical human needs’ that applies at the moment. The Greens intend to introduce amendments to strike out the inclusion of ‘other industrial purposes’ and limit the definition of ‘critical human need’ to the minimal provisions required for human health and sanitation.

Then we come to the other problems related to managing the water resources in the Murray-Darling Basin, and one of them is strongly affected by the Sugarloaf pipeline. The Australian Greens believe that, as a matter of principle, water resources recovered within the basin through necessary investments in efficiency improvements need to be used to address the pressing needs of the basin. We need all the water we can get within the basin to ensure the health of the river and the survival of threatened basin ecosystems; to help farming communities adapt to significantly reduced irrigation entitlements; and to support high-value, efficient irrigation, which we need to feed Australia into the future. There is only so much water that can be recovered from the basin, and we need every drop of that in the basin.

While the water for the Sugarloaf pipeline is allegedly being secured through state government investments in efficiency measures, this is a modernisation activity that Victoria should be undertaking anyway as part of its contribution to basin water reform. The water that is being diverted to the pipeline reduces the amount of water available to help the river survive and the basin communities restructure. Basin communities are hurting. Precious ecosystems are literally dying for a drink. The Australian public understand this and are concerned for the plight of the river, its communities and its ecosystems. Pulling a massive 75 gigalitres out of the basin at this time of crisis seriously undermines this commitment and trust. At the moment, the public support the government investing $12.9 billion in basin reform, but this expensive, unnecessary, water-wasting project seriously jeopardises that support. The community know it is nonsense to take water out of the basin to send down to Melbourne when Melbourne continues to waste water and pump 400 gigalitres of stormwater out to sea. To this end, the Australian Greens will be introducing amendments to the provisions of the Basin Plan to exclude consideration of new extractive uses outside of the basin.

We note from the evidence to the ongoing Senate Standing Committee on Rural and
Regional Affairs and Transport inquiry into the Murray-Darling Basin and the Coorong and Lower Lakes that Adelaide is moving to reduce its dependence on the basin. We applauded those efforts, albeit that they may be going slowly. By comparison, as I said, Melbourne has been pumping 400 gigalitres of stormwater out to sea. We also note that water will only be available for the pipeline when there is water to be allocated under the Murrumbidgee water licences. This water will supposedly only be allocated when there is water to be allocated. So the pipeline could be empty for a vast amount of time. It is crazy to be going down that line. We are extremely concerned that the Commonwealth government has done nothing to stop the allocation of this water outside the basin.

The Australian Greens believe that a more integrated approach to water buyback, to infrastructure improvements and to structural adjustment is needed to maximise and deliver the benefits of reform to basin governance, as represented by the Water Act 2007, the Water Amendment Bill 2008 and the principles of the National Water Initiative. We share the concerns of irrigation communities, environmental advocates and water policy experts about the ad hoc nature of the current process. The timeframe within which the $12.9 billion Water for the Future investment is being rolled out is far too slow, and there is a lack of targeting, coordination and planning. The current ad hoc approach is delivering what Dr Arlene Buchan described to the inquiry as a ‘Swiss cheese effect’, with holes in irrigation infrastructure where individual irrigators have been forced out by financial pressures. When they sell up, it is harder for their neighbours to maintain the existing irrigation infrastructure and even harder to implement improvements. This ‘Swiss cheese’ approach increases both the risk of stranded assets and the likelihood of the economies of local communities dropping below sustainability thresholds.

The Greens want to see an honest and open community debate about the future shape of the basin. We want a process to take the Murray-Darling Basin forward that puts communities at the centre of the decision-making process rather than excluding them from the debate. We believe that a focus on planning sustainable regional communities can allow individual landholders to come together to discuss how they will balance their investments in infrastructure, structural readjustment and the sale of water allocations to ensure that planning is done with appropriate economies of scale so that communities can survive and thrive into the future.

We want to focus on ensuring not only the health of our ecosystems but the viability and ongoing profitability of our most sustainable and productive food-growing areas. We want to see appropriate support given to farmers who want and need to make the transition to more adaptable and resilient farming systems. We want clear and reliable information given to farmers and communities about the kind of future they face, the choices that have to be made and the relative prospects within their region. Basin communities themselves should be empowered to make decisions about their future prospects and the shape of their districts and regions. They need to be given the information, the tools and the support to do so.

We think there are examples of where this is already happening, and the government should be looking at these examples. Moreover, we believe that there needs to be a vision for what the Murray-Darling Basin will look like in 2050. The Greens are promoting and putting forward the plan, the MDB 2010-2050 plan, to develop a vision for the basin in 2050 of a vibrant community that is
sustained by a healthy river system that delivers food, fibre and ecosystem services to the nation. We need to get this plan underway now.

We are calling on the Commonwealth to resource and support community planning as a matter of priority; to enable communities to produce plans which integrate infrastructure investment, water sales and structural adjustment; to provide incentives and support for them to do so; to give integrated community planning priority in assessing funding applications; to empower the Murray-Darling Basin Authority to develop an interim, non-binding basin plan while the more permanent basin plan is being developed; and to create community planning support teams and resources to produce decision-support tools, including district maps with overlays of relevant information. We believe that this vision will guide how we integrate water purchasing, infrastructure improvements and any readjustments. This is sensible planning and decision making—not the ad hoc process that is occurring now, with insufficient powers for the Commonwealth to implement real reform in the Murray-Darling Basin. Bear in mind that, by ramming this legislation through this place without amendment, the Basin Plan will not come into effect until 2019. It is essential that this plan is implemented way before 2019, or there will not be a river to save. (Time expired)

Senator FEENEY (Victoria) (1.14 pm)—I rise in support of the Water Amendment Bill 2008. This is a historic piece of legislation. It marks a new phase of cooperation between the states, the territories and the Commonwealth in tackling one of our most urgent problems—the critical water shortages now affecting the Murray-Darling Basin and the human communities dependent on the Murray and Darling rivers. This bill amends the Water Act 2007 to give effect to the agreement on the reform of the management of the Murray-Darling Basin completed by the Commonwealth, New South Wales, Queensland, South Australia, Victoria and the Australian Capital Territory at the COAG meeting on 3 July.

The bill has been made possible by the agreement of New South Wales, Queensland, South Australia and Victoria to refer certain powers to the Commonwealth under section 51(***vii) of the Constitution. The states have agreed to refer these powers, despite the vital economic and environmental stakes they have in the future of the basin, because they have confidence in the Rudd Labor government and particularly the Minister for Climate Change and Water, Senator Wong, to use them in the national interest.

Using these referred powers, this bill does two things. First, it transfers the current functions of the Murray-Darling Basin Commission to a new and more powerful body—the Murray-Darling Basin Authority. The authority will carry out decisions made by the Murray-Darling Basin Ministerial Council and the Basin Officials Committee. The authority will also prepare a corporate plan annually, for approval by the ministerial council, in relation to the exercise of these functions. Secondly, the bill extends the authority of the Australian Competition and Consumer Commission to include all bodies that charge for water use and all irrigation infrastructure operators, thus creating a uniform regulatory regime for water use and water trading over the whole of the Murray-Darling Basin.

This bill brings to an end more than a century of disputation among the states of the Murray-Darling Basin, and between these states and the Commonwealth, over the management of the basin and its resources. It is a pity it has taken a crisis of the scale we now face as a result of the threat of climate
change and drought to bring about this resolution, but it is nevertheless welcome. It is not often remembered that the issue of water rights and control over the Murray River was in fact one of the most vexed issues at the constitutional conventions of the 1890s that framed our present Constitution. Delegates from New South Wales, Victoria and South Australia wrangled for days, weeks and even months to find a formula that would safeguard what each of them saw as their vital interests. What they came up with was section 100 of the Constitution, which reads:

The Commonwealth shall not, by any law or regulation of trade or commerce, abridge the right of a State or of the residents therein to the reasonable use of the waters of rivers for conservation or irrigation.

In other words, the Constitution expressly forbids the Commonwealth to regulate the use of the waters of the Murray by the states. This was done mainly at the insistence of the South Australian delegates, who feared that a Commonwealth dominated by New South Wales and Victorian politicians would steal all the waters of the Murray, thus leaving no water for South Australia. As we know, this fear is still alive and well in South Australia and has been expressed here by Senator Xenophon and others from time to time.

The key to section 100 is, of course, the word ‘reasonable’. The Commonwealth was forbidden to prevent the reasonable use of the waters for irrigation, but presumably it could still regulate the unreasonable use of such waters. But who would determine what was reasonable? The framers of the Constitution saw this as one of the functions of the Inter-State Commission, which was created by section 101 of the Constitution for:

… the execution and maintenance … of the provisions of this Constitution relating to trade and commerce, and of all laws made thereunder.

Unfortunately, a restrictive decision by the High Court rendered the Inter-State Commission unworkable and it was abandoned in 1920.

The demise of the Inter-State Commission meant there was no-one with overall responsibility for supervising the use of the water resources of the Murray-Darling Basin. The result was 80 years of unsupervised and irresponsible use as New South Wales, Victoria and South Australia all encouraged and indeed subsidised irrigated agriculture on the Murray—from Wodonga in the east to Murray Bridge in the west. Even before the onset of the current crisis, the chronic over-use of water from the Murray-Darling Basin was having severe ecological effects upon the rivers and on the wetlands which depend on the rivers for their very survival. The result was the death of the wetlands and the associated plant and animal life, the salination of the soil and a resulting loss of productivity, and downstream communities being starved of the water needed for consumption by humans and animals. This is clearly not a sustainable state of affairs even if the more pessimistic scenarios about the effect of climate change on Australia are not borne out.

Responsible governments have to plan for the worst even while we hope for the best. We cannot know what the climatic patterns of the future will be, but it does seem clear that Australia must make a major and permanent reduction in our water consumption and that competition between the states must be replaced by the cooperative management of our water resources. All Australians, whether urban or rural dwellers, share a responsibility to take action to reduce water consumption. But, since 70 per cent of all the water used in Australia is in fact used for agriculture, the national focus must as a matter of course be on ending the wasteful overallocation and overuse of water in agricultural industries, particularly for irrigated crops. In the Murray-Darling Basin, 80 per cent of all water used is for irrigation. The key to saving
the basin is thus the reform of the management of the irrigation system. All states now have programs to reduce water consumption in irrigated farming. It must be asked, however, whether it is possible to save the Murray-Darling river system merely by preventing waste and using water for irrigation more effectively.

In 2000, before the onset of the current drought, about 27,000 gigalitres of water were allocated annually for irrigation. Of this, the cotton industry used 2,900 gigalitres and the rice industry used a further 2,200 gigalitres. These two industries together used 5,100 gigalitres of water, or about 20 per cent of all the water used for irrigation. Today those figures have dropped to less than half. I think we have to ask some serious questions about whether Australia can go on producing such water-intensive crops as rice and cotton if the current climatic conditions continue or even worsen, as many believe they will.

I note that the opposition is supporting this bill and I welcome that. I read with interest the speech made in the other place by the shadow minister for climate change, environment and urban water, Mr Greg Hunt, in support of the bill. He noted that in its last year the Howard government—when the current Leader of the Opposition, Mr Turnbull, was the relevant minister—introduced a $10 billion water plan and I, too, acknowledge that. But I note that many of Mr Hunt’s colleagues in the opposition are continuing to do their best to undermine his efforts, let alone the efforts of the government. It is an open secret that many of his colleagues, such as Senator Minchin and Mr Robb, do not believe in human-induced climate change at all. In Victoria the Liberal and National parties are opposing both of the Brumby government’s major projects to address the state’s water supply problems—in particular, the Wonthaggi desalination plant and the Sugarloaf pipeline. These projects are a vital part of Victoria’s efforts to conserve water and to make Victoria less dependent on the Murray River for its water supplies.

In the previous contributions of Senator Nash I note that the National Party—the country auxiliary of the Liberal Party—once again propagated various lines on and constructions of the purpose and the role of the Sugarloaf pipeline which fly in the face of the facts. For starters, Senator Nash accused Melbourne of using this pipeline without any regard for its ongoing sustainability in water use as a capital city. A brusque and rhetorical comment like that demonstrates the absolute paucity of public policy knowledge that exists on the other side of this chamber. In fact, Melbourne has the lowest annual per capita water use of any capital city in this country. That is the result of serious, long-term and effective public policy measures undertaken by the state Labor government, which have, from 2001, cut domestic water use in Melbourne from 135 gigalitres to 110 gigalitres. I have no doubt that Senator Nash was unaware of that, but I think it falls upon her to make herself aware of these critical facts before making such brusque comments in this place.

Senator Nash set out some terms which the National Party considers would be good grounds for good water policy. To paraphrase Senator Nash, one ground was ‘Absolute priority must be given to efficient on-farm usage of water and the savings that will flow from that.’ That is a very sensible pronouncement. But, having made that sensible pronouncement, Senator Nash then went on with a farrago of misunderstandings concerning the situation in Victoria, particularly with respect to the Sugarloaf pipeline, which demonstrated that she does not even understand her own party’s principle that she seeks to articulate.
Sensible, efficient on-farm savings sit at the very centre of what is currently going on in Victoria. The Northern Victoria Irrigation Renewal Project, NVIRP, is a project which has at its very centre the task of making Victorian farms more water efficient. This project is about directly funding and assisting farmers to become more water efficient. Archaic pieces of infrastructure—open channel irrigation systems—are being improved, modernised and reformed as part of that project. That project is delivering real gains for Victorian farmers by modernising their farms and their water infrastructure. The end result of that very impressive piece of work and these very important initiatives will be that some 225 gigalitres of water—which, for all intents and purposes, do not presently exist—will be saved.

Senator Nash said, ‘Under no circumstances should water be taken out of the basin for capital cities.’ There we have, essentially, the National Party willing to condemn Melbourne and its inhabitants to death and deprivation. What happens to critical human needs with this blithe comment? It might very well serve Senator Nash and the cheap populist politics in which she engages in northern Victoria, but it does not provide the hard public policy solutions that this country needs to address its water challenges.

Even Senator Siewert fell for this line when she said ‘Victoria is extracting an additional 75 gigalitres from the Murray at a time of crisis’. That is a nonsense. Of those 225 gigalitres of water that are being saved—that is to say, the 225 gigalitres of water that do not presently exist—one-third is being returned to further agricultural activity in Victoria, one-third is being returned to the river in environmental flows and another third is being distributed by way of the Sugarloaf pipeline to Melbourne and to several important regional communities. There is a small detail that the Liberal Party’s country auxilia-
change mean that there is not sufficient water in the system to realise those allocations.

The sad fact is that we have to assume that the drought is here to stay for some time—in other words, that it is not a drought as traditionally understood but is perhaps indicative of a permanent change in Australia’s climate and our climatic conditions. Maybe that will turn out not to be the case—and, if that is indeed so, no-one will be happier than me—but a responsible government cannot work on that assumption. The responsible thing to do is to maximise our water savings. And, given the figures I cited above, that must mean more rigorous scrutiny of our irrigated farming industries, which are, of course, the largest consumers of water in Australia.

The states of the Murray-Darling Basin have discarded their old parochial attitudes by referring powers to the Commonwealth, which has made this bill possible. It is time other people in Australia also discarded their entrenched attitudes and desisted from continuing to peddle sheer inaccuracies in the broader community—inaccuracies and entrenched attitudes which of course all go to the fact that they have a policy that no longer conforms to Australia’s needs. We need a new water policy for a new era, and this bill is a very important part of realising that objective. I very proudly commend this bill to the parliament.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (1.31 pm)—What an absolute fuddle! That was amazing. That just took the cake for the fuddle for the day. The Labor Party’s policy of returning water to the Murray-Darling Basin is to build a pipeline from the Murray-Darling Basin to another basin and ultimately have it run out to sea via Melbourne. That basically encapsulates the Labor Party policy. This bill, the Water Amendment Bill 2008, is Labor Party policy. They have spent $50 million and, in real water terms, I think they have got themselves about 849 megalitres. That is Labor Party policy. Labor Party policy is to buy Toorale Station. I think they purchased Toorale Station for $23.8 million—and no-one inspected it. No-one went to have a look at where the Australian taxpayers’ money was actually going. That is Labor Party policy.

These are the sorts of ideas that form the retinue of Labor Party management—whether it is Fuelwatch, GroceryWatch, spending half our surplus in one fell swoop in one night, or spending $23.8 million of taxpayers’ money on a property that no-one ever turned up to have a look at. Of course, what we have really got is the purchase of good intentions and beautiful thoughts but no water. They have not actually purchased any water. And that is a bit of a problem when you are trying to return water to the Murray-Darling Basin. The idea is that you should be buying water—not ideas, not potential. They are buying lots and lots of potential but no water.

One of the major problems they have also taken on board is that, as they go about this sort of arbitrary purchase of water licences here and there, they put at threat the communities which those water licences are built around. There is a serious concern—not so much for the people who get to sell their water licences but for the people who live in the fibre and iron or the weatherboard and iron who are left behind in the regional towns after the water licences go. What exactly do they do? There is nothing in this policy about the Labor Party’s plan for a fair and equitable outcome for the working families who are left behind by Labor’s arbitrary decision-making process. Nothing happens there. What happens if the people of Dirranbandi, St George or Bourke lose their water licences? What is this? Is this part 2 of the Sorry statement: we go to communities—
and, in many regions, Indigenous communities—and take away the crux of their income-earning capacity by taking away the water licences of the area? The issue which has not been approached in any way, shape or form is the issue of how we actually deliver a package that is fair and equitable to all concerned in this water debate.

There is nothing in this legislation that deals with what I believe is the elephant in the room, and that is how to get water from another system into the Murray-Darling system. If that does not happen, there is going to be no solution. They will spend the money—do not worry about that; the money will go—but, at the end of this expenditure, if there is any sort of outcome at all, it will be a very minimal outcome.

It seems to be politically incorrect these days to actually grasp the nettle and say, ‘What about the prospect of moving water from the gulf down to the Murray-Darling Basin or using the potential of tidal power from the Ord to move water to other sections of the land or the potential of creating a stimulus package?’ or to say, ‘If you can’t move the water, if that is all too hard—if engineering accomplishments of this nation are something that now belong in the past; if, after the Snowy Mountains Scheme, we just do not have the capacity to think about a substantial engineering project to alleviate the problems that are apparent—we are going to have to move north the people who grow the food.’ Is there any plan towards that? No, there is not.

I hope the reality of the situation has finally dawned on people. I grew up near Tamworth, on one part of the Murray-Darling; I lived at Charleville, on another part of the Murray-Darling; and I currently live on the river—I can see it from my front veranda—in St George, on another part of the Murray-Darling. But so often the whole system is seen as just lines on a map. We lose about a gigalitre per kilometre in evaporation and seepage when water flows along the natural course of the river, which is a natural earth channel. If we want to fix water issues at the south of the river system, then we have to find solutions that are proximate to that part of the river system. We have to look at such things as the re-engineering of the Menindee storage lakes. More water evaporates from the Menindee storage lakes when they are full than the whole of Queensland uses. That is something that should be screaming at people if we are trying to alleviate some of the problems at the lower end. We have to acknowledge that putting water into a charged system—putting water into a system that has water at one end, is uninterrupted and has water at the other end—has an immediate effect. That is completely different from putting water back onto a flood plain, where it will just seep in, or putting water into a wetland area, which might have great environmental benefits but from which there are no benefits at the bottom end of the river.

We need to look at these issues and have an honest appraisal of them. If you are going to purchase water thousands of kilometres away from where you want it, the reality is that it is not going to have an effect. You are going to expend the money but it is not going to have the effect that you want, if what you want is to get more money down to the mouth of the Murray. There is so little support for the north-south pipeline. It is such lazy engineering. Instead of desalination or stormwater recycling from Melbourne, the apex of engineering thought comes from taking the water from where it is in paucity and moving it to another area where there are alternative sources you could get the water from. This does not stand to reason. I hope this chamber rejects the whole concept. It makes a farce of the whole Labor Party approach if one of the cherries on the cake for
the Labor Party’s water policy is to move 75,000 megalitres out of the system down to Melbourne. It shows that they have completely lost sight of what this is about.

They say, ‘We’ll get the savings from where the water comes from.’ I will believe that when I see it. How often do these things become just ideas? I will bet London to a brick that, regardless of whether there are savings or not, the water will be ripped out of the Murray-Darling system and moved down to Melbourne—regardless of anything that has happened. I do not for one minute countenance the idea that they are going to build a pipeline and not use it. They are going to use it whether there are savings or not, and that will be to the demise of yet another food-growing area. What is the effect of that for the Australian people? The effect is upward pressure on food prices and food inflation.

The Labor Party, because they now have the carriage of business around here, have to get smarter about how they do business. They need to have an honest appraisal of some of Labor’s state policies, such as the tree clearing legislation in Queensland, which acts as a barrier to the development of the gulf. They have to acknowledge a moral responsibility to feed not only our own nation but also those around us. We have to acknowledge that 24 per cent of the water that flows off the Australian continent flows through the gulf. Where is our food bowl there? Where is the Labor Party policy—that could have been part of their $10.4 billion profligate waste of money—that would have returned a dividend to the Australian people as well as dealing with the water issue and encouraging people to find a tangible solution?

Let us say that the climate has changed and we are now in an eternal drought. If that is the case, then it does not matter how much money you spend buying water that is not there; it is not going to fix anything. If it is not there, and you believe that to be the case, and you believe that to be the case in perpetuity, then buying nothing creates nothing—no matter how much money you throw at it. The Labor Party need to have the bravery to think outside the box, and I just do not think they have got that capability. I do not think it is in them to say, ‘We’re going to have to look at the engineering projects to move the water from where it is in abundance to where it isn’t.’ They have not even suggested it. For them it is politically incorrect. It is beyond the Labor Party’s capacity in their designing of tax policy to say, ‘If we can’t move the water, we’re going to have to move the people.’ It is beyond the Labor Party’s capacity in their relationships with the states to say to Queensland, ‘You’re going to have to change some of your wild rivers legislation, because we are going to have to facilitate the creation of a new food bowl to take into account the possible demise of the food bowl that is in existence in the Murray-Darling basin’—if they truly believe that the weather has changed and they really want to be sincere and honest in that statement.

If the Labor Party truly believe that there is global warming and that the weather has changed, then surely that would be an indicator that they are going to have to make some hard decisions. But if you look at their policy statement, you will see that they want it both ways. Senator Feeney says, ‘They’re all environmental sceptics over there. They don’t acknowledge that the weather has changed. That is why we are going to take 75,000 megalitres a year from where it is not and move it down to Melbourne.’ It is an oxymoronic statement that is completely implausible. You cannot have it both ways. If that is your belief, then start tabling for us the engineering projects that are going to
move water from where it is to where it is not. And put some faith in the Australian people. If you are suggesting that we are going to have a major engineering project to move water from the gulf, or from the Ord, for the creation of new food bowls, the Australian people will actually back you, because you show some vision. But the Australian people are on to these bells-and-whistles shows of getting big amounts of money and shuffling it round and round and round in circles until it ends up in the arms of consultants, schemes, ideas and committees but never ends up in an outcome.

I premised at the start that so far we have already spent $50 million. Think of that as sealed roads. Think of that as hospital beds. Think of that as schools. Do not let the words ‘$50 million’ just roll off the tongue. Think of what that money could have been used for. With that $50 million they have bought 849 megalitres of water. To be honest, that would be suitable for a very small farm in St George. That is a very profligate and expensive way to do business.

Once more, they have said that things are going to get better. They are not going to get better when you spend $23.8 million on properties at Bourke that you never bother visiting. They are not going to get better if that is how little respect you have for money. They are not going to get better when you spend $8.7 billion in one night, on 8 December, while you still do not have the money to get the Australian Navy out to sea over Christmas. When that is the type of management you have, when that is the type of process you have and when that is the fiscal responsibility of the so-called economic conservatives, then Australia has a serious problem at hand.

There will be certain amendments to this bill that I hope will be supported. It will be up to the Labor Party then to act on one major issue. Their whole process is flawed, but let us take one issue as an indicator of whether the Labor Party are fair dinkum or not. If this north-south pipeline goes ahead, then we can take everything they say as being a load of rubbish. We will know from that that in an academic, economic and engineering sense these are very lazy people who cannot get their minds around a complex solution to a complex problem. If this pipeline goes ahead it will show in spades that the future for the Murray-Darling Basin under the Labor government is dire. If this policy goes forward and the government do not give any thought to how it is going to affect the regional communities, if the government go forward with their policy of buying up water licences, arbitrarily going into remote districts of the western parts of the states of Queensland and New South Wales without any thought as to what happens to the community after the whole basis of their economy has been lifted up and taken away, we will know that their social policy is also very lazy.

I go back to the start of the Labor government. The start of the Labor government saw the apology to the Indigenous community. You cannot apologise on one day and then go into their communities and take out their economy on the next. You cannot have it both ways. You have to go back to those communities and deliver some long-term economic future for those places. If you do not do that, you start to look like you are all bells and whistles and totally hypocritical. The reason for that is laziness and an inability to drill down into your own policy agenda and look at the possible outcomes and ramifications of what you bring before us.

Senator HANSON-YOUNG (South Australia) (1.48 pm)—I rise to speak because the situation facing us today in the Murray-Darling Basin is absolutely dire and we need to be taking action. I was sitting here earlier
and thinking about exactly what I want to say. I think that this bill, the Water Amendment Bill 2008, is quite important in looking at how we move forward and deal with this issue.

Every time I fly from Canberra back home to Adelaide, I fly over the Coorong and the Lower Lakes. Every week or so, when I do that trip, I look down and think how sad it is that we have allowed this situation to occur, how sad it is that because of gross overallocation of water usage and a lack of foresight we have allowed such an iconic and important part of the world’s environment to deteriorate before our eyes. Gross overallocation and a lack of foresight in managing the water throughout the entire basin have led us to this situation. Obviously, the impact of climate change is exacerbating the problem, but it is a problem because we have not managed the system properly for years and years. It is not just because of this government or because of the last government. This is due to generations of not having the foresight and not understanding the importance of giving the environment the allocations it needs.

The Lower Lakes and the Coorong, Storm Boy country, are dying before our eyes. It is the people who live in those communities along the river, around the lakes, and who rely on the Coorong that are coping the brunt. They are left hanging, in desperate need of action from the government to tackle overallocation, to give them a lifeline. We need to ensure that further upstream we tackle the overallocation issue and give the river the drink it so desperately needs to survive. We need urgent action now.

While I accept that this bill is a step forward in dealing with the issues of managing the system on a national level, the big problem with this bill is the lack of urgency. And it is so poorly patched together. The impact of the intergovernmental agreement on allowing a faster and more effective approach to dealing with the crisis before us is shameful and somewhat embarrassing. The suggestion from the ministry and the government that we as parliamentarians should simply shut up and not criticise or scrutinise this piece of legislation—which is what the minister has said publicly, to the media and in other forums, even in this chamber—is an insult to the parliamentary process. It is an insult to those who have elected all of us to represent their needs and the needs of their communities. This parliament has every right to scrutinise legislation that comes before it. It is more important than ever that we look at the agreements that are made between the states and the federal government, because they affect thousands and thousands of people across the country who rely so much on the basin and the health of the river systems within it.

This bill and the agreement that underpins it are like a house of cards. Any gust of wind, any movement of something and the minister says that it will all fall down. Perhaps we needed to think more cleverly and better about what type of house we were trying to build. It is embarrassing to think that we are dealing with such a crisis in such an ad hoc and hotchpotch way. Let us face it, the Basin Plan is far too slow. Waiting until 2019 for implementation of water-sharing plans is not the urgent action so desperately needed. When I fly over the Coorong and the Lower Lakes and see, week by week, month by month, how desperate the situation is, I know those communities cannot wait until 2019. I know that the river system cannot wait until 2019. We need to be taking urgent action now.

The other problem with this bill is the lack of teeth of the national authority that the bill seeks to establish. It is a poor attempt at setting up an independent body to manage the entire basin system, which I agree is so des-
perately needed. We need a national approach. That body must be independent of the whims and wills of individual state governments. That is what got us into this mess in the first place. With states continuing to have their right of veto over the authority’s decisions, this body has no real teeth. The authority must have the teeth to manage the entire system fairly and sustainably without having to go back to states and do deals each time action is needed, each time a decision needs to be made. There is a lack of urgency for dealing with the crisis in the basin and the impact on river health, the environment and the communities. This lack of action is simply irresponsible. The time frames of the Basin Plan and water-sharing arrangements with states—some of them being given leeway until 2019—are far too slow to deal with the huge crisis that faces us.

Over the few short months I have been a senator for South Australia, I have spoken to thousands of people who rely on the basin, people who live in those communities and who desperately want leadership from government. They do not want simply to be told: ‘Sit back and pray for rain. We’ll sort it out. In 2019, we’ll have a plan.’ That is not what those communities want to hear. What they want to hear is what will be done now. We know that the Lower Lakes and the Coorong are in a very, very dire situation. We know that action needs to be taken now. The Minister for Climate Change and Water and the Minister for the Environment, Heritage and the Arts have both acknowledged how bad the situation is, yet the bill before us does not deal with the urgency needed in action.

This bill does nothing to save the Lower Lakes and the Coorong in South Australia—2019 is far too late. What we really need is a rethink of how this bill should be managing the system and what type of future we want to see for our basin communities. To do that, we need to be consulting with those communities. We have not done that thus far. The consultation that a lot of those communities in South Australia have had over the last few months has been because of an urgent Senate inquiry that was brought here because a number of senators were concerned about their communities not being spoken to and the issue not being on the political agenda. Yet those communities are still waiting for a response from the minister as to the inquiry’s recommendations. This is simply a shunt of those communities and their concerns.

I am absolutely appalled at the public comments made by the government that we should not, as senators, be looking at how we can strengthen this bill, seeing as we all know how poorly it has been cobbled together. It is absolutely appalling to suggest that senators should not take on their role of scrutinising legislation and representing those people who voted for them and put their trust and faith in them to do what is in their best interests.

I hope that, when I fly back over the Coorong and the Lower Lakes at the end of this week or the end of next week, when I look down I will have some faith that the situation will improve. I do not see how this bill will achieve that unless we have it strengthened in the many ways that the government has acknowledged yet says are all too hard because of the intergovernmental agreement. I hope that the amendments to be moved by the Greens will be accepted by both sides of this chamber, to enable some type of future for the Lower Lakes and the Coorong. We should not simply be throwing away and closing our eyes to the Storm Boy country.

QUESTIONS WITHOUT NOTICE

Broadband

Senator MINCHIN (2.00 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Given the proposed expen-
diture of $4.7 billion in taxpayers’ funds on the national broadband network and the government’s commitment to openness and transparency, what details of bids received will the minister provide to the public when tenders close tomorrow?

Senator CONROY—I thank Senator Minchin for that question. The whole process of the national broadband network has been one which we have been given extensive probity advice on. At times I have even drawn on some of the experience of the former Minister for Finance and Administration in dealing with questions around live tender processes. I have even been forced to quote from Senator Minchin’s own Hansard in Senate estimates when he defended refusing to answer any questions, over an extensive period, to do with the T3 prospectus sale—in fact, he had the ACCC gagged and he had the departmental officials gagged. So we have never at any stage confirmed how many expressions of interest we have. There has been much speculation in the papers, and I have often referred to that speculation in the newspapers.

Equally, in terms of the bids that will be entered tomorrow, there has been much speculation about who will bid. We will not be issuing a statement, but I have no doubt that, as the Acting Prime Minister indicated yesterday, it will be very public knowledge, because already two organisations have formally announced, in the last 24 hours, that they will definitely be putting in a bid. One other organisation is considering whether to put in a bid and a fourth organisation has indicated that it is likely to bid but has not made a final decision. You can read all of that in the newspapers. So, as the Acting Prime Minister said yesterday, there will be full public knowledge because the bidders will be announcing themselves. The probity advice we have been given has been quite clear about this.

Senator Ian Macdonald—Why won’t you announce it?

Senator CONROY—We have been consistent, Senator Macdonald, through you, Mr President, that we will not be—(Time expired)

Senator MINCHIN—Mr President, I ask a supplementary question. As Senator Conroy noted, the Acting Prime Minister yesterday did tell the parliament:

The outcome of the tender round will be available and will be transparent for all members of the House later in the week.

Is the minister actually saying that the Acting Prime Minister was not indicating that the government will issue a statement—that the government will not issue any statement whatsoever in relation to the tenders that have been received? What on earth was the Acting Prime Minister saying in indicating, ‘The outcome of the tender round will be available and will be transparent’? How can it be transparent and available if the government itself issues no statement whatsoever at the close of tenders?

Senator CONROY—Perhaps, in his rush to the new system of two supplementaries, Senator Minchin did not get the chance to actually hear what I said. What I said was that the Acting Prime Minister did not at any stage indicate the government would be making—

Senator Minchin—It was clear.

Senator CONROY—Oh, please! Perhaps if you were not writing out your supps as you were going you could actually listen to the answer. Let’s be clear: at no stage at all in her answer yesterday did the Acting Prime Minister indicate that the government would be making a statement. It is going to be consistent with the probity advice that we have
received, and the probity advice that we have received—whether you like it or I like it—we have to follow. Our advice is that we should not be making ongoing comments on the number of bidders, who the bidders are or what is contained in the bidding process. As the Acting Prime Minister said yesterday, it will be fully public and transparent because the bidders are telling everybody—(Time expired)

Senator MINCHIN—Mr President, I ask a further supplementary question. Further to this apparent reluctance to say anything about the whole bidding process, I further ask the minister: will the report of the NBN expert panel and the ACCC report on pricing and competition issues be made public prior to the government’s selection of the preferred tenderer and will there be an opportunity for public comment in relation to both the ACCC report and that of the expert panel before the government’s final decision?

Senator CONROY—Thank you, Senator Minchin. The process of advice to government, as is well known to the former minister for finance and former Leader of the Government in the Senate, is that we will receive that advice and provide advice after the process. I am happy to consider—and I will take it on notice—whether or not we can provide any further advice to assist in the public debate between now and the time of the formal government decision, but we will be happy to release it after the government has made a decision. That is not something, I think, that is inconsistent with past practices of all governments. I am happy to consider the issue of whether other information can be made available subject to it not undermining the ongoing processes, because the recommendations may not be final. There may be two recommendations, as I have indicated in the past. So to reveal—

Senator Coonan—How would we know?

Senator CONROY—Live in hope, Senator Coonan. It may be that there is an ongoing process in which releasing information could undermine the government’s negotiating position. So I am happy to take that on notice and consider it, Senator Minchin. (Time expired)

Workplace Relations

Senator JACINTA COLLINS (2.06 pm)—My question is to Senator Ludwig, the Minister representing the Minister for Employment and Workplace Relations. Can the minister explain to the Senate how the Rudd government’s new Forward with Fairness policy delivers on Labor’s election promise to do away with Work Choices and builds on the transition act, enacted in March, which ended the making of AWAs, introduced a genuine no disadvantage test for agreements and commenced award modernisation?

Senator LUDWIG—I thank Senator Collins for her question in relation to the government delivering on its election promises, set out in the policy Forward with Fairness. The Rudd government is delivering on its commitment to creating a fair, flexible and transparent workplace relations system that achieves the right balance between employers and employees. The new workplace relations system will ensure Australia is competitive and prosperous without undermining workplace rights and guaranteed minimum standards.

The Rudd government is throwing out the previous government’s extreme Work Choices laws, which were rejected by the Australian people at the last election. We are introducing a new system with fairer laws that balance the needs of employees, the unions and employers, a system that ensures all employers and employees have access to transparent, clear and simple information on rights and responsibilities, that gives Australian employers confidence with a simple, fair
dismissal system for small business, that protects employees by outlining clear minimum wages and by assisting low-paid and vulnerable employees and, of course, that ensures employees’ freedom of association within the workplace.

The Rudd government is fixing the damage caused to Australian workers and Australian workplaces by the former Howard government. We are delivering on a system that will allow employers to get on with growing their businesses and will allow employees to get on with their jobs. The government’s new workplace relations laws will get the balance right by providing a strong safety net for employees, by promoting workplace flexibility and by creating a new bargaining system backed by good faith bargaining rules and tough sanctions against unprotected industrial action. And, of course, it will bring more Australians into the bargaining process and provide strong but simple protections against unfair dismissals. In complete contrast to the former Liberal government, the Rudd government has engaged in an unprecedented level of consultation. (Time expired)

Senator JACINTA COLLINS—Mr President, I ask a further supplementary question. Can the minister explain another aspect of Forward with Fairness and confirm to the Senate that the new policy will not provide for individual statutory agreements and will ensure that employees can focus on collective bargaining at an enterprise level, again in contrast to the Work Choices legislation, which locked employees into unfair statutory individual agreements?

Senator LUDWIG—Under the new workplace relations system there will be no one-sided individual statutory agreements. Employees will be free to bargain collectively with the employer in good faith. Good faith bargaining obligations will be simple and effective and designed to enhance the bargaining process. They will ensure that the parties focus on the matters that need to be addressed in order to reach agreement at the workplace. They are about what is best for the workplace and for raising productivity. Fair Work Australia can decide disputes over the proposed scope of agreements, and arbitration will be available where parties disobey good faith bargaining obligations.

Work Choices gave no effective right to bargain collectively. The government’s new workplace relations system has enterprise bargaining at the heart in order to drive pro-
ductivity. The Leader of the Opposition, on the other hand, has refused to say whether he remains committed to AWAs or whether he still believes that individual statutory agreements will undercut— (Time expired)

**Budget**

**Senator ABETZ** (2.11 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. Will the minister confirm that up to 60 per cent of farmers and tourism operators are unable to claim the so-called luxury car tax surcharge exemption? Will the minister further confirm that the government is introducing urgent legislation to try to overcome these and other problems resulting from Labor’s ineptitude?

**Senator CONROY**—I thank Senator Abetz for his question. Those opposite, and their leaders are the only people in Australia who welcome difficult economic news because it suits their short-term political interests. Never forget that these are the people who think that the global financial crisis, which is buffeting advanced economies everywhere, has been hyped up. They are the same people who tried to smash the surplus we are now using to provide relief for families and to strengthen our economy.

Since the budget the luxury car tax revenue has been revised down by around $20 million in each of the forward estimates. This is not the result of the increase in the luxury car tax. The downward revisions are the result of two factors: firstly, the weaker economic outlook flowing from the global financial crisis is expected to result in fewer car sales; secondly, the increased luxury car tax threshold for vehicles with fuel consumption not exceeding seven litres per 100 kilometres.

Once again those opposite are using difficult economic news as an excuse to oppose our measures. Their usual political sniping will not deter us from the responsible decisions. And they can continue to try and campaign against this and show nothing but—

**Senator Abetz**—Mr President, I rise very reluctantly on a point of order of direct relevance. Can I preface my point of order by suggesting, with respect, that you not necessarily provide a ruling here and now, taking into account your comments earlier today as to making a final ruling at the end of the trial period. My question, Mr President, was directly related to whether 60 per cent of farmers and tourism operators are unable to claim the so-called luxury car tax surcharge exemption and also whether the government is introducing legislation to amend it. Senator Conroy has not strayed anywhere near those two aspects.

**Senator Chris Evans**—Mr President, on the point of order: Senator Conroy was exactly on the question of the luxury car tax’s implementation and matters related to the revenue flow. Unfortunately, in two minutes he does not get a chance to go through it in as much detail as he might otherwise. But Senator Conroy was directly on the issue and directly relevant to the question. If Senator Abetz would allow him to finish I am sure Senator Conroy will be able to help him with more information.

**The PRESIDENT**—There is no point of order. Senator Conroy, you have 40 seconds remaining and I ask you to address the question.

**Senator CONROY**—I repeat that those opposite are not interested in good government, they are not interested in responsible economic management, they have played both sides of the street on the luxury car tax every day in this chamber and they are here doing it once again. Those opposite are now asking me to speculate on what is possibly coming in a possible bill. Well, I am not in a position to play those irresponsible games. I am simply going to make the point that for
those opposite to continue to walk both sides of the street—(Time expired)

Senator ABETZ—Mr President, I ask a supplementary question. I have got news for the minister: legislation has in fact been introduced in the other place, so there is no speculation in relation to my questions. But I will allow the minister to have a shot at these two questions: firstly, will the minister confirm that the proposed regulation specifying a four-wheel-drive vehicle eligible for exemption under these bungled amendments did not include the Australian-made Ford Territory; and, secondly—and try to answer—does the government stand by its MYEFO projections that the slowdown in the luxury car market caused by the luxury car tax surcharge will remove only $10 million from the luxury car tax revenue this financial year?

Senator CONROY—As Senator Abetz has indicated, the legislation is in the other chamber. So why would you ask if we are introducing a bill? But perhaps Senator Abetz has got a cunning plan and we are waiting for the trap to pounce.

As I have already mentioned—and to prove my point that I was relevant previously—I was talking about the revenue forecasts of the luxury car tax. Senator Abetz is now asking about the revenue projection, so I will repeat what I said in the first answer that I gave. The weaker economic outlook flowing from the global financial crisis is expected to result in fewer car sales. Increasing the luxury car tax threshold for vehicles with fuel consumption not exceeding seven litres per 100 kilometres has led to a luxury car tax revenue that has been revised down by around $20 million in each of the—(Time expired)

Senator ABETZ—Mr President, I ask a further supplementary question. I am sure honourable senators will have noted that Senator Conroy did not answer about the Ford Territory. Can I ask: is it a fact that with the decline in luxury car sales this financial year—at 20 per cent and growing worse—the government’s ill-conceived luxury car tax surcharge will raise tens of millions of dollars less than budgeted, exposing the MYEFO assessment as erroneous? Rather than trying to unscramble the egg—

Senator Chris Evans—Mr President, I rise on a point of order. My point of order is that the second supplementary question asks the minister to give the answer he gave 30 seconds before, which went through exactly that subject matter. I think this is the danger of senators writing out their supplementary questions and then reading them despite the answer given by the minister. The minister replied directly to that and provided that information in his last answer. I do not know if Senator Abetz was listening—clearly he was not. It destroys the whole purpose of supplementary questions if the supplementary question results from the questioner not listening to the earlier answer.

Senator ABETZ—Mr President, on the point of order: the difficulty with the Leader of the Government’s point of order is that he does not understand the issue. The simple reality is this: MYEFO has made certain predictions; the simple fact is that the collapse in luxury car sales now indicates that the MYEFO projection is clearly wrong, and it is that aspect that I am asking the minister about. I know it is embarrassing for the government and that is why a point of order was taken.

The PRESIDENT—There is no point of order. At this stage you still have 27 seconds in which to complete the asking of your question. I will listen to the question in full.

Senator ABETZ—I cannot in the 20 seconds. But I invite the minister to consider: rather than trying to unscramble the egg, will
the government instead simply dump their ill-considered and clumsy luxury car tax surcharge, which is hurting Australian farmers, Australian tourism operators and the Australian car-manufacturing sector?

Senator CONROY—As Blackadder would say, ‘A cunning plan, Baldrick.’ As I have already said—and I will now repeat it for the third time in a row—the luxury car tax revenue has been revised down by around $20 million in each year of the forward estimates. This is not the result of the increase in the luxury car tax. The downward revisions are the result of two factors: the weaker economic outlook flowing from the global financial crisis is expected to result, surprisingly, in fewer car sales, and—

Senator Abetz—It is a blame game.

Senator CONROY—The blame game! And increasing the luxury car tax—

Senator Sherry interjecting—

The PRESIDENT—Order! Senator Sherry, shouting across the chamber is disorderly. Senator Conroy is entitled to be heard in silence.

Senator CONROY—The second factor is increasing the luxury car tax threshold for vehicles with fuel consumption not exceeding seven litres per 100 kilometres. So once again— (Time expired)

Water

Senator WORTLEY (2.22 pm)—My question is to the Minister for Climate Change and Water, Senator Wong. I note that the minister yesterday released the CSIRO Murray-Darling Basin sustainable yields whole-of-basin report. Can the minister outline to the Senate the purpose of this study? What does the study suggest about the need to take urgent action in the basin?

Senator WONG—I thank Senator Wortley for the question and for her ongoing interest in the Murray-Darling Basin and the way in which we have to deal with this crisis. I did release yesterday the final report for the Murray-Darling Basin sustainable yields project. Through you, Mr President, I should say that this is a groundbreaking study and an invaluable resource in helping to restore the basin to health. It was first commissioned in 2006 when Mr Turnbull was parliamentary secretary. I invite Mr Turnbull to read this report. In fact, we on this side would suggest that he make it compulsory reading for those on that side who need a stark reminder about why we need to act on climate change, why we need to act to protect the future of the Murray-Darling Basin. We would suggest that he prescribe it as compulsory homework for Senator Boswell, who does not believe that we ought to take action on climate change and who opposes action on climate change, including to the extent of pressuring Australian business to oppose action on climate change.

Key findings of that report include that the total flow at the Murray mouth has been reduced by 61 per cent and the river now ceases to flow through the mouth 40 per cent of the time, compared with one per cent pre water resource development. On the worst-case climate change scenario, you are looking at reductions of around 70 per cent in the Murray, 80 to 90 per cent in the Victorian regions, and the median decline—that is, the midpoint—is still projected to be 11 per cent by 2030. That is nine per cent in the north and 13 per cent in the south. What this shows very clearly is that in terms of climate change, on the basis of the advice given to us by the scientists in the report that Mr Turnbull himself commissioned, we face a future with less rain and less water in the system. What this means is that we have to get on with the long-term job, as this government is doing, as those opposite failed to do, of modernising infrastructure— (Time expired)
Senator WORTLEY—Mr President, I ask a supplementary question. Can the minister advise the Senate on the progress the government has made on purchasing water entitlements and why these water purchases are crucial for the future of the basin?

Senator WONG—As a South Australian senator, Senator Wortley understands why water purchases are important, including in terms of what CSIRO have told us, because what we do need to do is to improve the health of the river. We have to get on with the long-term investments on irrigation infrastructure and we also need to return water to the river through purchasing. This is a government prepared to engage in that. This is a government prepared to enter the water market to purchase water for the very first time in the nation’s history through the national government. So far 23 billion litres of entitlement have been settled, with more being processed. In conjunction with the New South Wales government, we also purchased Toorale Station, which yields an average of 20 gigalitres per annum, and have commenced purchases in the northern and southern basin. So after years of neglect we are making progress on the Murray-Darling.

Of course, those on the other side were originally pleased that we were involved in the purchase, in the water buyback. I can recall Senator Birmingham saying they were pleased that the government is involved in the buyback. (Time expired)

Senator WORTLEY—Mr President, I ask a further supplementary question. Are there any potential threats to the progress in purchasing water entitlements to improve the health of the rivers of the Murray-Darling Basin?

Senator WONG—in response to Senator Wortley, unfortunately there are. Despite the fact that Senator Birmingham and Mr Pyne have indicated support for water purchase—in fact, Mr Pyne wants us to purchase more; he wants a billion litres purchased by the government—we see what the opposition has put out most recently from members such as Senator Joyce, Mr Cobb and Dr Stone. Dr Stone does not mind purchase as long as it is only in New South Wales. I am not sure she has told you, Senator Nash, that she is happy if we purchase but only if it is in New South Wales. We see what has happened to those on that side who understood at least for the purposes of their South Australian electorate that water purchase was necessary to return water to wetlands such as the Coorong, such as Chowilla—all of those icon sites that we know you neglected. Those on that side who understood what was necessary have been rolled, and now I think what we need is to get Senator Birmingham and Mr Pyne and all the other South Australians on that side to go down to Adelaide and tell them that you do not support water purchases anymore. (Time expired)

Asia-Pacific Community

Senator COONAN (2.28 pm)—My question is to Senator Evans, the Minister representing the Prime Minister. Is the minister aware of the recent article in the Australian reporting that the Prime Minister’s plan for a new Asia-Pacific Community has been politely but firmly rebuffed by the majority of countries in the region? Will the minister now inform the Senate which of the 21 or more APEC countries that discussed Prime Minister Rudd’s proposal at the weekend APEC meeting have agreed to join Mr Rudd’s Asia-Pacific Community?

Senator CHRIS EVANS—I thank Senator Coonan for the question. I am not aware of the article she refers to; I have not seen that particular article. But it is true that the Prime Minister has been keen to engage nations in the Asia-Pacific region in stronger ties and stronger joint activity in pursuit of
our mutual interests. To that end he has had Mr Richard Woolcott AO, a former senior diplomat, lead a process by which he is engaged with those countries about the architecture, or potential new architecture, for enhancing that greater engagement in the Asia-Pacific region. As I understand it, that is a matter that is still in progress. No doubt it is a matter that the Prime Minister is also discussing at the various international forums with leaders of those nations. Senator Coonan, I thought you would support that—

Senator Coonan—Mr President, I raise a point of order, in the spirit of trying to cooperate in relation to how these new question times work and in respect of direct relevance. The question was: which of the 21 or more countries have actually agreed to join Mr Rudd’s Asia-Pacific Community? That is a very specific question that is susceptible to a ruling relating to direct relevance. Similarly to Senator Abetz, I am not suggesting that you should rule now, but that seems to me to very fairly and squarely raise the issue of direct relevance.

Senator Ludwig—Mr President, on the point of order: Senator Evans was directly relevant to the question that was asked. Senator Evans was dealing with the engagement of the Australian government with the Asia-Pacific area, which is exactly on point in respect of this matter. He has minutes to go to deal with the issue. Of course, what the question is asking for is a specific answer to a specific question, but the question is: is Senator Evans being directly relevant to the question? The answer is yes. He is dealing with the question and he has a minute to run in respect of the question.

The PRESIDENT—There is no point of order. Senator Evans, you have 52 seconds in which to continue your answer to the question.

Senator CHRIS EVANS—Thank you, Mr President. That implies that I had only got one minute and eight seconds into the answer when Senator Coonan interjected and took a point of order. I am trying to do my best to answer the question she directed to me.

As I was saying, that diplomatic initiative is continuing. Mr Woolcott is visiting a range of countries to discuss with them the potential new regional architecture and the Asia-Pacific Community proposal. That is a diplomatic initiative that obviously involves confidential discussions with those countries, the development of the proposal and countries’ responses, and no doubt those countries will also want to discuss among themselves the initiative. So, as I understand it, that process is continuing and the engagement is occurring. (Time expired)

Senator COONAN—Mr President, I ask a supplementary question. I noticed that Senator Evans was unable to say which of the 21 or more APEC countries have agreed. Will the minister advise the Senate whether any regional country at all, even one, has clearly committed to progressing the Prime Minister’s APC plan—or has it been reduced to a community of one?

Senator CHRIS EVANS—I understand Senator Coonan is new to the Foreign Affairs portfolio, but I would suggest to her that it is highly unlikely that, in trying to develop new regional architecture, you are going to have individual countries responding individually as the whole question and approach is discussed. Clearly that is not the way international relations work. As I understand it, the initiative that has been led by Mr Woolcott is continuing. He has been travelling extensively through the Asia-Pacific region discussing the Prime Minister’s suggestion, discussing responses with our counterpart countries. It is something that is being actively
considered by those countries and, when a consensus or results emerge from that, I am sure the Prime Minister will be reporting to the parliament.

Senator COONAN—Mr President, I ask a further supplementary question. Given that Senator Evans has been unable to nominate even one country or any countries collectively—none have responded collectively or individually at all—and regional neighbours have poured cold water on the proposed Asia-Pacific plan, when will the Prime Minister abandon this poorly thought out and ill-conceived proposal?

Senator CHRIS EVANS—I find Senator Coonan’s attitude disappointing in that she takes such a negative approach to what I thought was a fairly broadly supported desire to improve the engagement of the Asia-Pacific region, to ensure that we work more cooperatively with our neighbours in our mutual interests. We on this side, on the government side, actually think that such engagement is in our mutual interests, and we would urge you to provide the support that I think is warranted for that greater engagement. We face a number of global challenges, be it the financial crisis or climate change, and the government believe working closely with our neighbours in the Asia-Pacific region is in our national interest. I would urge you to join us in that approach.

Climate Change

Senator BOB BROWN (2.35 pm)—My question is to the Minister for Climate Change and Water. I ask: is it a fact that the Intergovernmental Panel on Climate Change says developed countries should reduce emissions by between 25 and 40 per cent? Will that be a basis of negotiations in Poznan? And will the minister be announcing Australia’s 2020 target for emissions reduction crucial to the emissions trading scheme before, during or after her visit to Poznan?

Senator WONG—First, in relation to the 25 to 40 per cent issue, Senator Brown, you and I have had a discussion; you have asked me a question about this issue previously. That is one of the scenarios in one of the—from memory—working group annexes to the IPCC report. So it is one of the propositions that scientists have put as a basis for burden sharing in order to achieve various parts per million targets—550, 450 et cetera. They are, from some developing countries’ perspectives, one of the issues that they have placed on the table.

Can I say—and this is a very important issue—that the issue of how to best allocate reductions in emissions across countries around the globe is really at the crux of the international negotiations. And these negotiations have been made even more difficult on that front by the sort of development that we have seen in recent years, as the senator would be aware, in Professor Garnaut’s report. In his final report there is quite a graphic illustration of the effect of the increase to mid-century of major developing economies continuing to develop. So one of the key issues in the negotiations, Senator Brown, will be: what are developed countries prepared to do? And what are, to use the negotiating terms, the deviations from ‘business as usual’ measures that developing countries are prepared to engage in? So a lot of what was discussed in the context of Bali, and is discussed in the context of those two paragraphs of the Bali roadmap, which I know Senator Brown is familiar with, is essentially—(Time expired)

Senator BOB BROWN—Mr President, I ask a supplementary question. I will try again. The minister says the key issue is: what are developed countries to do? My question is: what is this developed country to
do, Minister? And will you be announcing
the 2020 target for Australia before you go to
Poznan in a couple of weeks, while you are
at those international discussions in Poznan
or after Poznan in the run to Christmas?

Senator WONG—Senator Brown, you
asked me: what is this developed country to
do? This developed country, under this gov-
ernment, has ratified the Kyoto protocol and
has put out—

Opposition senators interjecting—

Senator WONG—Those opposite want
to interrupt on this issue. We know they are
the ones who do not want any action taken
on climate change. The government has put
out a very comprehensive proposition for a
Carbon—

Senator Bob Brown—Mr President, I
rise on a point of order. There is just a one-
minute question and answer here, but my
question was: what is this developed country
to do in terms of its target for 2020? The
question was not wider than that, and the
minister knows that.

The PRESIDENT—There is no point of
order. Senator Wong, I draw your attention to
the fact that you have 35 seconds in which to
answer the question.

Senator WONG—I simply make the
point on the question of what this developed
country is to do that we are going to imple-
ment an effective Carbon Pollution Reduc-
tion Scheme to reduce Australia’s green-
house gas emissions, because we understand
that reducing those emissions is a key part
not only of preparing Australia for the fu-
ture—not only a key economic challenge for
the present and for the future but also critical
to these international negotiations. In terms
of targets, the senator knows we have been
very clear that we will announce our targets
in December, next month—(Time expired)

Senator BOB BROWN—Mr President, I
ask a further supplementary question. We
have narrowed it to December. My supple-
mentary question is: will the minister an-
nounce the target for 2020 before she goes to
the international conference in Poznan?

Senator WONG—The government has
not announced the date on which it will
make that announcement, Senator Brown.

Senator Bob Brown—I am asking you
now.

Senator WONG—You can ask me the
question, Senator Brown, but accountability
in question time does not mean that the gov-
ernment indicates prior to making a decision
what its position is. The government has not
yet announced that. But I will be clear about
this—

Opposition senators interjecting—

The PRESIDENT—Order! Senator
Wong, resume your seat.

Senator Bernardi interjecting—

Senator WONG—I will take the interjec-
tion about ‘blinkers’, because that really ap-
plies to you, Senator Bernardi—and to Sena-
tor Minchin, and to all those on that side who
do not want to believe that climate change is
real. I say something to the Greens: whatever
your criticisms of us, those on the other side
represent the greatest threat to this country
taking action on climate change, and Senator
Brown knows that.

Agriculture

Senator PAYNE (2.41 pm)—My question
is to the Minister representing the Minister
for Agriculture, Fisheries and Forestry, Sena-
tor Sherry. I refer the minister to comments
made by the Minister for Agriculture, Fisher-
ies and Forestry in a speech to the United
Nations Food and Agriculture Organisation
on 19 November:

Governments must refocus on investment in agri-
cultural research and development to boost pro-
ductivity within the constraints of land and resource availability.

What steps will the government take to ensure that this approach is upheld in government policy in all Australian jurisdictions?

Senator SHERRY—That is indeed a very good question. I want to observe that 19 November was my birthday, and unfortunately I was not reading the transcript of the minister’s speech presented at the United Nations. So I will regretfully have to take that one on notice.

Senator PAYNE—Mr President, I ask a supplementary question. I should convey many happy returns to the minister for 19 November. As the minister takes that on notice, in the light of Mr Burke’s statement about the importance of investment in agricultural research, can the minister advise whether Minister Burke has made representations to Minister Carr about the CSIRO being forced to close the Rendel livestock research laboratory in Rockhampton and the plant research laboratory in Merbein near Mildura and being forced into the 50 additional job cuts in science research generally?

Senator SHERRY—We are ranging very far and wide geographically. We have gone from the UN to a number of places in Australia.

Opposition senators interjecting—

The PRESIDENT—Order!

Senator SHERRY—Thank you, Mr President. As I was saying, I do find it somewhat puzzling that a supplementary question—and there will be another one coming, I am sure—can be posed about a speech at the UN and then we switch back to Australia and it is still relevant. I will not decry the question on the grounds of relevance, but it is an interesting development. As I indicated previously, I am happy to take the question on notice.

Senator PAYNE—Mr President, I ask a further supplementary question. I remind the minister that my first question was about refocusing on investment in agricultural research, so the first supplementary question was directly relevant. My second supplementary question—let me not disappoint the minister—is: can the minister advise how Mr Burke’s comments measure up with the New South Wales Labor government’s decision to sell off nearly 90 per cent of Hurlstone Agricultural High School in Western Sydney and its productive land, and also the world-leading Glen Innes Agricultural Research and Advisory Station? Will the minister make representations to the New South Wales Labor government to prevent these sales from occurring, both in Glen Innes and at Hurlstone, and Hurlstone itself becoming unviable and no longer productive?

Senator SHERRY—I do not think it would surprise the questioner, given that this is her third attempt in a very, very wide-ranging question—geographically at least, and on a range of issues—that, in order to provide her with a fully informed answer, I will take it on notice.

Economy

Senator HURLEY (2.45 pm)—My question is to the Minister for Superannuation and Corporate Law, Senator Sherry. Can the minister outline to the Senate the importance of certainty to financial markets, particularly during this period we are experiencing, with the global financial crisis causing significant turmoil on Australian and international markets? Can the minister outline any critical measures—

Opposition senators interjecting—

The PRESIDENT—Order! Senator Hurley, because of the noise across the chamber I could not hear the question. I ask you to repeat the question, please. Because people
are now taking points of order on relevance of answers, I need to hear the question.

Senator HURLEY—Can the minister outline to the Senate the importance of certainty to financial markets, particularly during this period we are experiencing, with the global financial crisis causing significant turmoil on Australian and international markets? Can the minister outline any critical measures that the Rudd government has taken to provide such certainty and plug gaps left in the regulation of our markets by the former government? Does the minister foresee any threat to responsible, timely and decisive action that will ensure such certainty is delivered before the parliament ends its final session for 2008?

Senator SHERRY—As I am sure all senators and the broader community are aware, we are facing a global economic and financial challenge of massive proportions, and everything that a government should do in order to underline certainty in the current market circumstances needs to be done. We only have to look at the recent bailout of Citibank, in the last day, to illustrate that. Certainty and concerns over confidence are among the key missing ingredients in the global stock market today, and one key area, in which we inherited from the former Liberal government a gap in regulation and supervision, relates to what is known as short selling. Those on the other side of the chamber did nothing about ensuring adequate disclosure of short selling in almost 12 years in government. In that three-month period after the issue of short selling and the inadequate regulatory and supervisory regime, we acted in the national interest to consult with a wide range of players in the Australian market to develop a short selling amendment bill that will do three things: it will, firstly, ban naked short selling—

Senator Bushby—What about the regulations?

Senator SHERRY—It is regulation; spot on. It is regulation and supervision that is entirely necessary in the current market circumstances. We are going to ban short selling. We are going to boost the powers of ASIC to ensure that the corporate watchdog has the necessary powers, and we are going to put in place the world’s best practice disclosure regime—that is if those opposite will allow us to, because what they are proposing to do is to defer for three months this vital bill to underpin confidence in the Australian stock market. They are going to defer this bill, on a motion to come to the Senate later today, for a further three months. Let me be very, very clear. Every day that the legislative gap remains open on disclosure—(Time expired)

Senator HURLEY—Mr President, I ask a supplementary question. Can the minister detail what kind of consultation with industry, with stakeholders and with the broader community has been held on the government’s package to better regulate short selling by requiring its transparent disclosure, by banning the questionable practice of naked short selling and by boosting the corporate watchdog’s powers? What new threats are there to bringing this comprehensive process to a conclusion which is in the national interest of the Australian economy?

Senator SHERRY—As I was saying, drafting this vital measure to underpin confidence in the Australian share market has involved extensive consultation over the past nine months. Treasury met with industry starting in March of this year to scope the requirements on short selling. It met with nine stakeholders. Treasury has been in regular contact with the Reserve Bank; with the regulator, ASIC; and the ASX. On 23 September I released a draft bill for four weeks
exposure. Submissions closed on 21 October. Of course, we received a second round of submissions. The bill was introduced into the House of Representatives on 13 November 2008, and still the Liberal opposition, who want to defer this vital measure for another three months at least, cannot make up their mind.

Senator HURLEY—Mr President, I ask a further supplementary question. Whilst undisclosed covered short selling and all naked short selling can damage mum and dad retail investors, can the minister outline the damage to Australia’s reputation that a delay in setting up a legislative regime to require disclosure of covered short selling would cause, and would Australia stand to lose—

Opposition senators interjecting—

The PRESIDENT—Senator Hurley, resume your seat. I do not know whether there is a problem with your microphone but I am having difficulty hearing the question. But there is also quite a deal of noise in the chamber. It is important during question time that I am able to hear the questions. Senator Hurley, please start again.

Senator HURLEY—Whilst undisclosed covered short selling and all naked short selling can damage mum and dad retail investors, can the minister outline the damage to Australia’s reputation that a delay in setting up a legislative regime to require disclosure of covered short selling would cause, and would Australia stand to lose?

Senator SHERRY—Thank you for that very important further supplementary question. Unfortunately, there is a potential delay in the passage of this legislation for at least a further three months. This particular piece of legislation, as I have outlined, provides vital regulatory framework that is important to the supervision of and the confidence in the Australian share market, and this is to be delayed, on resolution of the opposition, for a further three months. One of the great difficulties in this approach—aside from the fact the Liberal opposition obviously cannot make up their mind about this particular issue after one year’s debate and consultation, following a gap in the law that they left for 12 years—is that the regulator is actually trying, after lifting a temporary ban on short selling, to implement a covered short selling regime and a total ban on naked short selling. Unfortunately, it does not have the regulatory powers that it needs to underpin the regime that it is in fact trying to implement at the present time in current, very difficult market circumstances. (Time expired)

Disability Services

Senator BERNARDI (2.52 pm)—My question is to the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, Senator Evans. Will the minister confirm that the government is considering transferring all responsibility for the provision of disability services over to the state and territory governments?

Senator CHRIS EVANS—I thank Senator Bernardi for the question. I do not have a specific brief on this other than that I do understand that as part of the COAG process, as Senator Bernardi would no doubt be aware, there have been discussions between the states and the Commonwealth about the appropriate arrangements for responsibilities in the family and community services area with particular reference to aged care and disability services and community care—in the HACC program and others—and that that is part of the COAG discussions. I do understand that the better delineation of responsibility for disability services is part of those discussions. From my own experiences when in opposition, in the portfolio that
Senator Bernardi now holds, I know that the confusion and lack of clear responsibility lines in the disability area was a major problem in the sector and, I think, was a barrier to the proper use of resources and to effective public policy. But I will take on notice that question—in the sense of where those discussions are up to—from the senator. As I say, I know it has been the subject of the COAG discussions. I do not have a brief with me that would inform me of where those are at currently, but I will happily take that on notice for him and get him that information as soon as possible. I think that will help answer his question.

Senator BERNARDI—Mr President, I ask a supplementary question. I would just mention to the minister that a meeting was to be held on 17 November and I was hoping that he would be able to report on it, but I refer the minister to the following circumstances: last year 1,770 people with disability applied to the New South Wales government for permanent accommodation, yet only 64 were provided with a place. This is the same government who allowed disability accommodation houses to remain vacant for up to 20 months. I also say to the minister that the Tasmanian Labor government announced they were transferring provision of disability services to not-for-profit organisations, and a report commissioned by the Tasmanian government found that it was becoming increasingly difficult for the state to ensure quality services. In the light of these circumstances, Minister, do you really believe that the state and territory governments are capable of delivering adequate disability services?

Senator CHRIS EVANS—I thank Senator Bernardi for the supplementary question. What I would say, in the absence of a detailed brief, is that I think that all governments—state and Commonwealth and of both persuasions—in the last 20 years have failed people with disabilities. I think that is quite clear, be it over questions of care for young people with disabilities or be it over appropriate housing for people with disabilities. I think we, as parliamentarians who develop public policy, have all failed. The services are inadequate; the funding is inadequate. I think there are serious attempts to try and address that now. I know that Senator Kay Patterson, the minister in the former government, made it a focus of her efforts, and I know that Minister Macklin is doing so. When we deinstitutionalised in the area of mental health and some of those disability services, I think we failed to put in place appropriate support and services, and so the area has been a disaster in my view—(Time expired)

Senator BERNARDI—Mr President, I ask a further supplementary question. Is the minister prepared to guarantee that any changes in the services that the government introduces would not result in further disadvantage for those with a disability?

Senator CHRIS EVANS—All I can say is that I think there is a genuine engagement on these issues between the state and Commonwealth governments. I am sure also that the new Western Australian Liberal government will engage seriously with them, because there has been a level of bipartisan support in WA on making progress in these areas. So what I will guarantee is that I think this process is a welcome process and that I hope we will make headway in better delineating responsibilities and better resourcing assistance, in order to finally tackle what is one of the blights on Australia’s social progress in the last 20 years. This area of disability and mental health, I think, does no credit to public policymakers of either side of politics, and I hope we will get positive results out of the COAG process in order to provide much better services and much better support than has been provided in the past.
Commonwealth Scientific and Industrial Research Organisation Pyrotron

Senator FARRELL (2.57 pm)—My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Can the minister explain to the Senate how the new CSIRO Pyrotron bushfire simulator will benefit the Australian community?

Senator CARR—Thank you, Senator Farrell. I certainly can tell you. Bushfires have a devastating effect on communities around the country, and nobody understands that better than the people of Canberra—both permanent residents and those of us who spend a large part of our working lives here. The firestorm that engulfed the city on 18 January 2003 claimed four lives. Unfortunately, this was not an isolated incident. The Eyre Peninsula bushfires of 2005 left nine people dead. The Ash Wednesday fires of 1983 killed 75 people in Victoria and in South Australia. The Hobart bushfires of 1967 resulted in 62 deaths.

Opposition senators interjecting—

Senator CARR—You might not be interested, but the CSIRO Pyrotron will help us avoid disasters like this in the future. It will usher in a new era of bushfire research in Australia. Up until now, researchers have been obliged to study bushfire behaviour by lighting fires in the open. The problem with that, of course, is that they can only do it in mild weather, making it difficult to draw conclusions about how the fires might behave in extreme conditions. Field experiments are also hard to control, and impossible to repeat precisely.

The CSIRO Pyrotron will help us to overcome all of these limitations. It fights fire with fire. The Pyrotron is a 25 metre long wind tunnel in which researchers can create and observe fires. It will enable scientists to simulate the behaviour of fires, study the mechanisms by which they spread and understand the chemistry of combustion. This will give fire authorities the practical information they need to suppress fires more effectively and with fewer risks to firefighters on the front line. It will also help save lives and protect— (Time expired)

Senator FARRELL—Mr President, I ask a supplementary question. Can the minister inform the Senate what economic benefits we can expect from the CSIRO Pyrotron?

Senator CARR—Bushfires exact an enormous human toll but they also destroy huge amounts of public and private property. They are job destroyers in agriculture, in forestry and in tourism. The ACT fires of 2003 laid waste to invaluable infrastructure, including the historic Mount Stromlo Observatory. They did enormous damage to rural properties and razed over two-thirds of the Australian Capital Territory’s pasture, forests and parks. Bushfire costs Australia around $70 million a year and has cost more than $2.5 billion over the last four years. The Pyrotron will enable us to limit the economic damage caused by bushfires. It will help us improve not only the way we fight fires but also the way we manage our land and forests. It will give us the information we need to minimise the risk. (Time expired)

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Australian National Academy of Music

Senator WONG (South Australia—Minister for Climate Change and Water) (3.01 pm)—I have some further information in response to a question asked yesterday by Senator Milne. I am advised that the government considered a number of options for the delivery of elite level classical musical training. On 31 October 2008, following Minister Garrett’s announcement of 22 Oc-
tober that the Australian government would no longer provide funding to the ANAM from 2009, he met with representatives from the University of Melbourne to discuss the future delivery of this important training in Australia. I am advised that, specifically, neither Minister Garrett nor his department had any discussions with any representative of the University of Melbourne regarding the withdrawal of funding from the ANAM prior to his announcement on 22 October. The AIMP model is the only model that fully meets all of the government’s objectives consistent with the two independent reviews of the ANAM. I am advised that continuity of training for ANAM 2009 students was at the forefront of Minister Garrett’s mind and that the University of Melbourne has agreed to facilitate appropriate transitional arrangements for students.

I am further advised that this proposal is not a new idea. The University of Melbourne has been discussing the idea of bringing together its affiliated music training organisations since late 2005 as a controlled entity of the University of Melbourne. Representatives from ANAM’s management team were involved in these discussions. In February 2006, ANAM management wrote to the University of Melbourne indicating their interest in being involved in the new Melbourne conservatorium project, subject to the resolution of issues surrounding autonomy and independence. In March 2006, a feasibility study for the proposed new conservatorium of music for Melbourne was tabled and included a recommendation for fruitful collaboration in a shared facility. In June 2006, the ANAM advised that it wished to be involved in the planning stages of the new Melbourne conservatorium proposal. In June 2007, the ANAM executive discussed the new Melbourne conservatorium proposal and advised the then minister, Senator Brandis, that it did not wish to pursue the new model.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Broadband

Budget

Senator ABETZ (Tasmania—Deputy Leader of the Opposition in the Senate) (3.04 pm)—I move:

That the Senate take note of the answers given by the Minister for Broadband, Communications and the Digital Economy (Senator Conroy) to questions without notice asked by the Leader of the Opposition in the Senate (Senator Minchin) and Senator Abetz today relating to the national broadband network and to the luxury car tax surcharge exemption.

The humiliating need by Labor to introduce a luxury car tax amendment bill—or, more correctly, the ‘Labor Incompetence Correction Bill’—highlights how Labor handles public policy issues. The luxury car tax surcharge was born out of old-fashioned class warfare. But the simple fact is that it has not deterred and will not deter to any great extent those people that can afford to buy the genuine luxury cars. It will do what we the opposition predicted it would do—hurt Australian farmers, Australian tourism operators and Australian car workers. Of course, now the Labor Party have rushed back into this place with the tax law amendment bill dealing with their faults in the luxury car tax. Senator Conroy tells us that he as a minister cannot speculate on legislation that is about to be introduced into this place, completely oblivious to the fact that his colleague that he represents in the other place had, in fact, not only introduced the bill but also given the second reading speech before lunchtime.

This is the disconnect that exists within this Labor government. The minister in this place, who should have been aware that the legislation was being introduced, was com-
pletely and utterly oblivious. When you do point it out to him, all you get is abuse hurled back at you. This is Labor public policy for all to see, and it does not reflect well on them. The car industry in this country is going through a massive problem. What do we have? The first thing Labor does is introduce a luxury car tax. Then it introduces regulations to ensure, just in case four-wheel drives are exempted in certain categories, that the four-wheel drive Ford Territory will not be a beneficiary of the exemption. This is Labor incompetence shown and disclosed to the world at large. This is undermining the confidence of investors and purchasers of Australian motor vehicles.

On top of that, we now have the bungled bank guarantee legislation which has seen the flight of capital from the non-guaranteed institutions to the guaranteed institutions. Guess who the first casualties are: the car dealers and the consumers that rely on finance—in relation to their floor plans and their purchases of motor vehicles respectively. That has been another whammy to the Australian car industry. And what do Senator Carr and Mr Rudd do? They bring in their $6.2 billion plan—so called—to save the car industry. But what they are providing is a long-term diet for a car industry that is haemorrhaging as we speak. The $6.2 billion is of no assistance to the car dealers. If we do not have car dealers and people purchasing from car dealers, it obviates the need for Australian car manufacturers to make cars. I invite the government to take a holistic approach to the Australian car industry and address all of the needs.

I also make this plea to the Minister for Innovation, Industry, Science and Research, Senator Carr, who is allegedly in charge of the car industry: do not dabble in foreign affairs; it is way beyond your capacity and comprehension. His silly partisan commentary in relation to the United States and the US congress not passing certain legislation and his trying to blame the conservative side of politics, the Republicans, has now exploded in his face because President-elect Obama has said that the congress was right to refuse the passing of the legislation. So here we have the accident-prone Senator Carr condemning the United States Republicans only to have Democrat President-elect Obama confirming that the congress in fact did the right thing. I suggest, Senator Carr, that you stop playing in foreign affairs and deal with the issues facing the car industry today. The fundamental issue is the finance package so desperately required for the car dealers of this country.

Senator STERLE (Western Australia) (3.09 pm)—It is always a pleasure to follow on from Senator Abetz so that I can put some sense into the debate. I also rise to take note of questions and answers given today. You would have to have been living in a cocoon to not understand that the world is facing the worst global financial crisis since the depression in the early part of last century. It just baffles me to hear some of the tripe that comes from those opposite. If they were fair dinkum about improving Australia’s lot and securing us for the future, you would think that they would not have spent all that time blocking budget bills as they did earlier on this year.

The Rudd government is acting now for Australia’s long-term future. This may come as a shock to those opposite: we on the Labor side of politics, in the Rudd Labor government, do not make decisions to get us through from poll to poll like the previous Howard government. At the beginning of every month they lived for the Newspoll to come out so they could see how they were travelling and what they could invent for a new issue and how to avoid major issues like workplace relations, emissions and global warming. It really does alarm me that this is
the intelligentsia in charge of questions on
the other side of the chamber.

I want to talk more about the car industry,
as Senator Abetz started the ball rolling. Yes-
terday I noted with glee that, in this chamber,
Senator Carr announced the saving of some
1,300 jobs in the fine Victorian city of Geo-
long. I would have thought that we would
have been congratulated and patted on the
back for taking that initiative—unlike those
opposite, who in their 12 years hid under the
guise of productivity and flexibility and
could not wait to see jobs disappear.

While I am at it, I will congratulate the
Rudd Labor government on its announce-
tment today of the Fair Work Bill. This really
is a wonderful day, yet I have to stand up
here and defend our initiatives in saving the
car industry and listen to some of the rubbish
coming out of Senator Abetz’s mouth about
what we are not doing. For goodness sake—
$6.2 billion to prop our car industry. Whether
the other side of politics likes it or not, I
think we should be congratulated for doing
everything we can to save jobs and, very
importantly, save manufacturing jobs in this
country. One thousand three hundred jobs
were saved yesterday.

I want to talk a bit more about our $6.2
billion plan to make the automotive industry
more economically and environmentally sus-
tainable by 2020. It would help if those op-
opposite actually realised that this government
was given a mandate at the last election.
Whether they like it or not, the people of
Australia voted with their feet. One of the
major issues that resoundingly tipped the
scales in favour of the Rudd Labor govern-
ment was climate change. There are no ifs or
buts about that. We make no apologies on
this side of the chamber for doing everything
we can not only to secure Australia’s future
prosperity but to tackle climate change. If
that means putting $6.2 billion into a plan to
save Australia’s automotive industry, then
congratulations to us—well done. This is
what we should be doing; we should be
planning for the future and not going from
Newspoll to Newspoll like that lot opposite.

I will take the opportunity to talk about
those opposite, because it is great to see
Senator Abetz leading the argument. I was
flicking through the papers early this morn-
ing and I noticed an article by Christian Kerr
in the Australian talking about the ‘Libs’
growing hunger’. There are a couple of lines
that I want to quote of Mr Kerr’s interviews.
I think that he was talking to a number of
anonymous frontbenchers from the opposi-
tion. One of his quotes is:

Although they will not say so directly—
‘they’ being those opposite—
many Liberals were relieved John Howard lost
his seat in last year’s election.

There are a lot of good, hardworking mem-
bers of parliament who unfortunately lose
their seats through no fault of their own. But
I have to be fair to the unnamed frontbencher
or those who would not own up: I was quite
happy that Mr Howard lost his seat at the last
election too.

But another quote that was used, and no-
one put a name to it, was:

‘We’ve—
being the Liberals, I assume—
got rid of the biggest problem, which was the
leadership …’

Great! One would think you get rid of the
biggest problem, the leadership, and every-
thing works out fine. But it goes on:

‘When Nelson’s leadership terminated, the influ-
ce of a lot of the old Howard brigade—
I hope those opposite are listening—
was terminated too.

(Time expired)
Senator RYAN (Victoria) (3.15 pm)—This is the first time that it has been my privilege to follow Senator Sterle. It is quite amusing to do so, because what we have just heard from Senator Sterle is the standard mantra that we hear from government speakers—members of a government that has been in search of a narrative and a purpose since it got elected just over a year ago. If it was the inflation genie 10 or 12 months ago, it is now about the global financial crisis. It is a government that is stunt driven and poll driven.

It is interesting that Senator Sterle referred to his concerns about unemployment, because the one thing that I will stand here and be very happy to have compared is the previous government measured against the current government on unemployment. If this government ever sees an unemployment figure with a three in front of it, I will not be the only one who will be amazed. I will be one of several hundred thousand Australians who will have a job despite this government having predicted, before it started talking about the global financial crisis, that jobs would be lost. The government talks about its mandate. It does have a mandate. It promised fiscal conservatism. It promised to keep a surplus. It promised to keep the economy growing strongly. I look forward to the government continuing to deliver on those promises over the coming 12 months.

I have risen this afternoon, in this take note debate, to particularly note the answer given by the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, to the question asked by Senator Minchin. In a very simple question, Senator Minchin asked the minister if he would commit to releasing the details of the tender for the National Broadband Network after the tenders close tomorrow. I note that is actually four months later than originally promised. Senator Conroy, through sophistry, tried to avoid answering this question by saying he would not make a statement. I want to refer to the words used by the Deputy Prime Minister in the other place yesterday:

We will go through that process, which is obviously subject to considerable legal requirements and considerable probity requirements, even if those things are not understood …

There were a few other comments which included:

The outcome of the tender round will be available and will be transparent for all members of the House later in the week.

Senator Minchin specifically referred to that. Senator Conroy said he would not make a statement. Senator Conroy also referred to probity advice. Senator Conroy did not outline what the probity advice said. I have not heard of probity advice that would actually say, as the minister said, that the tenderers themselves, the bidders, can make the announcement but the government, in receipt of the tenders after the tenders are closed—after the tenders have been finalised—cannot make that announcement. It is unheard of that we can say several billions of dollars of Australian taxpayers’ money can be spent while the people spending it, the government, refuse to commit to releasing the details of those tenders.

The Deputy Prime Minister said it was good enough, but today the minister said that it was not when he said he would not make a statement. That is clearly what the Deputy Prime Minister was referring to yesterday. If the minister actually has probity advice that says these details should not be released, I challenge the minister to table that probity advice to outline exactly what is said about the details of tenders not being able to be released.

This is only one step removed from that lame excuse used by state Labor govern-
ments—whose members have filled the ranks of this government—of ‘commercial-in-confidence’ when millions and millions of dollars of taxpayers’ money are being spent but the government will not release the information. The Deputy Prime Minister said that the information would be released but today the minister said it would not be and he relied on probity advice. So he should come forward and say what that probity advice said and why he cannot release it.

The truth is we know why this information will not be released, and it is the failure of this government’s broadband policy. The tenders are closing four months late. We do not have a regulatory framework. We do not have a pricing regime and we do not have a commitment that Australian consumers and homeowners, the users of residential broadband services, will not pay more to access this. Now they are telling us we cannot know the bidders. Well, this is a fine way to spend several billion dollars of taxpayers’ money!

Despite this delay, which they announced themselves, and despite the commitment to start building this by the end of the year, they still scrapped the previous government’s OPEL program using WiMax technology that would have seen 750,000 households actually be able to access wireless broadband services. Those 750,000 households are still waiting. They would probably like to know where the billions of dollars are going to go if they ever get spent, so they can find out exactly when they are going to be able to access broadband services. It was interesting that the minister also referred to Baldrick and his cunning plans. If there ever were a successful cunning plan by Baldrick, it is like this minister’s broadband program, because, as we all know, its plans have come to nothing. This secret plan that the minister described is so secret that it does not exist. It is actually time to christen this ‘Broadband Watch’.

**Senator PRATT** (Western Australia) (3.20 pm)—Having risen in this take note of answers debate, I note it is a spectacular week in which to be able to reflect on the government’s narrative. Here we are, a year after the election of the Rudd Labor government, being able to reflect very proudly, I think, on our achievements. This week we have delivered and brought into the public arena our Fair Work Australia legislation. Look at the mandate that we received from the people on this issue. Here we are in this parliament with the legislation having been introduced into the other place, legislation that delivers fairness for working families, fairness for the underpaid and fairness in the bargaining process. What else have we got to say about our narrative? Well, here we are tackling climate change—

**Senator Parry**—I rise on a point of order, Mr Deputy President. It goes to relevance as to the topic. We are discussing and debating the motion to take note of the answers given by Senator Conroy, not the performance of the government over the last 12 months.

**The DEPUTY PRESIDENT**—We do usually allow fairly broad discussion in taking note of answers, but I would remind Senator Pratt that the motion was to take note of the answers given by Senator Conroy today.

**Senator PRATT**—Thank you, Mr Deputy President. After talking about climate change, I would now like to acknowledge the economy. It was going to be my next topic, but one of the achievements that I think the government can look to is its substantial progress on delivering on the broadband agenda. All of the issues that I have highlighted were key issues at the last election: Work Choices, moving towards Fair Work Australia; climate change and the lack of progress of the previous government on an emissions trading scheme; high inflation, high interest rates
and mismanagement of the economy, on which Labor is now delivering stable financial management in this time of crisis; and progress towards the kind of telecommunication and information infrastructure that this country so desperately needs. I would like to congratulate and commend Minister Conroy on the way he has managed this very large and substantial process. A lot of money is being put through this tender process. These are substantial and weighty matters, and I would like to compliment him on the way in which he has conducted himself. It is very important that he listens to important probity advice.

The Deputy Prime Minister said yesterday that there will be full public knowledge of the bids because it is up to the bidders themselves to announce the bids. The Deputy Prime Minister did not indicate that the government would be making a statement on the number of bids. Our government’s process is consistent with the probity advice received. I do not think we should be making ongoing comments on the number of bids, who the bidder is or what is contained in the bidding process because, frankly, they do not add any value to the process. We have significant, weighty issues before us, and they are far more substantial than that.

In 11½ years those opposite stood by and did nothing while our international peers started to roll out high-speed fibre based networks. You were too slow. In its election commitments, the Rudd government recognised the need for a long-term approach to nation building. Indeed, it is part of ensuring our nation’s prosperity. So we put together a $4.7 billion plan to facilitate the rollout of the national broadband network. As we all know, broadband is critical infrastructure today. Frankly, the electorate of Australia judged the opposition’s plans in this regard as simply not good enough. They could see through them.

I understand the frustrations of my constituents in not being able to receive the level of service that they require. Businesses and individuals need to do business more efficiently, and so completely new technology is required. People did not anticipate the significant demands that would be placed on our system—the opposition certainly did not. But the Rudd Labor government did. It put together these very substantial changes. We are looking at the necessary regulatory changes. We have also said that the network needs to foster the kind of competition that we require through—(Time expired)

Senator WILLIAMS (New South Wales) (3.25 pm)—May I just comment on Senator Pratt’s remarks in this take note of answers debate. She said that substantial progress has been made by the Rudd Labor government in the rollout of the national broadband network.

Senator Pratt—Eleven and a half years you had.

Senator WILLIAMS—The echo on the sideline said 11½ years. Let us look at the promises that the Rudd Labor government made before the election. I will take you to the first promise. Before the last election, Labor promised that within six months it would have chosen a tenderer for the national broadband network and that construction would commence before the end of 2008. Six months from 24 November last year would take us to around May. Tomorrow we are expected to hear something from the tenderers, and let us hope that they include several, especially Telstra.

The bids are due tomorrow. Telstra, which is one of the two key potential bidders, is unsure as to whether it will lodge a proposal because of a lack of clarity and because of a concern about the type of partnership arrangements and conditions the government will impose on it. Telstra says that it would
be virtually impossible to build a national broadband network in the five years that Labor claim—another broken promise from their election promises last year. Senator Conroy told the Age on 2 March 2008:

I expect to be able to give final Government approval by the end of August or early September, and hope construction will commence before the end of the year.

How are these time bands and promises from the government looking? Where are they taking us in terms of the rollout of a national broadband network? It is looking very sick. Senator Pratt talks here of 'substantial progress', and we are almost to the end of the year when the rollout is supposed to commence. We have not closed down the tendering business yet. We have not appointed a tenderer. How can we start in the next four weeks? Is Santa Claus going to start the rollout on his travels around the nation on Christmas Eve? That is about the only hope we have got for a start on it.

I make the point that the coalition’s policy, when in government, was to work in partnership with the private sector to deliver a competitive, state-of-the-art broadband network to increase availability of high-speed services to 99 per cent of premises by the end of 2009. Telstra’s words are: ‘It cannot be done and it is very unlikely that it will be done within five years.’ This takes us to 2013-14. My worry is: by the time the $4.7 billion is spent and the technology has been rolled out, will it be old hat technology? Is new technology going to come along and wind it out? Will we see $4.7 billion wasted? Minister Conroy says that the technology will go to 98 per cent of Australians. I wonder where the two per cent will be? Will it be in Pitt Street, Sydney? Perhaps Rundle Mall in Adelaide? I do not think so. I know where the two per cent will be: it will be people out in the rural and remote areas who will be missing out again.

This is where the government ought to sharpen its act, have a look at what it is doing to the very people who earn our export dollars and see that they get a fair go. All we have had is talk, political spin and the promise of spending $4.7 billion on a rollout, which up till now has delivered absolutely nothing. It is like many of the promises we got last year: the government was going to be fiscally responsible, and now the money tin is empty. Labor is very good at emptying the money tin. We have seen that for decades. No doubt the first thing the coalition will have to do when they get back into government is clean up the finances again.

Question agreed to.

Climate Change

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.30 pm)—I move:

That the Senate take note of the answer given by the Minister for Climate Change and Water (Senator Wong) to a question without notice asked by Senator Bob Brown today relating to carbon emission reductions.

I want to take note of the question I asked of the Minister for Climate Change and Water, Senator Wong, and her failure to respond to that very simple question. I asked her when the government was going to release its target for greenhouse gas reductions for the year 2020. Nearly every like country in the world has announced a target, and the International Panel on Climate Change annexure, as the minister would have it, has said that developed countries ought to be aiming at 25 to 40 per cent. The Greens’ target is 40 per cent for Australia—that is, a reduction in greenhouse gas emissions of 40 per cent over 1990 levels by the year 2020. That is what the scientists who are charting an increasingly worrying course to catastrophic climate change say is the minimum if Australia is to
contribute to a global effort to prevent runaway catastrophic climate change.

The government has had the Garnaut report for some time now, and the next global conference on greenhouse gas reduction and climate change is in Poznan, Europe, in mid-December. The question I asked the minister was: will you be announcing the government’s target before, during or after that conference? There were three alternatives. Let me look a little at each of those three, remembering that the minister completely ducked the question.

The first was that, sensibly, she would make the announcement here in Australia before she went to Poznan. The basis of the discussions in Poznan will be where, in the range of a 25 to 40 per cent reduction for developed countries, the world will go. The Australian government ought to be aiming at a 40 per cent or, at minimum, a 25 per cent reduction, as the International Panel on Climate Change would have it.

The second alternative was for the minister to make the announcement in Poznan. That would seem strange, as other countries would have made their announcements before they went there, and the matter, right from the outset, has to be debated on the basis of what countries are putting on the table.

The third alternative would be stranger still. That would be for the government not to announce Australia’s target until after the conference where other countries were debating the targets they were going to set, that conference ending on about 12 or 13 December, in the run-up to Christmas. It would present the very worrying prospect of a government that knew it was totally out of step with the Australian people and that wanted to have the uproar amongst Australian people, who are very well versed in the dangers of climate change, about the failure of a target—for example, were the government to adopt the Garnaut recommendation of five to 10 per cent—stymied by the prospect of Christmas. It would be a political cheat of the first order by the Rudd government. I cannot contemplate that a government would be so devious and so lacking in faith in its relationship with the Australian people that it would do that. We are left with questions as to when, in the next week or two, the announcement will be made and why the minister is not making it, so that there can be some debate about it at home before she heads for Poznan.

The other matter related to this is the release yesterday of a report by the Australia Institute indicating that the glitch with any emissions trading scheme is that once it sets limits it effectively sets a floor. Once the government has set an emissions target, that target operates as a floor beneath which emissions cannot fall. What we need to know from the minister or the Prime Minister is: once emissions trading comes into effect in Australia, what about the efforts of Australian families and households to reduce emissions—for example, by putting solar hot water systems on their roofs? Under an emissions trading system, if you effectively save a coal-fired power station giving you hot water, the coal-fired power company has to do nothing about it. (Time expired)

Question agreed to.

NOTICES
Withdrawal

Senator WORTLEY (South Australia) (3.36 pm)—Pursuant to notice given at the last day of sitting, I now withdraw business of the Senate notices of motion Nos 1 and 6 standing in my name for six sitting days after today.
Presentation

Senator Hurley to move on the next day of sitting:

That the Economics Committee be authorised to:

(a) hold a public meeting during the sitting of the Senate on Wednesday, 26 November 2008, from 4.30 pm, to take evidence for the committee’s inquiry into matters relating to the gas explosion at Varanus Island, Western Australia; and

(b) hold an in camera hearing during the sitting of the Senate on Wednesday, 26 November 2008.

Senator Faulkner to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the law relating to access to information, and for related purposes. Freedom of Information (Removal of Conclusive Certificates and Other Measures) Bill 2008.

Senator Payne to move on the next day of sitting:

That the Senate—

(a) notes and agrees with the comments of the Minister for Agriculture, Fisheries and Forestry (Mr Burke) when he called for all governments to refocus on agricultural research and development so as to boost agricultural productivity;

(b) condemns:

(i) the New South Wales Labor Government for eroding agricultural research and development institutions like Hurlstone Agricultural High School and the Glen Innes Research and Advisory Station, and

(ii) the Federal Government’s decision to axe funding to various Commonwealth Scientific and Industrial Research Organisation agricultural research institutions, such as JM Rendel Laboratory for livestock research in Rockhampton, Queensland, and the plant research laboratory in Merbein, Victoria; and

(c) calls on the Federal Government to intervene and prevent the destruction of these institutions and to save the future of the Australian agricultural research and development sector.

Senators Barnett and Fisher to move on the next day of sitting:

That the Senate—

(a) notes the Government’s GROCERYchoice website is:

(i) not delivering any valuable information to consumers with website hits suffering a massive reduction from more than 3 million hits per month on commencement to 104 000 hits in October 2008 and only 54 608 on the last report,

(ii) unable to produce a specific cost of a specific grocery item at a specific supermarket, and in some cases compares supermarkets several hundred kilometres apart,

(iii) damaging to the best interests of independent supermarket retailers,

(iv) wasting $13 million of taxpayer’s funds, and

(v) fundamentally flawed and unable to be improved or upgraded so as to provide any consumer benefit or adequate return on taxpayer funds, irrespective of whether the website is managed and operated by the Australian Competition and Consumer Commission or the consumer organisation Choice; and

(b) calls on the Government to close the website down immediately.

Senator Xenophon to move on the next day of sitting:

That the Senate—

(a) notes the role of the United Nations (UN) Special Envoy for Cyprus, the Honourable Alexander Downer, to achieve a just and lasting solution to the Cyprus problem; and

(b) urges the Australian Government to continue its support for the independence,
sovereignty and territorial integrity of the
Republic of Cyprus, and for a just and
lasting solution to be achieved in ac-
cordance with UN Security Council resolu-
tions on Cyprus which embody the princi-
bles enshrined in international and Euro-
pean Union law and norms.

Senator Heffernan to move on the next
day of sitting:
That the following matter be referred to the
Rural and Regional Affairs and Transport Com-
mittee for inquiry and report by 19 March 2009:
Issues relating to the import risk analysis
(IRA) for the importation of Cavendish
bananas from the Philippines, including:
(a) Biosecurity Australia’s administration of
the IRA process;
(b) the scientific and technical information
relied upon by the IRA team;
(c) the feasibility of the risk management
measures and operational arrangements
proposed in the final IRA report; and
(d) the capability of the Australian Govern-
ment and, in particular, the Australian
Quarantine Inspection Service to monitor
and enforce compliance with the risk
management measures and operational ar-
rangements proposed in the final IRA re-
port.

Senator Ian Macdonald to move on the
next day of sitting:
That the Senate—
(a) notes the backflip of the Queensland Gov-
ernment in deferring the construction of
the Traveston Crossing Dam; and
(b) calls on the Queensland Government to
remove the social threat to people living in
the Mary Valley and to ensure protection of
the Mary River cod, Mary River turtle
and the Australian lungfish, by perma-
nently shelving the proposal to construct
the Traveston Crossing Dam.

Senator LUDWIG (Queensland—
Minister for Human Services) (3.37 pm)—I
give notice that, on the next day of sitting, I
shall move:
That the provisions of paragraphs (5) to (8) of
standing order 111 not apply to the Guarantee
Scheme for Large Deposits and Wholesale Fund-
ing Appropriation Bill 2008, allowing it to be
considered during this period of sittings.
I also table a statement of reasons justifying
the need for this bill to be considered during
these sittings and seek leave to have the
statement incorporated in Hansard.

Leave granted.

The statement read as follows—

Purpose of the bill
The bill provides a standing appropriation for the
Australian Government’s Guarantee Scheme for
Large Deposits and Wholesale Funding (Guaran-
tee Scheme), which applies from 28 November
2008. The bill also provides a related borrowing
power.

Reasons for Urgency
The Guarantee Scheme is legally binding against
the Commonwealth without a standing appropria-
tion from 28 November 2008. However, potential
wholesale investors need to be confident that any
calls on the guarantee will be met quickly, in the
unlikely event that an Australian authorised de-
posit-taking institution were to default on a loan.
The provision of a standing appropriation from 28
November 2008 will assure international markets
that Australian institutions are, in their wholesale
borrowings, supported by an Australian Govern-
ment guarantee, and that payments made under
that guarantee will be timely.
This will bolster financial system stability, confi-
dence in our banks, building societies and credit
unions, and help ensure the flow of credit to Aus-
tralia’s businesses and households.

(Circulated by authority of the Treasurer)

LEAVE OF ABSENCE
Senator SIEWERT (Western Australia)
(3.38 pm)—by leave—I move:
That leave of absence be granted to Senator
Milne for the period of 25 November 2008 on
account of a family commitment.
Question agreed to.
COMMITTEES
Education, Employment and Workplace Relations Committee
Reference
Mr Senator LUDWIG (Queensland—Minister for Human Services) (3.39 pm)—I move:

That, upon its introduction in the House of Representatives, the provisions of the Fair Work Bill 2008 be referred to the Education, Employment and Workplace Relations Committee for inquiry and report by 27 February 2009.

Question agreed to.

Education, Employment and Workplace Relations Committee
Reference
Mr Senator HANSON-YOUNG (South Australia) (3.39 pm)—I move:

That the following matters be referred to the Education, Employment and Workplace Relations Committee for inquiry and report by 12 March 2009:

(a) the financial, social and industry impact of the ABC Learning collapse on the provision of child care in Australia;
(b) alternative options and models for the provision of child care;
(c) the role of governments at all levels in:
   (i) funding for community, not-for-profit and independent service providers,
   (ii) consistent regulatory frameworks for child care across the country,
   (iii) licensing requirements to operate child care centres,
   (iv) nationally-consistent training and qualification requirements for child care workers, and
   (v) the collection, evaluation and publishing of reliable, up-to-date data on casual and permanent child care vacancies;
(d) the feasibility for establishing a national authority to oversee the child care industry in Australia; and
(e) other related matters.

Question agreed to.

Broadcasting of Parliamentary Proceedings Committee
Meeting
Mr Senator McEWEN (South Australia) (3.40 pm)—I move:

That the Joint Committee on the Broadcasting of Parliamentary Proceedings be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Tuesday, 25 November 2008, from 4 pm.

Question agreed to.

Economics Committee
Meeting
Mr Senator McEWEN (South Australia) (3.40 pm)—At the request of Senator Hurley, I move:

That the Economics Committee be authorised to hold a public meeting during the sitting of the Senate on Tuesday, 25 November 2008, from 6 pm, to take evidence for the committee’s inquiry into the provisions of the COAG Reform Fund Bill 2008 and two related bills.

Question agreed to.

CARBON POLLUTION REDUCTION SCHEME
Mr Senator PARRY (Tasmania) (3.41 pm)—At the request of Senator Abetz, I move:

That the Senate—

(a) notes the comments of various industry figures that the Rudd Government’s so-called consultation with the industry over the Carbon Pollution Reduction Scheme is a ‘one way street’;
(b) agrees with Tasmanian Labor Premier, Mr David Bartlett, who said that the Prime Minister (Mr Rudd) and the Minister for Climate Change and Water (Senator Wong) have ‘got it wrong’ on their proposed emissions trading scheme; and
(c) calls on the Rudd Government to make consultation over the Carbon Pollution
Reduction Scheme a ‘two way street’ and ensure it does not drive Australian jobs offshore.

Question negatived.

PESTICIDES

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.42 pm)—I move:

That the Senate—

(a) notes:

(i) the European Parliament’s Committee on Environment, Public Health and Food Safety vote to ban the use of highly toxic pesticides which endanger human health and to require the use of safer alternatives for other pesticides, and

(ii) the committee’s recommendations that farmers should be obliged to inform retailers of the pesticides they use; and

(b) calls on the Minister for Agriculture, Fisheries and Forestry (Mr Burke) to respond to the Senate on the committee’s recommendations that pesticide makers must prove their products do not have a harmful effect on bees before they can be authorised, in contrast to Australia’s House of Representatives Standing Committee on Primary Industries and Resources report, More than honey: the future of the Australian honey bee and pollination industries, which has only recommended better labelling of pesticides that affect bees.

Question agreed to.

COMMITTEES

Economics Committee

Extension of Time

Senator EGGLESTON (Western Australia) (3.43 pm)—I move:

That the time for the presentation of the report of the Economics Committee on the provisions of the Corporations Amendment (Short Selling) Bill 2008 be extended to 6 February 2009.

Question put.
Finance and Public Administration Committee

Extension of Time

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.50 pm)—I move:

That the time for the presentation of the report of the Finance and Public Administration Committee on the Plebiscite for an Australian Republic Bill 2008 be extended to 15 June 2009.

Question agreed to.

EXECUTIVE SALARIES

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.51 pm)—I move:

That the Senate calls on the Government to detail before Parliament rises in 2008, the actions it will take in relation to the concerns about excessive executive salaries expressed by the Prime Minister (Mr Rudd) in both Australian and international forums.

Question agreed to.

GROCERYchoice

Senator XENOPHON (South Australia) (3.51 pm)—I move:

That the Senate—

(a) notes that the GROCERYchoice website is of limited usefulness because its surveys are too infrequent and it does not identify individual supermarkets;

(b) calls on the Government and the Australian Competition and Consumer Commission to make the GROCERYchoice surveys and website more useful by:

(i) providing on the website a weekly list of the 10 cheapest supermarkets in each region, and

(ii) conducting weekly price surveys on 100 goods in each supermarket to create these lists; and

(c) considers that if changes to make GROCERYchoice more useful to consumers prove cost-prohibitive or impractical, the project should be abandoned and allocated funding be returned to consolidated revenue.

Question put.

The Senate divided. [3.56 pm]

(The Deputy President—Senator the Hon. AB Ferguson)

AYES

Brown, B.J. Hanson-Young, S.C.
Ludlam, S. Siewert, R. *
Xenophon, N.

NOES

Barnett, G. Bernardi, C.
Bilyk, C.L. Birmingham, S.
Bishop, T.M. Boswell, R.L.D.
Boyce, S. Brown, C.L.
Cameron, D.N. Cash, M.C.
Colbeck, R. Collins, J.
Coonan, H.L. Crossin, P.M.
Farrell, D.E. Faulkner, J.P.
Feeley, D. Ferguson, A.B.
Fielding, S. Fifield, M.P.
Fisher, M.J. Forshaw, M.G.
Furner, M.L. Heffernan, W.
Humphries, G. Hurley, A.
Hutchins, S.P. Ludwig, J.W.
Landy, K.A. Marshall, G.
McEwen, A. McGauran, J.J.J.
McLucas, J.E. Minchin, N.H.
Moore, C. Nash, F.
Parry, S. Polley, H.
Pratt, L.C. Sherry, N.J.
Stephens, U. Sterle, G.
Troeth, J.M. Trood, R.B.
Williams, J.R. Wortley, D.

* denotes teller

Question negatived.
INTERNATIONAL AID

Senator HANSON-YOUNG (South Australia) (3.59 pm)—I move:

That the Senate—

(a) notes that:

(i) Thursday, 20 November 2008 marked the day on which the United Nations General Assembly adopted the Declaration of the Rights of the Child in 1959, and the Convention on the Rights of the Child in 1989, and

(ii) in 2000, world leaders outlined eight Millennium Development Goals, endorsed by 189 nations, to reduce poverty and hunger, to tackle ill-health, gender inequality, lack of education, lack of access to clean water and environmental degradation;

(b) recognises:

(i) that more than 11 million children under the age of five die each year, mostly from preventable diseases, and

(ii) Target 4a of the Millennium Development Goals aims to reduce by two-thirds, between 1990 and 2015, the under five mortality rate; and

(c) calls on the Australian Government to declare its commitment to achieving the international aid target of 0.7 per cent gross national income by 2015 which represents the minimum level required to help developing countries achieve substantial development gains.

Question put.

The Senate divided. [4.00 pm]

(The Deputy President—Senator the Hon. AB Ferguson)

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Question negatived.

WHITE RIBBON DAY

Senator LUDLAM (Western Australia) (4.04 pm)—I, and also on behalf of Senator Hanson-Young, move:

That the Senate—

(a) notes that:

(i) 25 November 2008 marks the 9th anniversary of White Ribbon Day, the symbol of the United Nations’ International Day for the Elimination of Violence Against Women, and

(ii) White Ribbon Day marks the start of 16 Days of Activism Against Gender Violence, a global event calling on action to end violence against women;
(b) recognises:
(i) the report released by the White Ribbon Foundation of Australia, An assault on our future: The impact of violence on young people and their relationships; and
(ii) this report identified that one in seven girls aged 12 to 20 have experienced sexual assault or rape, with half a million teenagers revealing they live with violence in the home; and
(c) calls on the Rudd Government, as part of the National Plan to Reduce Violence against Women and their Children, to work constructively to support the introduction of violence prevention programs in all schools as a priority, as part of Australia’s commitment as a signatory to the United Nations Convention on the Elimination of All Forms of Discrimination against Women.

Question agreed to.

WHALING

Senator SIEWERT (Western Australia) (4.04 pm)—I seek leave to amend general business notice of motion No. 292 standing in my name for today, relating to Japanese whaling.

Leave granted.

Senator SIEWERT—I move the motion as amended:

That the Senate—
(a) notes that:
(i) in January 2008, the Humane Society International secured:
(A) a ruling from the Australian Federal Court that Japanese whaling in Australia’s Whale Sanctuary in Antarctica is illegal, and
(ii) an order that it be stopped, and
(ii) the Australian Government has taken no action to enforce this ruling; and
(b) urges the Australian Government to:
(i) set a timeline for legal proceedings in an international court to stop illegal Japanese whaling if Japan does not commit to stop whaling by 8 December 2008, and
(ii) send a vessel into the Southern Ocean to monitor Japanese whaling operations for the 2008-09 whaling season.

Question agreed to.

PARLIAMENTARY ZONE

Proposal for Works

Senator LUDWIG (Queensland—Minister for Human Services) (4.05 pm)—In accordance with the provisions of the Parliament Act 1974, I present a proposal for works within the Parliamentary Zone relating to the construction of the new cooling plant enclosure. I seek leave to give a notice of motion in relation to that proposal.

Leave granted.

Senator LUDWIG—I give notice that, on Thursday, 27 November 2008, I shall move:
That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposal by the National Capital Authority for capital works within the Parliamentary Zone, being for the construction of a new cooling plant enclosure.

COMMITTEES

Community Affairs Committee

Additional Information

Senator McEWEN (South Australia) (4.06 pm)—On behalf of the Chair of the Senate Standing Committee on Community Affairs, Senator Moore, I present additional information received by the committee on its inquiries into the provisions of the Social Security and Veterans’ Entitlements Legislation Amendment (Schooling Requirements) Bill 2008, and the Poker Machine Harm Reduction Tax (Administration) Bill 2008 and related bills.
Men's Health Committee
Membership
The ACTING DEPUTY PRESIDENT (Senator Hurley)—The President has received a letter from a party leader seeking to vary the membership of a committee.

Senator LUDWIG (Queensland—Minister for Human Services) (4.07 pm)—by leave—I move:

That Senator Adams be discharged from the Select Committee on Men's Health from 25 November 2008 to the end of the 2008 sittings, and Senator Parry be appointed a member of the committee for that period.

Question agreed to.

NATIONAL RENTAL AFFORDABILITY SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2008
Returned from the House of Representatives

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

SOCIAL SECURITY LEGISLATION AMENDMENT (EMPLOYMENT SERVICES REFORM) BILL 2008
TAX LAWS AMENDMENT (2008 MEASURES No. 5) BILL 2008
First Reading

Bills received from the House of Representatives.

Senator LUDWIG (Queensland—Minister for Human Services) (4.08 pm)—I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have the bills listed separately on the Notice Paper. I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

Second Reading

Senator LUDWIG (Queensland—Minister for Human Services) (4.09 pm)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

SOCIAL SECURITY LEGISLATION AMENDMENT (EMPLOYMENT SERVICES REFORM) BILL 2008

Introduction

The main purpose of this bill is to encourage participation and ensure compliance. This will be achieved by establishing a framework for a new compliance system that will make job seekers more accountable for their efforts to find and keep a job. This new compliance system is part of a package of reforms to Australia's employment services and is intended to replace an ineffective and counter-productive compliance framework that has a number of flaws.

The key reason that these changes are necessary is that the current compliance system has resulted in thousands of counter-productive, non-discretionary and irreversible eight week non-payment penalties. For the duration of these eight week non-payment penalties there is no requirement for a job seeker to look for work, or to have contact with either their employment service provider or Centrelink. The consequence of this failed approach to compliance, and an obvious defect in the system, is the eight week separation of job seekers from participation requirements, including looking for work, gaining skills or undertaking work experience.

The indications to date are clear. The former Government's system has failed to prevent non-compliance. In 2006/07 there were around 16,000 eight week non-payment penalties applied. In 2007/08 this had doubled to around 32,000 eight week non-payment penalties.
An effective system should result in decreasing numbers of penalties because more job seekers would participate, but these figures confirm that the existing arrangements are not working.

**Reform of Employment Services**

The changes to the compliance system set out in this bill form part of a $3.9 billion package of significant and necessary reforms to Australian Employment Services that commence on 1 July 2009. These reforms are critical because in the last 10 years employment services have been operating under policy and administrative constraints that have failed disadvantaged job seekers, their families and their communities. These policies and constraints have also failed employers who desperately need skilled workers to fill vacancies.

The last 17 years of economic growth has indeed improved the job prospects of thousands of Australians, but for many others the employment outlook has grown more and more bleak.

Against this background, Australia is experiencing skill shortages in a number critical areas and is looking at a shortfall of up to 240,000 VET qualified workers by 2016. So it is vital for our economy and to Australia's future economic growth, that employment services and the compliance regime that underpins the working age payments system, requires job seekers to participate by searching for a job, undertaking training or connecting to other activities that will equip them to enter and remain in the labour force.

Just over ten years ago, the unemployment rate was 7.7 per cent. Whilst unemployment is now around 4.1 per cent, a significantly higher proportion of job seekers today are highly disadvantaged and long-term unemployed.

The proportion of people on unemployment benefits for more than five years has increased from one in ten in 1999, to almost one in four today – an increase from 74,000 people in 1999 to more than 110,000 ten years later.

These job seekers are some of our community's most disadvantaged people. Some are suffering from mental illness. Others have significant language and literacy issues and poor educational attainment. Some have a neurological impairment and others are homeless or at risk of homelessness.

Australians in these circumstances are more likely to overcome an extended period of unemployment if the compliance system encourages commitment rather than the current punitive approach. These job seekers are more likely to find employment by undertaking training or work experience, addressing their non-vocational issues, or actively pursuing work, than they are by disengaging from employment services.

**Goal of the new system is participation**

The first goal of the new compliance system is to ensure job-seekers meet their participation requirements and make every effort to get themselves off welfare and into a job.

The current system provides little deterrence or early intervention. Of particular concern is the lack of an immediate consequence for initial failures to complete activities. Under current arrangements, job seekers who have failed to take part in an activity or program can miss up to a fortnight before any action is taken. Then, after three failures, they get an irreversible eight week non-payment penalty.

The current system is viewed by many employment service providers, churches, peak organisations and welfare bodies as a 'penalise first' approach because it prevents employment service providers from using their professional judgment. Submissions to the Employment Services Review indicated that stopping payment for eight consecutive weeks places job seekers, particularly already vulnerable job seekers, at great risk of disconnection and in many cases has resulted in personal crisis and homelessness. According to Homelessness Australia "up to 20 per cent of people who underwent an eight week "breach" lost their accommodation or were forced to move to less appropriate housing". Further, the 'penalise first' approach may result in costs to the community in other ways, through imposts on the health, housing and welfare systems, and placing additional pressure on charitable organisations to provide support.

**No Show No Pay Failures**

The new compliance arrangements encourage participation and re-engagement as quickly as...
possible, in stark contrast to the current system. The new arrangements strike the right balance between participation and penalties for those job seekers who do not comply.

A key element of the new system is a No show no pay failure, which aims to instil a ‘work like’ culture to employment services. If a job seeker, without a reasonable excuse, does not attend an activity that they are required to attend, like Work for the Dole, Centrelink will impose a No show no pay failure. Centrelink will also impose a No show no pay failure if the job seeker doesn’t attend a job interview, or if they attend the interview, but deliberately behave in a way that would foreseeably result in a job offer not being made. A No show no pay failure will result in the job seeker losing one-tenth of their fortnightly payment for each day they don’t attend. This doesn’t affect rent assistance, the pharmaceutical allowance or the youth disability supplement, but it does apply to any supplement the job seeker is receiving for participating in Green Corps or Work for the Dole. As is currently the case, access to Health Care Cards and Family Tax Benefits will not be affected.

Serious Failures
Eight week non-payment periods have been retained for job seekers who commit serious failures. A job seeker commits a serious failure if they refuse a suitable job offer or if they have been wilfully and persistently non-compliant. Centrelink will decide whether a job seeker has been wilfully and persistently not compliant after conducting a Comprehensive Compliance Assessment.

Comprehensive Compliance Assessment
The role of the new Comprehensive Compliance Assessment is to ensure that the new system is tough on any job seeker who intentionally does not meet their obligations, but is also able to differentiate when a job seeker is experiencing circumstances beyond his or her control. Job seekers will no longer automatically incur an eight week non-payment penalty.

A job seeker who incurs three failures for not attending appointments or six days of no show no pay failures in a six month period will be referred for a Comprehensive Compliance Assessment conducted by Centrelink. Employment service providers or Centrelink may also initiate a comprehensive compliance assessment at any other time if they believe a job seeker’s circumstances indicates serious hardship and warrants such a response. During this assessment, Centrelink will look at why the job seeker has failed to fulfil requirements and identify any barriers to employment and possible alternative options. For example, it may be appropriate to refer the job seeker for a Job Capacity Assessment to determine whether or not they have the capacity to meet their current requirements.

A specialised Centrelink officer will consider the job seeker’s compliance history and will talk to
the job seeker to find any evidence of personal issues, including those that may not have previously been disclosed. Such issues might include homelessness, physical or mental health problems or domestic violence that may have impacted on the job seeker’s ability to meet their requirements. This component of the compliance system also recognises that in a decent society, fair judgments should be exercised when matters are beyond a person’s control, and no bureaucratic process should deliberately leave a vulnerable person without food or shelter, or propel a person into severe hardship, as the current compliance system does.

Providing incentives to re-engage
Another key difference between the current and the new system is that in the current system a job seeker who gets an eight week penalty must serve it, no matter what. Under the new system, any job seeker subject to an eight week non-payment penalty for persistent non-compliance or refusal of a job offer can have their payment reinstated if they agree to undertake a Compliance Activity. This will generally be 25 hours a week of Work for the Dole for eight weeks, but may include other similar activities as appropriate.

Eight week preclusion period
The current eight week non-payment period for job seekers who become voluntarily unemployed without good reason or unemployed due to misconduct will be retained. This will no longer be inaccurately described as a penalty but rather it will be described as a preclusion period. Vulnerable job seekers who would be in severe financial hardship as a result of this preclusion period will have their payment reinstated as is the case under financial case management. Unlike financial case management however, the job seeker will have participation requirements while they are receiving income support payments. They will also be given access to Employment Services to help them find work.

Fairness
As indicated in the Object Clause for this bill, it is not intended that anyone who has a reasonable excuse for failing to comply with their obligations should be penalised.

Before applying any penalty, Centrelink will be required to talk to the job seeker and consider whether or not they had a reasonable excuse for their actions and whether or not the job seeker had any barriers to participation that might have prevented compliance.

Further, employment service providers will be able to exercise their professional judgement. A provider will not be required to report non-compliance to Centrelink if it is reasonable to believe that compliance action is not the best means of securing re-engagement, and is counter-productive to the job seeker obtaining employment. For example, a provider could negotiate for the person to make up an activity on another day, further reinforcing the importance of participation.

Other amendments required to support the reform of Employment Services
This bill also makes other minor amendments to Social Security Law that are needed to support the new Employment Services.

The bill replaces the term ‘Activity Agreement’ in the current legislation with the term ‘Employment Pathway Plan’. It also permits Employment Pathway Plans to include optional terms which are part of the job seeker’s pathway to employment, but which can not be subject to compliance action, for example psychological counselling. It also clarifies the operation of Employment Pathway Plans in relation to the broader activity test.

The bill also removes references to stand alone programs such as the Personal Support Program, that will be integrated into and delivered by the new employment services. Job seekers will retain the benefits currently available.

The bill also includes minor technical and consequential amendments.

This Government remains committed to mutual obligation. We believe that those who can work
should work and that those who are unable to work should be adequately supported. We believe that this principle is reflected in the fairer and more effective compliance framework proposed by this bill.

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TAX LAWS AMENDMENT (2008 MEASURES No. 5) BILL 2008

This bill amends various taxation laws to implement a range of improvements to Australia’s tax laws.

The amendments to Schedule 1 to this bill maintain the integrity of the GST tax base. The amendments overcome deficiencies with the provisions dealing with real property, which prevent GST applying to the value added to land once it enters the GST system.

The deficiencies arise from the interaction between the margin scheme, which applies to sales of real property, and provisions that allow the GST-free sale of a ‘going concern’ (that is, an ongoing business); the GST-free sales of farm-land; and provisions dealing with non-taxable supplies between associated entities.

These amendments provide that, where the margin scheme is used after certain GST-free or non-taxable supplies, the value added by the registered entity which made that supply is included in determining the GST subsequently payable under the margin scheme.

The amendments also confirm that the GST general anti-avoidance provisions apply to contrived arrangements entered into with the sole or dominant purpose of creating a circumstance or state of affairs that enable a choice, election, application or agreement to be made that gives rise to a GST benefit.

Schedule 2 modifies the thin capitalisation regime contained within Division 820 of the Income Tax Assessment Act 1997 in relation to the use of accounting standards for identifying and valuing an entity’s assets, liabilities and equity capital.

The amendments aim to adjust for certain impacts of the 2005 adoption of the Australian equivalents to International Financial Reporting Standards on entities’ thin capitalisation positions. The amendments achieve this by providing for the accounting standard treatment of specified assets and liabilities to be disregarded in certain circumstances.

These amendments require certain entities to exclude deferred tax assets and liabilities, as well as assets and liabilities arising from defined benefit schemes, in undertaking their thin capitalisation calculations. They also enable certain entities, in specified circumstances, to choose to recognise and/or revalue intangible assets —contrary to the relevant accounting standards —for thin capitalisation purposes.

The thin capitalisation regime is a key tax integrity measure, which needs to be able to perform the role it is set. However, given the impact this regime may have on a firm’s financing and investment decisions, it is important the regime operates from a sound base.

These amendments seek to ensure an appropriate economic value can be recognised for certain assets and to remove undesirable volatility from year to year thin capitalisation calculations, which may introduce uncertainty into future investment planning activity.

Schedule 3 extends the eligibility for exemption from interest withholding tax, to bonds issued in Australia by state and territory central borrowing authorities. These amendments form part of a suite of initiatives announced by the Treasurer on 20 May 2008 to bolster Australia’s financial markets.

This measure is intended to improve depth and liquidity in the state government bond markets, and allow them to make a greater contribution to financial market stability.

Schedule 4 removes an anomaly with the term ‘otherwise deductible’ in the fringe benefits tax law as it applies to benefits provided in relation to investment properties held jointly by an employee and their associates.

This anomaly has given rise to salary sacrificing opportunities in relation to jointly held investment properties.

This measure, which is one of the Budget measures to improve the fairness and integrity of the FBT system, ensures that the associate’s share of the fringe benefit provided in relation to the investment property will be subject to FBT.
This measure will provide consistency with arrangements where a benefit is provided solely to an associate and will re-establish the principle that income and deductions arising from jointly held assets should be allocated between joint owners according to their interests.

Employees who have already entered into salary sacrifice arrangements with their employer will be able to utilise existing arrangements until 31 March 2009 (that is, the end of the current FBT year). This will provide time for employers and employees to renegotiate salary packages to avoid incurring a FBT liability.

Schedule 5 amends the eligible investment business rules for managed investment trusts, which are contained in Division 6C of the Income Tax Assessment Act 1936.

These amendments were foreshadowed by the Government prior to the 2007 election and were announced in the 2008-09 Budget. They form part of the Government’s strategy to make Australia a funds management hub in the Asia-Pacific region.

The amendments clarify the scope and meaning of investing in land for the purpose of deriving rent; introduce a 25 per cent safe harbour allowance for non-rental, non-trading income from investments in land; expand the range of financial instruments that a managed fund may invest in or trade; and provide a 2 per cent safe harbour allowance at the whole of trust level for non-trading income.

These safe harbours will make it easier for managed funds to know if they are complying with the law and reduce the scope for a trust to inadvertently breach Division 6C. They will lower compliance costs for industry, the Australian Taxation Office and taxpayers.

The scope of these changes is limited to be consistent with the current policy framework, so as not to pre-empt the outcome of the Board of Taxation review of the tax arrangements applying to managed investment trusts.

Significant consultation has occurred on this schedule and I thank the stakeholders involved.

Full details of the measures in this bill are contained in the explanatory memorandum.

Debate (on motion by Senator Ludwig) adjourned.

Ordered that the bills be listed on the Notice Paper as separate orders of the day.

FAMILY LAW AMENDMENT (DE FACTO FINANCIAL MATTERS AND OTHER MEASURES) BILL 2008

TRADE PRACTICES LEGISLATION AMENDMENT BILL 2008

OFFSHORE PETROLEUM AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

OFFSHORE PETROLEUM (ANNUAL FEES) AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

OFFSHORE PETROLEUM (REGISTRATION FEES) AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

OFFSHORE PETROLEUM (SAFETY LEVIES) AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

Assent

Messages from the Governor-General reported informing the Senate of assent to the bills.

BROADCASTING LEGISLATION AMENDMENT (DIGITAL TELEVISION SWITCH-OVER) BILL 2008

Report of Environment, Communications and the Arts Committee

Senator McEWEN (South Australia) (4.10 pm)—I present the report of the Senate Standing Committee on Environment, Communications and the Arts on the provisions of the Broadcasting Legislation Amendment (Digital Television Switch-over) Bill 2008 together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.
WATER AMENDMENT BILL 2008
Second Reading

Debate resumed from 10 November, on motion by Senator Sherry:

That this bill be now read a second time.

Senator FARRELL (South Australia) (4.11 pm)—I rise in support of the Water Amendment Bill 2008. There are few issues that South Australians are more passionate about than ensuring a sustainable future for the Murray-Darling Basin but in particular the River Murray. While the government, together with the South Australian government, is taking action to reduce Adelaide’s dependence on the Murray for drinking water, the river is part of the essential fabric of our state and supports not only agriculture and tourism but also almost all economic activity that occurs in towns located near the river.

In the financial year 2005-06 the Murray-Darling Basin constituted 65 per cent of Australia’s irrigated land and 39 per cent of the gross value of Australia’s agricultural production. The Murray-Darling Basin is not merely urban Australia’s food basket; it is the system that hundreds of thousands of Australians rely on for their livelihoods. As a result of overallocation of water and mismanagement of the river over decades by successive governments, the environmental management of the Murray-Darling Basin has become one of the greatest challenges we face as a nation. The final report from the CSIRO Murray-Darling Basin Sustainable Yields Project was released yesterday, and it highlights the challenges that we face. The CSIRO found that the amount of water flowing through the Murray mouth had fallen from an average of about 12,200 gigalitres per year to just over 4,700 gigalitres per year. If the worst case scenario rainfall projection comes to pass, in 2030 fresh water might only flow through the mouth of the river in three out of 10 years. We cannot allow this to be the future that our children face, and that is why the government are taking serious, responsible long-term action to tackle the challenge that the basin faces.

Unfortunately, rather than taking real action to fix the Murray-Darling Basin, the previous government’s treatment of the Murray-Darling Basin was a case study in its approach to federalism. The CSIRO report released yesterday is hardly the first warning sign that the Murray River was in trouble. Rather than take real action, rather than make the tough decisions, the previous government huffed and puffed about how they were not at fault more than John McEnroe at Wimbledon and then announced a flawed plan written up by John Howard and Malcolm Turnbull on the back of an envelope just months before the last election.

The people of Australia called their bluff and elected a new government with a commitment to end the blame game over the Murray River. The negotiations and processes in the lead-up to this bill show how the Rudd government’s cooperative approach to federalism is bearing fruit. Rather than bluff and bluster and then blame the states for inaction, like the previous government did, the Rudd government did the hard yards nutting out the issues with the states and came to an agreement that was acceptable to both the states and the Commonwealth.

In the spirit of cooperative federalism, the bill gives all basin states a seat at the decision-making table through the creation of the Murray-Darling Basin Ministerial Council and the Basin Officials Committee. In the intergovernmental agreement, the states agreed to refer legislative powers to the Commonwealth to enable the authority to assume powers previously held by the Murray-Darling Basin Commission. While the new ministerial council will retain a role
in determining specific functions that will be moved from the Murray-Darling Basin into the new authority, I applaud the states for referring the powers required to create one agency responsible for the management of the entire Murray-Darling Basin.

Since the first constitutional conventions were held in the 1890s, South Australia has advocated for Commonwealth management of the Murray-Darling Basin, to ensure that the basin is managed in the national interest rather than the particular interests of individual basin states. However, it is no surprise that this outcome came from constructive negotiation and working together with the states rather than the creative constitutional interpretations favoured by the previous government.

The Murray-Darling Basin Authority, which was created by another act, is charged with the development of the Basin Plan, the first ever single basin-wide water resource management plan. The Basin Plan will include limits on the amount of surface and ground water that can be taken from the basin on a sustainable basis; identify risks to the water resources within the basin, such as climate change, and develop strategies to address those risks; include an environmental watering plan to optimise environmental outcomes for the basin by specifying environmental objectives, watering priorities and targets for the basin water resources; and include a plan to improve water quality and salinity management and rules about the trading of water rights in relation to basin water resources.

In addition, this bill will require the consideration of critical human needs in the development of the Basin Plan. It will also require consideration of the amount of conveyance water that will be required to deliver the water for critical human needs, and consideration of the water quality and salinity trigger points at which water becomes unsuitable to meet those needs. Critical human needs are an essential consideration in the management of the river and I am sure that the authority will consider the issue seriously in the finalisation of the Basin Plan.

The bill includes new measures to give the Australian Competition and Consumer Commission the power to enforce the same water market rules with regard to all water service providers, regardless of how those providers are legally structured. This means that all water users and sellers will be subject to the same rules and provide for greater certainty for participants in the water market. The bill is part of the government’s suite of measures focused on tackling Australia’s water challenges, which include the $12.9 billion Water for the Future plan that provided funding for more sustainable rural water use and infrastructure programs, as well as the purchase of water from willing sellers to increase environmental flows into the basin. This plan is not a plan for next year or the next election; this is a plan to secure a sustainable, environmentally responsible river for the future. I commend the bill to the Senate.

Senator FISHER (South Australia) (4.18 pm)—I am very pleased to have this opportunity to rise to talk about the critical issue of water, but I am rather disappointed that the occasion comes about through this bill, because this bill—the Water Amendment Bill 2008—falls significantly short of what it needs to do to implement the necessary reform for water across the country. Many of my colleagues have already spoken in large part about significant numbers of the shortcomings, and we will be addressing those in the committee stage. To that extent I clearly support and endorse their comments.

I want to focus on two aspects of this bill: the first is so-called critical human water needs.
needs and the provision of the bill that relates thereto, and the second is the failure of this bill to prevent the construction of the north-south pipeline, and the fact that this bill offers this government the opportunity to do just that—to stop the construction of the north-south pipeline.

Firstly, I will address the terminology ‘critical human water needs’ as used in the bill. Why does this matter? This matters because, once water is designated for critical human needs, it is excised from the system. The user to whom that water is given is able to enjoy the use of that water as a first priority user. In short, they get to go to the front of the queue. The evidence provided to the Senate committee inquiring into this bill was overwhelming. It was overwhelming about the need for a definition of the term ‘critical human water needs’ and overwhelming in its agreement that the bill failed to provide a definition of ‘critical human water needs’. The bill failed to provide a definition that was clear, transparent and equitable and that gave all water users in Australia a fair opportunity to work out how you get to the front of the queue. Instead, we have a bill that talks about critical human water needs attracting the highest priority, in the next breath it then talks about conveyance water therefore attracting first priority. Is there a difference? If so, what is the difference? It talks about non-core human water needs having first priority and then in the next breath—

Senator Chris Evans—I just remember ‘core’ and ‘non-core’ from somewhere before.

Senator FISHER—Yes; it has been used in the government’s legislation. Having talked in one paragraph about critical human water needs attracting the highest priority, in the next breath it then talks about conveyance water therefore attracting first priority. Is there a difference? If so, what is the difference? It talks about non-core human water being given the status of critical human water needs, where the failure to provide water for those purposes would cause prohibitively high social, economic and national security costs. Witnesses were overwhelming in their evidence about not knowing what this definition was intended to mean or what would be rolled out by the government or the new authority in implementing this definition.

The consequences of this are significant and profound and must not be underestimated. Indeed, yesterday the CSIRO released a report on water availability in the Murray-Darling Basin. It found that groundwater use, under existing state government plans, could double by the year 2030. This would effectively halve the flow of water through the mouth of the Murray. The CSIRO report warned that future levels of use of water were unsustainable and, in referring to that report, Minister Wong reportedly has urged state governments to enforce tighter controls on farmers’ and miners’ use of underground water. How has this come about? The minister has focused on one aspect of the use equation—farmers and miners—at the same time as presiding over a bill that spectacularly fails to set out what the human use component will be. It spectacularly fails to set out who gets access to water for critical human needs and for what purpose they get access to such water, whilst allowing those people and those users to have first crack. Yet the minister has used the CSIRO report as an opportunity to have a crack at farmers and miners.

‘Human critical water needs’ has been used, and is continuing to be used, by the government as an elastic term to allow them to give water where they find it expedient, in a political sense, to do so. I come now to the second opportunity for the government in this bill, the north-south pipeline. There is little better example of this than the north-south pipeline. We have heard technical arguments that the north-south pipeline is not
critical human needs water under this bill because the north-south pipeline is coming from something that is not defined by the bill as being part of the Murray-Darling Basin. How offensive is that? It is simply not acceptable to attempt to carve Melbourne and its water needs out of the Murray-Darling Basin and at the same time allow Melbourne to go on the teat to take from the Murray-Darling. We are in the midst of a debate about the necessity to wean a city like Adelaide off the River Murray. We have state and federal Labor governments that refuse to commit to the wisdom of weaning Adelaide off the Murray—let alone setting a target date for the end point of a weaning process which, by definition, is gradual and which should have been started long ago. We are in the midst of a debate about weaning Adelaide off the Murray—a capital city—off the Murray. It is a capital city that is not even on the Murray, yet from time to time it relies on the Murray for 80 per cent of its water use. We are in the midst of a debate about being more responsible with backyard Adelaide in its collection, storage, use and reuse of water, and at the same time we are going to put yet another city on the teat that is the Murray. And this is at a time when there is simply not sufficient water. So says the government.

The government seems to think that they can answer, ‘There is not enough water; what can you expect us to do?’ This bill must be amended in order to set out very clearly how you get to the front of the queue in terms of human critical water needs. Instead, we have an agreement extracted at the time of COAG to construct a pipeline, the north-south pipeline, to feed Melbourne, an agreement made during discussions that were supposed to be about putting water back in, not taking it out. The evidence from witnesses to the Senate committee was, again, overwhelming. No-one thinks construction of the north-south pipeline is common sense. It would appear that the only ones who agree with it and support it, aside from some probably well-intentioned but rather misinformed Melburnians, are Penny Wong, John Brumby and Mike Rann.

Opposition senators—Peter Garrett!

Senator FISHER—And Peter Garrett. Aside from the politics, it is clear that no-one can agree with the construction of the north-south pipeline because it is just plain wrong. It must be stopped, and this is this government’s opportunity to stop it.

Let us not fool ourselves into thinking that the water that will fill the pipeline is not going to be part of the critical human needs definition of the bill because it somehow does not come from the bit defined as the basin. Let us not fool ourselves into thinking that Melbourne is therefore entitled to have some sort of carve-out separate from the bill. Once water designated for human needs—as it will be for the city of Melbourne—wets that pipeline, what Victorian Premier of any political persuasion would risk political suicide to let the pipeline dry out? It simply will not happen. Once the pipeline is built and once it is wet, Melbourne will be on the teat. It should not happen; it is wrong.

If this bill is so clear in defining human critical water needs then how is it that we have a minister, in Minister Wong, on Adelaide radio, as she was last week, saying to the effect that human critical water needs are for drinking water? I challenge the minister to show me, us, the Australian public and the stakeholders in this debate where the bill says that. It does not.

To say that moving amendments to this bill—particularly amendments around the human critical water needs definition—will delay the bill and to say, as is intimated in the majority report, that the so-called definition is the result of many months of negotiations and is, after all, the subject of some
common sense is an indictment on the negotiation process thus far. It underlines the extent to which characterising the management of the plan through negotiation with state governments is compromised and hamstrung from the start. It simply has not done the job. It will not do the job.

To suggest that the term is capable of a common sense definition again sidesteps and obviates the argument. Where is that common sense definition in the bill? How is it that witnesses before the Senate inquiry were able to suggest that an abattoir could be given first priority for human critical water needs? In the words of Dr Buchan from the Australian Conservation Foundation, it could be used to justify spray irrigation of a regional golf course if that were necessary to support the social and economic needs of the community. They are all very important water uses, but how do you get to the front of the queue? The bill needs to be amended in that respect, and we will be proposing that during the committee stage.

Senator STERLE (Western Australia) (4.31 pm)—I wish to speak in support of the Water Amendment Bill 2008. The purpose of this bill is to amend the Water Act 2007 to make changes to the cooperative water planning, management and regulatory regime in the Murray-Darling Basin. The measures contained in the bill have been made possible because of a historic Council of Australian Governments agreement achieved by the Rudd Labor government. This agreement gained the commitment of the governments of New South Wales, Victoria, Queensland, South Australia and the ACT to fundamental reform of the planning and management of the Murray-Darling Basin’s water and other natural resources as a whole in the context of a new federal-state partnership.

This commitment has been formalised by the signing by the relevant state and territory governments of an intergovernmental agreement on Murray-Darling Basin reform. The IGA has paved the way for new governance arrangements for the Murray-Darling Basin to be put into place. Importantly, the state and territory governments concerned, together with the Commonwealth, have committed to a new culture and practice of basin-wide management and planning. Also, the changes being brought forward by this bill reflect agreement by the relevant states to refer constitutional powers to the Commonwealth to broaden the Commonwealth’s planning, management and regulatory powers so far as the Murray-Darling Basin is concerned.

The Murray-Darling Basin is Australia’s most important agricultural region, with production worth $15 billion in 2005-06, accounting for no less than 39 per cent of the nation’s gross value of agricultural production. The gross value of irrigated agriculture production in the basin in 2005-06 was $4.6 billion. The volume of water consumed in 2005-06 for agricultural production was almost 8,000 gigalitres. This amounted to 66 per cent of Australia’s agricultural water consumption. These figures underline the importance of the Murray-Darling Basin to Australia’s agricultural production and the importance of the rivers in the basin to the supply of the water necessary to sustain this level of agricultural production. With the very large decline in average annual rainfall and in river catchment inflows over several years, improved water management within the basin has become critical to the future of the basin’s agricultural output and to people living in the basin, not to mention Adelaide and other population centres that rely on basin water for direct human needs.

On 1 September this year in Brisbane, the Minister for Climate Change and Water addressed the 11th International River Symposium. In her speech, the minister, Senator
Penny Wong, made specific mention of the situation in the Murray-Darling Basin, Australia’s most extensive and important river system. In referring to the basin, the minister had this to say:

...we’ve inherited a significant overallocation problem in surface and ground water resources, and unfortunately a history of neglect for the health of our rivers and wetlands.

The minister went on further:

We’ve also inherited old and often-outdated water infrastructure, and many irrigated farming systems and practices that fall well short of best practice in efficient water use.

The minister was, of course, putting into words what has become abundantly evident to the majority of Australians, not only those who live and earn their living in the Murray-Darling Basin. Whilst recognising the complexity of the issues involved, there is a feeling of frustration amongst many Australians that the problems in the basin have been allowed to go on for far too long. Many feel that the seriousness of the issues affecting water availability and river flows in the overall basin have been known for a decade and that progress to deal with changing circumstances in the basin has been far too slow.

Against this, with the election of a Labor government we have for the first time a federal minister for water. All the relevant state and territory governments have since signed an intergovernmental agreement in respect of the future governance of the Murray-Darling Basin’s water resources. As well, an enormous amount of work has already been done behind the scenes to put into place the required organisational structures and to fast-track the necessary practical research and planning to move forward rapidly with the necessary reforms in the way Australia manages its most important river system. This work continues to proceed at a rapid pace. Further, the Commonwealth government is complementing its governance reform with the $12.9 billion Water for the Future program. This program has four priorities: tackling climate change, supporting healthy rivers, using water wisely and securing our water supplies—all vital for the future of water supplies in this country.

Also, the Rudd government has announced investments of close to $3.7 billion for significant water projects in South Australia, New South Wales, Victoria, Queensland and the Australian Capital Territory. These projects will improve irrigation efficiency, raise the productivity of water use and make water savings that will be returned to the rivers of the Murray-Darling Basin. The Commonwealth government is buying water entitlements from willing sellers in the water market to tackle overallocation in the Murray-Darling Basin so that rivers and wetlands will get a greater share of water when it is available. Nonetheless, while we are certainly not at ground zero, as far as some of the rivers of the Murray-Darling Basin are concerned we are still uncomfortably close to the bottom. This bill is an essential element in putting into place a solid foundation to achieve what has to be done for the future of the basin.

In this regard I would like to quote Professor Michael Young, who is Professor of Water Economics and Management at the University of Adelaide and a spokesperson for the well-known Wentworth Group of Concerned Scientists. In his opening remarks at the Senate public hearings into the Water Amendment Bill 2008 conducted by the Senate Standing Committee on Rural and Regional Affairs and Transport in Canberra on 12 November 2008, Professor Young had this to say:

I would like to start by praising everybody—the governments of Australia, the state and the Commonwealth. The rest of the world is watching how Australia struggles to solve the Murray-
Darling’s crisis and we really are at the eleventh hour. I would like to start by congratulating everybody on the progress made.

Professor Young followed up by saying:

The time has come to expedite implementation. We could go on arguing about reforms and trying to improve things, but the cost to communities and to the river itself is too high.

This puts it in a nutshell. We have done what is necessary to give ourselves the best chance of success as we go forward. It is now the time to back up these efforts with real action on the ground. In this regard, I think we have been particularly fortunate to have a minister who has worked tirelessly to come to terms with the enormous complexity of the task she has before her. She has been able bring the vast majority of stakeholders with her and has been able to engage cooperatively and collaboratively with the relevant state and territory governments in a way where long-term principle has never given ground to short-term expediency. This is something that, in time, Australians will look back on as a great and lasting achievement of the Australian Federation.

As I have already mentioned, on 12 and 13 November the Senate Standing Committee on Rural and Regional Affairs and Transport held two days of hearings in Canberra on the Water Amendment Bill 2008. Whilst the committee received much useful and constructive input from those who gave evidence at these hearings, the two main and urgent messages that the committee received were that there is general support and, in most instances, strong support for the bill; and that the bill should be agreed to—and I hope you are listening on the other side—and passed through the Senate as quickly as possible. It was generally felt that the organisational structures and operational mechanisms that the bill will facilitate provide significant scope to finetune and, where necessary, improve the complex process of implementing the necessary reforms. The orderly, fair and sustainable management of a large inland river system which passes through four states and the ACT is an immensely complex task, particularly in a situation where declining river flows mean that demand for water has outstripped the available supply.

Sadly, time is against me, but in wrapping up I will say that this bill and the progress that has been made over the past 12 months demonstrates what can be achieved by a disciplined and cooperative approach to dealing with problems as large and as complex as those of the Murray-Darling Basin water management regime—problems that have been accumulating for over 100 years. Because the productive capacity of the basin is so vital to agriculture in this country, all Australians have a stake in the reform and improvement of water management in the basin. I believe the measures contained in this bill and the actions taken by the Rudd Labor government and the minister over the past year have laid the foundations for a secure future for the Murray-Darling Basin. On that, I commend the bill to the Senate.

Senator BIRMINGHAM (South Australia) (4.41 pm)—I wish that I could share the optimism of Senator Sterle. I genuinely wish that I could. I wish that I could feel that the Water Amendment Bill 2008 was about to serve all of the grand purposes that Senator Sterle mentions. I wish that I could believe that all of Senator Sterle’s rhetoric would deliver the results for the river that we all wish for. Because, Madam Acting Deputy President Hurley, I believe that Senator Sterle, like you and I as fellow South Australian senators, actually does want the best outcomes for the river system. I genuinely believe that most, if not all, in this chamber wish to see the best outcomes for Australia’s greatest river system and to ensure that it can survive into the future and provide the types of benefits—environmentally, ecologically,
economically and in a community sense—that it has for so long. Tragically, politics has continued, as it has for decades, to plague the future of the Murray-Darling system. It is politics that continues to get in the way of delivering the ultimate outcomes that could provide the river with its best chance of long-term health.

I wish to read a brief passage to the chamber. It starts:

Somehow as time went on the national spirit of the people changed, and petty rivalries between the colonies as to how much water each was entitled to use hampered progress, and thus it came about that Victoria and New South Wales entered into large schemes of diverting the waters of the Murray and its tributaries. Several active associations were formed in various settled parts of the Riverina country to protect the interests of navigation, and meanwhile successive Governments of South Australia played ignominious parts, spending years attending useless conferences, discussing and wrangling with our Sister States over the division of the water calculated to flow for given periods through certain gauges. So far as New South Wales and Victoria were concerned, the true object of these conferences was to discover how little South Australia could be induced to accept, and to gain time to push on with their own works in their respective States.

The memoirs of Simpson Newland were published in 1926. In 1926 we had these debates raging about the future of the place known as the Murray-Darling Basin. Of course, by then the debate had been going for some decades because, in the Federation conferences that led to the establishment of this Australian parliament and the Commonwealth of Australia, we had grand attempts made by some South Australian statesmen and others around the country to ensure that the management of river systems, systems that by their very nature do not know or recognise state borders, was vested in the hands of the Commonwealth. At the 1897 Constitutional Convention a proposed clause of the new Commonwealth Constitution was debated. It would have given the new Commonwealth jurisdiction over fisheries in Australian waters beyond territorial limits and in rivers which flowed through two or more states. We wish that our founding fathers had had the foresight to actually adopt those recommendations at that time, some 120 years ago, when they were under debate. If there is a fundamental mistake that was made in the establishment of our Federation, it certainly relates to the management of our rivers and waterways.

It is a tragedy that we stand here today still debating how to achieve national management of our river systems and how to achieve the things that many of our forefathers knew were right some 120 years ago. We are still grappling today with trying to get things right. Tragically, we are not getting them right. It is now nearly two years since John Howard and Malcolm Turnbull outlined a plan for national management of the Murray-Darling Basin. They had put a clear plan for true, genuine national management, a plan that would have sought that all of the basin states and territories clearly refer their powers to the Commonwealth, to provide the Commonwealth with the capacity to actually manage this, our nation’s greatest river system, in the best interests of the nation and in the best interests of the river system. Instead, petty parochial political squabbling broke out, as it has done throughout the history of attempts to manage this river system.

Senator Chris Evans—Yes, by the South Australian Liberal Party!

Senator BIRMINGHAM—Petty parochial political squabbling led, in this instance, Senator Evans, by the Victorian Labor Party! But I recognise that of course it can happen in many places.
Senator Chris Evans—They learnt it off the masters!

Senator BIRMINGHAM—We will take plaudits as masters of many things, Senator Evans.

Senator Chris Evans—Whatever happened to the liberal movement? Don’t you remember that?

Senator BIRMINGHAM—The liberal movement predated me.

Senator Sterle interjecting—

The ACTING DEPUTY PRESIDENT (Senator Hurley)—Senator Sterle, you are interjecting out of your place.

Senator BIRMINGHAM—Petty parochial politics broke out over how we were to manage this river system. As the Howard-Turnbull plan for national management was discussed, the Victorian Labor government dug its heels in. It dug its heels in so emphatically that very little progress could be made though the course of last year. The foundation stone for this bill that we are debating today was of course laid in the last few months of the Howard government. It tried to establish a pathway to true national management of the river. It was supported by the allocation of some $10 billion in funding, funding that was there to support the purchasing back of water, which the Minister for Climate Change and Water, Senator Wong, likes to make much of and which I have acknowledged my support for. That support is very clearly on the record and I am happy for it to be recorded again. But I emphasise that that is but part of the solution and it needs to be done in an appropriate way. The funding provided support for the structural adjustment necessary in the communities that needed to deal with living with less water. It provided support for both on-farm and off-farm infrastructure, privately owned and publicly owned infrastructure, to ensure that it could all be delivered in a more efficient and effective manner to ensure that ultimately, given the finite resources of the river system, we would be able to do more with less. So a great framework was laid down but, sadly, it could not be taken up at the time of the election thanks to the Victorian Labor government’s recalcitrance.

Senator Chris Evans—So 12 years of the Victorian government’s fault!

Senator BIRMINGHAM—Senator Evans wants to talk about time. Tragically, since the national plan was first discussed by Mr Turnbull and Mr Howard we have seen two more seasons of record low inflows coming into the basin—two more seasons that could not have been foreseen as being as bad as they were. It has been tragic for the communities in the basin, the environment and the river itself. That means a demand for action that is even more urgent than was envisaged two years ago. If you—or anybody else—want to talk about time, Senator Evans, I say the time of urgency has only increased in the time since you have been in government.

What we needed back then was not a prolonged period of negotiation between the new federal Labor government and all of the states in the Murray-Darling Basin jurisdiction that have continued to exist as Labor states; they are all still Labor states. What we needed was not prolonged debate and argy-bargy between the government and those states; what we needed was an end to the blame game. We needed to see a rapid cessation of political hostilities. We needed to see Premier Brumby put down the fighting stick and actually come to the table and say: ‘We accept. We will have a referral and we will do so in the national interest. We will do so without needing to be bribed with a billion dollars of funding targeted specifically at Victoria. We will do so without the need to pillage the basin even further by taking out
more resources for the north-south pipeline. We needed the type of political statesmanship that has been lacking in the management of this system for some 120 years. Sadly, the system we have got and the proposal that we have before us today have done nothing to improve the timeliness of things. We will now have a basin plan that will be developed over the next couple of years and then gradually implemented across the regional basins of the area depending upon when current plans expire.

What that means is that, in terms of timing, a plan that could, should and ideally would take effect more quickly will not take full effect across the basin until 2019. We will have to wait until 2019 to see a fully implemented national basin plan. Even with the adoption of the powers of the Murray-Darling Basin Commission into the new Murray-Darling Basin Authority, we are seeing not the unfettered national management that many of us had hoped for but management that maintains levels of state based vetoes. This maintains the capacity of the states to sit at the table and continue to play petty politics with this critically important issue.

We have seen the ugly compromises of things like the north-south pipeline. I know that my colleagues have indicated that amendments will be moved to this bill, and there is no more important amendment to be discussed in this place on a matter of principle than that associated with the north-south pipeline, or Sugarloaf Pipeline. At this time, when everybody agrees that the basin's resources are stressed and that we need to be doing all we can to save more water in the system, it is beyond ridiculous to consider that we should be taking more water out of the system and, as my colleague Senator Fisher said, putting another major urban centre on the teat of the basin. It is quite preposterous that the government should stand idly by and consider this.

It is also quite preposterous that government seems to be willing to intervene and interfere in other places where it has not even been asked to do so. During the recent Senate estimates this year, I asked Senator Wong what discussions she had had with the South Australian government before the Prime Minister and she, in the midst of a community cabinet meeting, announced another $100 million for the doubling of Adelaide's new desalination plant; what requests had been made by the South Australian government for that; and what commitments had been made that the desal plant could or would be doubled. It is safe to say that pretty much all of those questions drew blank stares. Obviously what had occurred was not that the South Australian government had sought the extra $100 million to double the desal plant but that the Prime Minister was in need of an announcement. So, whilst in Adelaide for a community cabinet meeting, he suddenly threw out an extra $100 million for the doubling of a desalination plant in Adelaide. But to this day we still do not know whether it will be doubled and the $100 million taken up.

Contrast that with the response of the Minister for Climate Change and Water to my question on whether she had had any discussions with Premier Brumby or any other ministers of the Victorian government about alternatives to building the north-south Sugarloaf Pipeline. There were no discussions there either. But, equally, there were no random offers of kindness coming from the Commonwealth. There were no random offers of kindness coming from the Prime Minister. I do not know whether the federal government need to hold a community cabinet meeting in Shepparton to get them thinking about offering some alternatives and putting some money on the table. Perhaps the federal
government, out of the various funds available for water resources, could have made this offer to the Victorian government: ‘How about $100 million to increase the size of your desalination plant by, say, 75 gigalitres or 75,000 megalitres?’ or ‘How about $100 million to further progress water recycling?’ or ‘How about $100 million to further progress the capturing of stormwater?’ All these options could be pursued; instead, the government is building a pipeline to take more water out of the basin and is attaching another major urban population centre to the basin.

The major problem with attaching an urban centre to the basin is that it just does not relate to South Australia’s interests—far from it. The interests of those building the pipeline collide firstly with the interests of the communities of the Goulburn Valley. They will be the first to suffer. They will see a pipeline built that will take water out of their communities and piped down to Melbourne for its needs. Yes, the valley is getting some infrastructure works that will hopefully deliver water savings—and we trust that those water savings will be delivered. We certainly expect that at the end of this process there will be mechanisms in place to make sure those water savings are genuinely and truly accounted for. But we equally believe that those water savings could best be used for two purposes, not the three that they have been divided into. At present, they are divided between the needs of Melbourne, the irrigators and the environment with increased flows.

Frankly, things would be a whole lot better if the infrastructure works being undertaken in the Goulburn Valley area and in the Victorian food bowl with the modernisation program went to the environment and the irrigators. It would be better if it went to two sources, not to three—not to Melbourne. It would be much better for the nation, for the river and for all concerned if those water savings could simply be returned to those two sources. The irrigators, like irrigators throughout the entire river system, are feeling the enormous stress and pressure of the prolonged drought and, as a result, the prolonged cuts to their allocations. The environment and the stressed river system itself could happily do with another 35 or so gigalitres a year to support their causes rather than water being piped off in the direction that it is going in. This would be of great benefit to the nation’s food security and to the many different food bowl communities, particularly in the Goulburn Valley but also beyond that, further down the Murray-Darling Basin, to South Australia and our Riverland communities.

Madam Acting Deputy President Hurley, I know that you recognise the importance of these communities to our state’s economy. These communities are certainly suffering and feeling the pain. They are communities that have at times in recent months been too often overlooked for the immediate stresses that are felt at the bottom of the basin. It is a challenge for all of us who represent the diverse interests of the Lower Lakes and Coorong regions and the irrigation interests of the Riverland regions—those above and below lock 1—to make sure that we effectively advocate for their diverse interests, because their diverse interests are all equally important.

We need to hold the government accountable for the fact that those Riverland communities need a fairer system for how exit packages are worked out and provided to them. We need to ensure that there is a fairer system of support for people when they choose to take exit grants; that, when people choose to leave irrigation trusts, they are not burdened with undue fees to get out of their responsibilities and that there is support for the communities of the Riverland, as there
should be for irrigation communities throughout the system, to deliver the structural adjustment required not only to do more with less water but also to adjust to increasing interests without irrigation.

Equally, at the bottom end of the river, in the Lower Lakes and Coorong communities, there is a crying need for certainty that governments are doing everything possible. That is where the failure of the north-south pipeline stands out greatest. The government is failing to do everything possible to assist the river and those at the tail end of the river system, in the Lower Lakes region. The Ngarrindjeri people, the traditional owners of the Lower Lakes region, talk about how all living things are connected. All parts of the river basin are connected. That is something we on this side recognise. We believe that the model put out for true national management and a mix of funding across infrastructure, buybacks and the range of areas required could deliver for the system. We urge the government to consider the amendments that I know we, the Greens and others will propose, because we are genuinely seeking to make this a better bill with a better outcome for all of the river’s communities and, in doing so, to fix the errors of 120-plus years of failed management of this river.

Senator FIELDING (Victoria—Leader of the Family First Party) (5.01 pm)—Last week I was told a distressing story. A grower from Mildura I had met on a visit there spoke about his uncle, a man who had been growing vines on his property for more than 40 years, following on from his father before him. The property had been part of his family for generations and the family had dealt with hard times in the past, but the current drought and the lack of water have crippled them. Five years ago the grower’s property was worth a million dollars. He sold it recently for less than a third of that and was left without enough money to clear his debts. This man is 73 and has worked all his life for his family and in his community. He now has a pile of debts and no legacy for his family and he feels hopeless about his future.

Even more distressing is the number of suicides in these communities. Research by the Australian Institute for Suicide Research and Prevention has found that the rate of suicide among farm workers is double that of the rest of the population. It is happening because many of these farmers are depressed. They feel they have failed their families and have no future ahead of them. Growers speak of properties being abandoned because farmers have had to walk away, taking their heartbreak and despair with them. These are the people who must be given support and assistance to get through this crippling drought.

Water is an extremely complex issue that needs a national approach, but at the core of it there must be trust. Governments should be uniting people over the water issue, not dividing them. The Water Amendment Bill 2008 is another important piece of the puzzle of how best to manage water in the Murray-Darling Basin. Last year the parliament passed the Water Act 2007 to establish some of the administrative framework necessary to manage the basin. Now, with the agreement with the states achieved in March, the federal government is moving to establish the Commonwealth controlled Murray-Darling Basin Authority. This will help overcome some of the problems of governments pursuing their own interests, which often clash with the needs of the Murray-Darling Basin as a whole and the communities that depend on the basin.

Unfortunately, shamefully, governments still play politics with water. Last month, at a Senate estimates committee hearing, the Minister for Climate Change and Water, Penny Wong, reconfirmed that the govern-
ment’s $57 million Small Block Irrigators Exit Grant Package would provide relief to farmers who are struggling with the drought. The exit grant package would provide drought-stricken farmers with a grant of up to $150,000. But there is a catch. The minister did not reveal that these grants would be made available to Victorian farmers only if the Brumby Labor government agreed to abolish some water-trading rules. The Rudd government should not be stringing along desperate farmers for months, holding them to ransom in an attempt to put pressure on a Labor state government. Irrigators in the Sunraysia area and others have been caught up in a fight between governments, their futures put on hold because of a game of political blackmail.

Another significant issue for Victorians is the Sugarloaf Pipeline, which is to take water from the drought-stricken Goulburn River to a thirsty Melbourne. Sadly, the Sugarloaf Pipeline has divided Victorians. It has pitted country folk against city folk. I can understand the Victorian government wanting to safeguard Melbourne’s water. That is the government’s job, and water is an essential service governments must provide. The question is whether the cure is worse than the illness and whether in fact it takes us backwards when there are alternative approaches available.

The Sugarloaf Pipeline has been approved by the federal government on the condition that the water it takes to Melbourne can be demonstrated to be independently audited water savings. The minister’s office assures me that water will be available for the pipeline only if it is audited savings and meets the four per cent cap. But Family First believes that taking water from the Murray-Darling Basin is wrong. It is totally opposite to what this bill is about—that is, maximising the value of water in the basin, not reducing it.

I do not want to single out the Sugarloaf Pipeline without mentioning that it is not the only project that diverts water from the Murray-Darling Basin. The Department of the Environment, Water, Heritage and the Arts told the Senate committee inquiry that there are seven pieces of infrastructure in different states diverting water from the basin, but:

The basin plan will set a limit on the amount of water that can be diverted from basin water resources, and this limit will be set at a level of individual resource plan areas identified in the basin plan.

However the difference with the Sugarloaf Pipeline is that it has not been completed yet.

Another very important fact that must be considered is that the Goulburn River is not the only possible source of water for Melbourne. Family First’s policy is that water should be piped from Tasmania, from an area where there is water excess to needs, to Victoria where water is scarce.

I met with Hydro Tasmania last month to discuss the plan. Hydro Tasmania told me that water flowing from Tasmanian rivers into the Bass Strait or the Indian Ocean is enough to cover almost three times Victoria’s total demand and 35 times metropolitan Melbourne’s demand. Water can be supplied to Victoria without taking away from Tasmania’s needs. Significantly, a pipe from Tasmania would have a much smaller carbon footprint than a desalination plant being built in Victoria. Hydro estimates a capital expenditure of $2.5 billion and operational expenditure of around $40 million a year, which compares to the Victorian desalination plant’s cost of $3.1 billion and operating expenses of $100 million a year. So, per megalitre, water from Tasmania is much cheaper.

Water from Tasmania could also be piped further north to add to the flow of the Murray
River. A water tunnel from the Upper Yarra Dam to Lake Eildon would feed the starved Murray River and give hope to struggling farmers along the Murray River system. Family First wants the federal and Victorian governments to unite on this issue and build a 30-kilometre water tunnel to connect the Upper Yarra Dam to Lake Eildon at a cost of $300 million. The Upper Yarra Dam feeds water to the Thomson and Silvan dams, both providing Melbourne with most of its water. Under Family First’s water plan, water from the Upper Yarra Dam would be redirected to the Murray River. This plan would put water back into a starved, dying system, not take it out.

There is water to be found in Australia—look at the recent floods in Queensland—and it is a matter of distributing it properly. Australia does not have a water shortage problem; Australia has a water distribution problem. The plan to pipe water from Tasmania and use that water to service Melbourne and then tunnel water from the Thomson Dam over to the Murray would give farming communities on the Murray hope that, within a year, their crops will become viable and they will prosper.

Family First believes that nation-building projects like the ones I have described are needed to help fix Australia’s water problems. We must look beyond robbing Peter to pay Paul. We must look outside the square to solve the crisis. We must look to the vision of someone like Prime Minister Ben Chifley when he put forward the Snowy scheme. It was outrageous, it was daring and it worked. The Tassie pipe is another nation-building project that should be embraced.

This water bill will provide a much-needed centralised water management system for the Murray-Darling Basin. It is also an important piece in the puzzle of improving Australia’s water management. But it is not the only piece, and without big nation-building water projects like Family First’s plan to pipe water from Tasmania we will continue to squabble and struggle with the water issue for many years to come.

Senator WORTLEY (South Australia) (5.11 pm)—I rise to add my support to this legislation, the Water Amendment Bill 2008, which is another example of the Rudd Labor government honouring its commitment to the Australian people. It is historic legislation built on a foundation of unprecedented agreement and unity between the Murray-Darling Basin jurisdictions and the Commonwealth.

One year ago this government was elected on a platform which included a promise to end the blame game between Canberra and the states and territories. Voters made a clear choice for nationwide cooperation and collaboration on important issues. The Australian people also told us they were concerned, even worried and fearful, about the consequences of the Howard government’s 11½ years of scepticism and inertia on climate change and water. Their votes called for decisive action, and that is what this legislation before us today is about. It is overdue and it is urgent. And, importantly, we want to and must get it right.

It is government reform that will set the Murray-Darling Basin on a better path as we face and address what is in reality a national crisis. This bill paves the way for the basin to have a viable future and be managed nationally as one river system blind to state borders. Rivers do not stop at state borders. For almost a century the basin has been held hostage by a largely unchanged governance model that required each of its jurisdictions to sing from the same song sheet before anything could be done. This set-up often resulted in decisions that were not in the best interest of the whole basin and its environ-
The basin is now, as Minister Wong has pointed out, ‘in very bad shape’. However, in 1914, the architects of the River Murray Waters Agreement and founders of the River Murray Commission could hardly have foreseen the terrible triad which has sucked the life out of the basin—record low inflows, the overallocation of resources and the onset of climate change.

We are all only too well aware that we have reached a critical point in our national story. This is essentially a point of no return and the challenge is enormous. There are variables that underpin this challenge, including that of climate change and the extended drought. Coupled with too many years of injudicious water usage and resource distribution, they have become a poison impacting negatively on the health of the whole Murray-Darling system. Left unaddressed, the result will be increasing social, ecological and economic damage.

Along the great Murray-Darling system, water has dropped to levels generally unseen, unknown and unheard of in living memory, which is an unprecedented position. In my own state of South Australia we have a situation in which the government is putting in place measures to reduce the exposure of acid sulphate sediments in lakes Albert and Alexandrina. The environmental, economic and social costs are high. I am pleased to say, however, that the South Australian Labor government and its neighbours along the Murray-Darling system have entered into a historic agreement with the federal government. This agreement has been conceived so as to more fairly and appropriately manage water allocation, the environmental damages, the depredations of climate change and the social and economic transitions that will be required to go forward for the basin to have a future.

I am pleased to say also that South Australia has taken a leading role in fashioning the legislative framework we discussed today. Indeed, South Australia was the first state to introduce legislation to refer powers in the context of water management. Yet, despite the significance of this and associated legislation, a cautionary note must be sounded. There is no miracle overnight cure for the present plight of our rivers and the basin as a whole—no quick fix, no silver bullet and no simple answer. The Murray’s situation means that there are no easy options but only hard decisions when it comes to restoring the health of the once mighty river.

The opposition, hopelessly divided on water and downright dismissive on climate change, has demonstrated a complete lack of understanding and responsibility regarding the difficult choices that must be made. Those opposite should cease and desist the political game playing that has seen the Murray and the Lower Lakes degenerate. In stark contrast, the government has already been rolling up its sleeves and is keen to face the challenges head on and bring about remedy and restoration.

There is no doubt that the necessary reforms will take time to implement. Patience is a quality well appreciated by those who have seen our mighty rivers on their journey through the body of this land. It has taken much negotiation and no small measure of goodwill to arrive at this point. We are now in a position to pass into law reforms that will foster and grow a new era of unity and partnership between our state, territory and federal colleagues. Together our aim is to better manage the system that has so generously nourished our land since the Dreamtime.

The bill will achieve this by amending the Water Act 2007 and by giving effect to the intergovernmental agreement on Murray-
Darling Basin reform, which was signed in July by the Prime Minister and by the heads of the basin states and territories. It is a step towards placing a scientifically established cap on basin water use and it will underpin a long-term plan for the whole of the basin. Specifically, it will transfer the purposes and powers of the Murray-Darling Basin Commission to the new Murray-Darling Basin Authority. As law, the legislation will also strengthen the role of the Australian Competition and Consumer Commission by expanding the application of water market rules and water charge rules.

A key role for the independent expert basin authority will be to prepare a basin-wide plan over which the federal minister will have final say. To ensure that it is the best possible plan, the ministerial council of basin governments will provide advice.

Under this bill, the Basin Plan will see that the critical human needs of the one million Australians relying on the Murray for drinking water are met. The bill’s reform will dovetail with the Rudd Labor government’s 10-year, $12.9 billion Water for the Future plan, which was announced by the Minister for Climate Change and Water in April in order to secure the water supply of all Australians. It is the first ever nationwide plan for both rural and urban water. The plan addresses four key priorities: tackling climate change, using water wisely, securing water supplies and supporting healthy rivers. Measures under Water for the Future include a $3.1 billion investment in buying water for the basin to improve the river’s health; the allocation of $5.8 billion for irrigation infrastructure projects and to help basin communities to adjust to a new cap; and a $1.5 billion injection towards improving water security for our cities and towns through measures such as desalination, rainwater and grey water initiatives.

As I pointed out in this chamber last year, Labor’s focus on water is not new. It is about a long-term, serious and sincere commitment to the health and prosperity of our nation, our major river system, our towns and cities and our people. For decades we have called for, backed and initiated moves to improve water planning and resources. Labor has spoken out about the need for national leadership in this crucial area since the 1980s. Under the Keating government, true national water reform began with the Murray-Darling Basin Agreement and the Murray-Darling Basin Bill of 1992 and the historic bipartisan COAG agreement of 1994.

There was no doubt that Paul Keating understood the importance of this network of waterways. In December 1992 he said:

The Murray-Darling is Australia’s greatest river system, a basic source of our wealth, a real and symbolic artery of the nation’s economic health, and a place where Australian legends were born. Nowhere is the link between the Australian environment, the Australian economy and Australian culture better described.

Now that symbolic artery needs our help and our commitment to change. This bill will enable the Murray-Darling Basin to be truly managed in the national interest, for the first time. This move will optimise social, environmental and economic outcomes for the whole of the system—those who rely on it for life, for leisure and for livelihood. Therefore, I commend this bill to the Senate.

Senator XENOPHON (South Australia) (5.23 pm)—There is no greater crisis facing this country than the crisis surrounding the availability of water, and nowhere is this clearer than along the Murray-Darling Basin. The Murray-Darling Basin covers one million square kilometres and extends through Queensland, New South Wales, the ACT and Victoria, ending up in my home state, South Australia. More than 50 per cent of all water consumed in this country comes from the
Murray-Darling Basin. This is the nation's food bowl and, put simply, the state of the river directly impacts upon the state of our nation. If the river is allowed to die, what will happen to our nation?

The Water Amendment Bill 2008 was designed to give effect to the intergovernmental agreement on Murray-Darling Basin reform by amending the Water Act 2007. In particular, the amendments reflect a concession by New South Wales, Victoria, South Australia, Queensland and the ACT to refer constitutional powers to the Commonwealth to enact measures including the transfer of the current powers and functions of the Murray-Darling Basin Commission to the Murray-Darling Basin Authority, broadening the role of the ACCC in relation to water market rules and water charge rules, and expanding the Basin Plan to include arrangements for critical human needs.

The bill is supposed to enable water resources in the Murray-Darling to be managed in the national interest, optimising environmental, economic and social outcomes. If the bill actually did this, that would be great. But it does not. Instead, it seems designed to make it seem more like the federal government is taking control of the basin from the states when in fact it is doing no such thing. So why do we need a federal government takeover? For years state governments have grossly mismanaged the Murray-Darling Basin. They have treated this precious resource like a watery version of the Magic Pudding, acting like they could take as much as they like without worrying about running out. The states cannot be trusted to act in the national interest, which is why we need a federal government takeover of the river system. With one river system there should be one set of rules. But this response to the crisis, which I believe is a half-hearted, piece-meal approach in the form of the Water Amendment Bill, is not a federal takeover in any real and substantive sense.

I have been urged, along with my fellow senators, to accept the bill in its current form. The government claims that any amendments would need to go back to the referring states for consideration and could potentially lead to the collapse of the IGA. First, may I say that it cannot be a very robust agreement if sensible amendments from the Senate could jeopardise the deal. To suggest that the bill should be passed despite some fundamental flaws and without at least considering areas of improvement is both unreasonable and irresponsible. For this bill to achieve what the government claims it will, substantial amendments are needed. One of the most concerning aspects of the current Basin Plan is that it is not due to be completed until 2011, with implementation taking up until 2019. To me, this is totally unacceptable. There must be a greater sense of urgency.

Members will recall that earlier this year I introduced a bill into the Senate aimed at addressing this issue by proposing the implementation of an interim Basin Plan to deal with the crisis affecting the Murray-Darling Basin and to ensure its environmental and economic sustainability until such time as the Basin Plan is implemented. In other words, it would give the Commonwealth and the minister the powers that are needed to deal urgently with the crisis. The irrigators in the Riverland and those who live and rely on the precious Lower Lakes and Coorong do not have years; they do not even have months. Some farming families are just weeks away from bankruptcy. For this reason I will be moving an amendment to implement an interim Basin Plan aimed at providing a short-term solution to the current crisis to give the authority to the government, to the minister, to deal with this.
Restriction on the trading of water is another area of concern, particularly given the severe constraints it imposes on the ability to purchase water for the southern Murray-Darling Basin regions. The argument for the cap is that it keeps water in a given region. However, as reported by the Age recently, in Victoria alone the cap is costing farmers some $19 million and the state’s economy almost $6 million as well as potential jobs. I commend Minister Wong for her moves recently in terms of there being some sanctions, some consequences, as a result of the states keeping the caps in place, at least with respect to emergency assistance packages. That is a good first step but it needs to go much, much further. I remain deeply concerned that Victoria appears to have used its four per cent cap as a bargaining tool while negotiating its entry into the IGA. My concern is that the lifting of the four per cent limit on water trade and the application of that limit on a consistent basis must be dealt with as a matter of urgency. If this actually happens it will be an important outcome, and I will be moving amendments in relation to the issue on the four per cent cap. It is something that must at the very least be debated.

The whole issue of the north-south pipeline and the way the Victorian government has approached this is something of very serious concern to me and many others. The act of—I believe—state sanctioned environmental vandalism to take 75 billion litres of water out of the Murray-Darling Basin for the use of Melbourne is something that should not be countenanced. I do not resile from my position that the north-south pipeline project should not proceed, especially given that there has not been an independently prepared due diligence report and comprehensive audit of the savings asserted by the Victorian government. Victoria’s own Auditor-General, Mr Des Pearson, has been critical of the project and has cast doubt over the anticipated water savings the project will yield. In his report Planning for water infrastructure in Victoria, released on 9 April this year, Mr Pearson concluded that the level of information provided to the community on water supply projects has been inadequate and needs to be improved. Specifically he noted that processes underpinning the Victorian water plan fell short of the standard the department applied when developing the Victorian plan. He further criticised the Victorian water plan for:

… widely varying levels of rigour around the plan’s costs and expected water savings benefits.

Despite this and despite the concerns of communities across the basin, Victoria has been given the green light for a project that I believe is environmentally indefensible. And yet it is made clear in the CSIRO report into sustainable yields in the basin released just yesterday that the one state most at risk from the impact of climate change is Victoria. Incidentally, I believe an organisation like the CSIRO has the independence and rigour needed to properly audit the merits of a proposal like the north-south pipeline, and that is why I foreshadow that in the committee stage of this bill I will support coalition amendments that will seek to stop the north-south pipeline.

I also think there is an issue of equity that needs to be considered. For many years South Australian farmers and irrigators across the Riverland have spent their own money modernising their farms to ensure they are amongst the most efficient users of water in the country. In fact, in the many visits I have had to the Riverland in the last 12 months, one of the points made to me has been that the Riverland started getting its act together after 1967, after the prolonged drought. From 1967 onwards they have been getting on with the business of being a very water efficient region. I issue a challenge to
anyone who doubts that the Riverland, in terms of its productive capacity, is one of the most water efficient regions—if not the most water efficient region—in the nation.

It was put to me by citrus growers when I visited the Riverland just last week that they have an issue with the eastern states getting the lion’s share of the $5.8 billion allocated by the federal government to pay to modernise irrigation practices—so, in effect, those regions that have done the wrong thing or have not dealt with the issue of water saving with alacrity over the years are being rewarded for poor or bad behaviour. They are being rewarded to the tune of hundreds of millions of dollars because in a sense they did not get their act together on water for decades. That is why I propose to move an amendment to Senator Nash’s structural adjustment package amendments—to have the authority give some consideration to the history of water-saving measures in a particular region in the context of structural adjustment packages. If a region such as the Riverland has done the hard yards over many years, that should be taken into account in any structural adjustment. I think that is equitable and fair.

There is also a concern about how water buyback is being dealt with. Obviously I welcome any additional environmental flows into the Murray. But there is a concern about the urgency in relation to the time frame. I agree with the Wentworth Group of Concerned Scientists and experts such as Professor Mike Young who talk about the urgency of bringing more water into the system, of dealing with overallocation and dealing with it in an equitable way.

A lot of the debate has also focused on the definition of ‘critical human needs’. I look forward to the debate on that in the committee stage. There is conjecture as to what ‘critical human needs’ actually are. I note that Senator Fisher has been quite outspoken on her concerns in relation to that. Is it simply drinking water or is it water for showers and toilets? Does it cover gardens; does it cover commercial industries? I believe that is an important issue for consideration in the committee stage.

The independence and the actual powers of the Murray-Darling Basin Authority are also a concern. I refer honourable senators to an article by Jack Waterford, the editor-at-large of the Canberra Times, who wrote an opinion piece entitled ‘Black hole in the basin “fix”’ back on 9 July, a few days after the IGA was signed. He talked about his concerns about the minister having the final say in the Basin Plan—which is a good thing—after a lot of toing and froing on the processes set out in the bill. But, at the end of the day, the implementation is up to the states. Mr Waterford was of the view that ‘If anyone kicks up a fuss on anything, paralysis is virtually inevitable’ in terms of the way the plan is implemented and dealt with. I think Mr Waterford is reflecting the belief of many in the community that there ought to be a greater degree of federal control over the river system. I will be urging the government to consider an amendment to ensure that, when preparing a Basin Plan, the Murray-Darling Basin Authority takes a whole-of-basin approach, taking into account environmental, economic and hydrological considerations. There is no point having an authority unless you give it real authority.

I understand that the CSIRO has an important role in preparing its sustainable yield report. I think it is important that the CSIRO has an ongoing role to monitor in a robust, independent way the progress of assertions made as to water savings, water efficiencies and the north-south pipeline. You need an independent body with that level of expertise to do that. I also think it is important that the implementation of the act be reviewed on a
regular basis by another independent body such as the Productivity Commission to look at the whole issue of water savings and efficiencies and ensure that the objects of the bill are carried out effectively and efficiently in the context of the aims of the bill.

On the issue of auditing: on 14 August the Prime Minister announced new water initiatives in response to the situation in the Murray-Darling Basin. One of those included what he claimed would be a comprehensive audit of both public and private water storages in the basin. My question to the minister for consideration and response in the committee stage is: can the minister advise what has happened to the audit that was announced, what is the progress of the audit, when will the results of the audit be provided and what were the parameters, in the context of the methodology, resources and rigour, in undertaking that audit? That audit was announced over three months ago, and my understanding was that it ought to have been released by now.

I also have a query in relation to the Menindee Lakes in New South Wales. Why aren’t the Menindee Lakes counted until they reach an arbitrary level of 640 gigalitres, a level that seems to be always just out of reach? And that is something that New South Wales can control anyway, by releasing water from the Menindee Lakes. I note also that, when I visited the Menindee Lakes a number of weeks ago, the Darling River Action Group were quite adamant that for the last 10 years they had been talking about some fundamental projects, some key projects, to reduce the level of evaporation of those lakes of several hundred gigalitres a year and about the fact that Broken Hill, with the 10 to 20 gigalitres that it needs for water on an annual basis, needs to store about 200 gigalitres in the Menindee Lakes because of the level of evaporation and the lack of works that have been carried out.

I acknowledge that the bill does give South Australia carryover water rights for the first time. On the surface this seems like a good thing. But, if gross mismanagement and overallocation of the river are allowed to continue because of the flaws in this bill, how much water will be left to carry over? Will it be carryover water or will it be carryover air?

Finally, I note that the Greens will be moving amendments in relation to a quantitative regime for sharing water in the Basin Plan, something that Professor Mike Young and the Wentworth Group of Concerned Scientists have been outspoken on—and I can indicate my support for those. The government describes the Water Amendment Bill as a historic agreement for the long-term reform of water management in the Murray-Darling Basin. It describes a ‘new era of cooperative arrangements between the Commonwealth and the states’. I wish I could share the government’s enthusiasm. I am concerned that there is simply too much scope for the paralysis that Mr Waterford refers to.

I urge the government to have the same political determination that the Hawke government brought to the issue of the Franklin Dam, to use its constitutional powers to take on the states in order that we have one river system with one set of rules, and to heed the advice of constitutional law experts, such as Professor John Williams from the University of Adelaide law school, who are adamant that the federal government has the power to fix this problem. It needs to have the political will as well. I will support this bill going through to the committee stage, but I reserve my position in relation to the third reading stage based on the way the amendments are dealt with by this place. 

Senator HEFFERNAN (New South Wales) (5.39 pm)—Well, the day has arrived. It has taken a couple of hundred years to fig-
ure out that rivers do not stop at the borders. Governments of all persuasions for all time should take a lot of discredit for what has happened till this point in time. At the same time the previous government should get as much credit as the present government for where we are today. You can play all the words you like into that, but what is happening now was instigated by the previous government, and I think there is equal opportunity between governments and political persuasions to at last get the thing right. So I am not going to disagree with the proposition, which they figured out after 100 years on railways when they actually got all the gauges the same, in relation to state borders. If you want to do a bit of blaming, how could you have a resource operating plan for the Culgoa or the Warrego River in all seriousness that stopped at the Queensland border? What better example do you need of stupidity, of political crassness, of states holding the system to ransom? What greater example do you need of a state holding the Commonwealth and the people of Australia to ransom than the Victorian government in the lead-up to the last election with this stupid proposition, as a political convenience, for the pipeline in Victoria? There are endless examples of why this legislation, the Water Amendment Bill 2008, fundamentally makes sense, if we can get some rules around it that make it manageable.

There are potentially some fundamental flaws in this legislation—one greater, Minister, than the ultimate veto power of the states over reallocating the states’ individual consumption from the Murray-Darling Basin. The science for the future says there is going to be a serious decline in run-off in the southern parts of the Murray-Darling Basin. The same science, which of course is always subject to vagaries, says there is the potential of increasing run-off in the northern parts of the basin—particularly, strangely enough, in some of the south-west of Queensland, which would be the Warrego, the Paroo and the Culgoa type areas—if we are to reconfigure the contribution coming from a particular state. And, as we all know, 38 per cent of the run-off in the Murray-Darling Basin comes from a very specific two per cent of the landscape here in the southern parts of the Murray-Darling Basin. We all know that there is a prediction of somewhere—and I see Tom Hatton produced his document yesterday, which we have all known about for a long time, but at least it is written out now—between a 25 and a 50 per cent decline in run-off in a very sensitive part of the catchment.

I am unaware what the answer is on the final veto power of the states. We have an amendment that will turn up in the Senate report, which is not there at the present time—I suppose you would say that it was a misprint, it not being in the actual report, but it will turn up as an addendum—to deal with the potential of the veto powers of the states. For too long the states have held people to ransom for their own political crassness, for their own insecurities on understanding things as basic as the contribution of the groundwater to the river system. We put the cap in in 1996 and then all the farmers, being the likeable rogues that we are, got stuck into the groundwater. Before we understood the connection between the groundwater and the river water we had allocated a whole lot of licences, which have put a whole lot of added pressure on the system—all of those sorts of things. Nothing is more stupid—and every government of every persuasion can take the credit for this as well—than that we agreed some years ago to allow overallocation. Tim Fischer, who works for Minister Penny Wong, would know all about this—how are you, Tim? He will be watching. How stupid is it that we allowed the overalllocation of water to be converted to a finan-
cial instrument? People with sound minds apparently did that. The consequences of that are a further burden on the financial compensation package that will have to be paid for water that was fundamentally free. The river got to a certain point, or it was in flood, and they said, ‘All bets are off; go for your life—it is overallocation.’ It was fundamentally free water which we converted into a compensable financial instrument.

In recent days, Tandou Ltd have rescued themselves financially by having taken advantage of that decision some years ago. In a business sense, good luck to them. In its wisdom, the state government, with the assistance, but not necessarily with the full knowledge, of the federal government, agreed to pay $34 million for what they now call supplementary water, which is just an old-fashioned way of saying overallocation. This water is overland flow water that is available when the Darling system is in full flood. It has not been accessed since 2001 by Tandou, even though it had a 49-gigalitre extraction history from 1984 to 1988. In some years they have been able to take 260 gigalitres. It is not metered. It is almost an honour system to own up to the fact that they have it. As I say, good luck to them, if the system is that stupid and the taxpayers are so generous. But we have agreed to do that and in effect it will deliver 35 gigalitres gross and about 26 gigalitres net to the Murray River, at a cost of $34 million. A state government instrumentality brought that into motion—the same state government that, in the same week, announced that, as a cost-saving measure, to save $8 million in the same budget, they were going to make people who were using donated blood pay for that blood. How bloody stupid is that?

As I have said, all governments have managed to stuff this up. This could be a step in the right direction. There are some serious problems which will come up by way of amendments to the bill. I do not doubt that the intent of the previous government was absolutely on the money and the intent of this government is on the money. But the trick for its implementation is in the detail. I put the minister on notice that, at the present time, the Victorian government has 94.6 gigalitres of credit for the pipeline, and they are already claiming that they can shove those 94.6 gigalitres down the pipeline. I can table the document. Let me just tell you that all this is sheer bloody lunacy.

The ACTING DEPUTY PRESIDENT (Senator Barnett)—Order! Senator Heffernan, you will withdraw—

Senator HEFFERNAN—Sorry. I withdraw ‘bloody’. It is sheer lunacy.

The ACTING DEPUTY PRESIDENT—Thank you. And I draw your attention to the appropriateness of parliamentary language.

Senator HEFFERNAN—Yes, that is good. But I am sure that the mob out there understand what I am talking about.

Senator Fierravanti-Wells—Do not be unparliamentary.

Senator HEFFERNAN—No; I will not be unparliamentary. If anyone is offended, I apologise. The annual average take-out for Goulburn, Pyramid Hill, Rochester, Shepparton and Turrumbarry back in 1994-95 was 2,700 gigalitres. That is what they got. Last year they got just a bit over 500 gigalitres. Next year they are predicting 250 gigalitres. So we have gone from 2,700 gigalitres to perhaps 250 gigalitres. That is what they got. Last year they got just a bit over 500 gigalitres. Next year they are predicting 250 gigalitres. So we have gone from 2,700 gigalitres to 75 gigalitres net down a pipeline. There is already 94.6 gigalitres in credit in the system, as they see it, from other savings, so, if they get the pipe built in time, that could mean that next year they could well be taking nearly half the water that is available in the system, unless there is a dra-
matic change in the weather. How stupid is that? And they talk about high-security wa-

ter.

Yesterday and the day before and the day before that there was a huge rain in the Gip-
psland, which is flowing down through Mel-
bourne now and out to sea. How stupid is it
that they are just sitting there watching it go
by because it is in a different rain shadow
from the rain shadow of the Murray-Darling
Basin, which is basically in the same rain
shadow as the city of Melbourne? So when it
is dry in the Murray-Darling Basin it is gen-
erally dry in Melbourne, but Gippsland is in
a different rain shadow. Why are we not tak-
ing water from there instead of from a sys-
tem where 75 gigalitres net and 100 gi-
galitres gross could be—it will be, accord-
ing to scientific predictions—a third of next
year’s water availability for all the farming
activities in the Goulburn River system. How
sensible is that? I do not know what we can
do about it and I do not know that this bill
addresses it, but some of the ransom notes
that are part of this bill are stupid acts like
that by the likes of the Victorian government.

Managing what is proposed in this bill just
worries me, given this history. If the climate
science is right and we are getting more rain
from one part of the catchment than from
another, it worries me that there is still a veto
capacity to rearrange the entitlements. In the
committee stage we can address questions of
how to make sure that we do not get held to
ransom with a veto power and how the
unanimous agreement of all states cannot be
achieved. That is something that I would like
to consider. The crassness of the political
convenience of a thing like that pipeline
beggars belief. It absolutely beggars belief
that people would stoop so low as to almost
invoke emotional blackmail with a pipeline
that just does not make sense against the sci-
ence of the future. It might have made sense
if you were looking at it in 1956 or 1952 or
1974 or 1984, but, against the science of the
future rather than the history of the past, it is
a stupid decision. Here it is, Minister. There
is the graph. They have gone from 2,700 gi-
galitres of available water to about 600 gi-
galitres last year, with a prediction of 250
gigalitres next year. Whether you like it or
not, the state government is going to stand
over you and say that they already have 94.6
gigalitres in credit, but that 94.6 gigalitres
could ruin the system if they take it.

So I look forward to the details of
amendments. Arlene Buchan and the Plug
the Pipe mob are, to their great credit, a pas-
ionate mob. They appeared before the
committee with great passion. The reason
they have such passion is that they have
great concerns about the impact of crass po-
litical decision making. So I look forward to
seeing how their amendments get on in the
committee stage and whether both sides of
this chamber, and the parliament, have the
political courage to try and get this right. We
have not been through the proposition that
may yet come, and obviously the committee
considered the social impact of some of the
decision making which, like the Toorale
thing, is almost unbelievable. It is great for
the people who want to get out but, in terms
of stranded assets and social impacts, there is
no work done. It is just like driving into a
fog. God knows what the consequences will
be. I am grateful to the Senate for this little
contribution. I am just being told to sit down,
I think. I was allowed 10 minutes and I had
better sit down. Thank you very much.

Senator CROSSIN (Northern Territory)
(5.53 pm)—I seek leave to incorporate
speeches by Senators Polley and McEwen.
Leave granted.
Senator POLLEY (Tasmania) (5.54 pm)—The incorporated speech read as follows—

Mr President, I rise in the Senate on this occasion to speak on the Amendments to the Water Amendment Bill 2008.

As Minister for the Environment Heritage and the Arts commented in the opening of his second reading speech on this Bill:

"This legislation before the House is a much needed, long overdue reform in governance that will put the Murray-Darling Basin on the right footing to face the challenges that lie ahead."

Australia’s rivers and wetlands serve many functions and support many values—economic, environmental and cultural.

The Murray-Darling Basin is 3,375 km long, drains one-seventh of the Australian land mass, and is currently by far the most significant agricultural area in Australia.

The Murray-Darling Basin includes the three largest rivers in Australia; the Murray River, the Darling River and the Murrumbidgee River.

The Murray-Darling Basin is very important for its biodiversity. The Murray-Darling Basin is also very important for rural communities and Australia’s economy.

Three million Australians inside and outside the Murray-Darling Basin are directly dependent on its water. About 85 per cent of all irrigation in Australia takes place in the Murray-Darling Basin, which supports an agricultural industry worth more than $9 billion per annum.

The long-term productivity and sustainability of the Murray-Darling Basin is, however, under threat from over-allocated water resources, salinity and climate change.

Many of those sitting opposite to me today are climate change skeptics. I wonder how much more evidence they need to believe that climate change is real, and it is one of the most serious problems that will affect our country over the next few decades.

The rapidly emerging threat of climate change, with its inherent uncertainties and risks, is something that we must plan for and manage. As a nation, we have not had a Federal Government alive to these threats until now.

I believe it is imperative for Commonwealth, State and Local Government to share a common understanding of the problems in water and respond in a comprehensive and co-ordinated way.

Like many areas of public policy involving multiple levels of government, water policy has been derailed by bickering and blame. As a result, progress on many of the important issues has been a case of too little, too late.

The purpose of the Water Amendment Bill is to amend the Water Act 2007 and to give effect to the inter-governmental Agreement on Murray-Darling Basin Reform. It is my understanding that the matters requiring amendment relate to non-referred parts of the Bill and so are within the Commonwealth’s own powers.

The Government has informed the States that we will be introducing these Government amendments, to maintain a spirit of co-operation. This government was elected on a platform of ending the blame game between Canberra and the States and Territories and we have invigorated the Council of Australian Governments with a major reform agenda underpinned by more effective working arrangements.

In May 2008, the government took a major step forward with a memo of understanding on Murray-Darling Basin reform, signed by the Prime Minister, the Premiers of New South Wales, Victoria, South Australia and Queensland and the Chief Minister of the Australian Capital Territory.

In July 2008, as promised, an inter-governmental agreement on Murray-Darling Basin reform was signed by Ministers, which built on the principles of the memorandum of understanding.

In the inter-governmental agreement, governments committed to a new culture and practice of basin-wide management and planning through new governance structures and partnerships.

The first amendment in this Bill recognises the NSW risk assignment framework. This amendment is consistent with the commitment in paragraph 3.4.2 of the inter-governmental Agreement on Murray-Darling Basin Reform—Referral (the Referral IGA) that:
‘If a State applies the risk assignment framework referred to in Section 74A of the Water Amendment Bill 2008 before the Bill is passed by the House of Representatives of the Commonwealth Parliament, the Commonwealth undertakes to use its best endeavours to include a transitional provision in the Bill providing that the Minister is taken to have determined, under subsection 74A(1) that the State is a State to which section 74A of the Bill applies.’

The second amendment relates to separating water access rights and interests of the Commonwealth from those of the Commonwealth Environmental Water Holder.

This amendment is consistent with the agreement reached between Commonwealth and Basin State officials under the inter-governmental Agreement on Murray-Darling Basin Reform that all rights and interests established under the Living Murray Initiative should continue to be managed under the Initiative.

This matter was not addressed prior to introduction of the Bill as it was raised late in negotiations.

The third amendment seeks to clarify the process for consideration and adoption of the Basin Plan. This matter was not addressed prior to introduction of the Bill due to a genuine oversight.

As Nick Champion, the Member for Wakefield, commented in his second reading remarks on this piece of legislation,

“We have to face the unpalatable truth that, over 100 years, our unco-ordinated State-based approach to the Murray-Darling, the irrigation and the establishment of lochs and weirs, has led us to the point where only a clear and uniform national approach, as well as a serious concerted effort to look for alternative sources of water for communities, will save the river basin.

He went on to say:

“A national independent authority is the only solution to manage the river basin and coordinate sustainable and capped water extraction and that is why it is essential that this Bill passes in the House.”

I agree wholeheartedly with Mr Champion.

The Water Amendment Bill is very much about working together as a nation to solve one of the great environmental disasters in Australian history: the near death of our great Murray-Darling river system.

In July, the Rudd Labor Government announced investments of close to $3.7 billion in the basin states to improve irrigation efficiency, raise productivity of water use and return water savings to the rivers. The Federal government is, for the first time in history, buying water entitlements from willing sellers to tackle over-allocation.

The Australian government has already completed the first-ever Federal government water purchase program, which will put 22.6 billion litres into the Murray when water is available, with a further 5.5 billion litres expected to be settled soon. Recently, the Australian government also assisted the New South Wales government to purchase Tooralie, a cotton station near Bourke, which currently holds entitlements to extract 14 billion litres of water.

I believe these are all positive moves by the Rudd Labor Government.

Additionally, I would like to note in the Senate today that the Minister for Climate Change and Water, Senator Penny Wong, recently released guidelines for groups of irrigators wanting to submit proposals to sell combined water entitlements in ways that deliver simultaneous benefits for farmers, irrigation water providers and the environment.

I am pleased that the Rudd Labor Government has put water on the national agenda. We have many challenges for the future and I believe Julie Owens, the Member for Parramatta in the House of Representatives was quite right when she stated that:

“Our rivers are stressed and over-allocated and we need a whole-of-basin approach to combat the problems that have arisen over the years.”

She went on to say:

“A properly functioning water market will be essential to help irrigators manage future reductions in water availability. It is a responsibility of the whole nation to assist our farmers to manage the changes that they will need to make with climate change. We have lived on the back of our
farming community for decades and it is now time for us to be there when they need us.”

By far the biggest user of water in Australia is the irrigation sector, accounting for around two-thirds of all water use nationwide. Around 70 percent of this irrigated agriculture takes place within the Murray-Darling Basin.

Irrigated agriculture provides a wealth of food and fibre. This not only generates considerable export income, but provides fresh food for Australian households at prices that are low by world standards.

But despite the economic importance of irrigated agriculture, we must become more efficient in the way we use water for crops.

The Rudd Labor Government has already made progress to save the Murray-Darling Basin.

The Australian Government’s framework, Water for the Future, provides national leadership in water reform for all Australians.

Water for the Future is built on four key priorities:

- Taking action on climate change
- Using water wisely
- Securing water supplies
- Healthy rivers and waterways

Water for the Future is the first ever nationwide plan that addresses both rural and urban water. Importantly, it will help secure water supplies for Australian households, businesses and farmers, as well as provide water to restore the health of Australia’s water systems.

Australia needs a truly national approach to water because it cannot be the domain of one single government.

Although State and Local governments are responsible for delivering water services to Australian households, businesses and farms, the Commonwealth Government must provide strategic direction and leadership to help State and Local governments secure water supplies in the era of climate change.

I remember quite clearly when the former Treasurer Peter Costello said on 9 May 2007 that “...meeting the urban water crisis was a job for State Governments, not the Federal Budget”.

Unlike our predecessors, the Rudd Labor Government will not blame the States. We are ending the blame game, and actually doing something about the water crisis in this country.

The water crisis in Australia threatens the very fabric of our great country. Australia is the driest inhabited continent on earth. Despite this, Australians use more water per head than any other country on the planet.

Urgent attention is needed for all Australians to change the way we use and value water.

As the impact of climate change intensifies, Australia faces increasingly acute long-term water shortages both in our cities and regional areas—with lower rainfall, rivers drying up and dam water levels falling.

Tackling the water crisis is a major long term priority for the Australian Government.

Years of low rainfall and record high temperatures have severely depleted water supplies and cut soil moisture across Australia.

This has particularly been the case in southern Australia in our major urban areas and in the Murray-Darling Basin.

The health of our rivers and wetlands is rapidly declining and rural and regional communities are suffering. All Australians have felt the effects of water shortages through increased food prices and water restrictions.

The water supply systems of mainland capital cities are under current and growing strain. For several years now, Australian households have shown a remarkable community spirit in adapting to water restrictions and helping to conserve our water resources, but I am sure we all recognise there is more we can do to save water.

There is a water crisis in my own home state of Tasmania. Tasmania has a large and diverse agricultural industry, but its needs have been largely ignored by the previous Government.

Tasmania was not even mentioned in John Howard’s national water policy announcement on 25 January 2007. The Howard Government neglected my State completely.

The Rudd Government has delivered key water election commitments for Tasmania through the 2008-09 Budget.
Supporting sustainable irrigation projects through an investment of up to $140 million will help grow the Tasmanian economy.

The Tasmanian projects form part of the Rudd Government’s $12.9 billion Water for the Future package.

For Australians to adjust to climate change and continue to prosper, our attitude and behaviour towards water must change.

We are running out of time.

As the National Government, we cannot fix all problems in water, but by making our priorities clear, we are putting in place framework in which we will work with other levels of government to achieve water reform.

The Federal Government has an important leadership role in ensuring each and every Australian, wherever they live, has a secure supply of water.

We can, and we must, make better use of our available water resources. This means improved efficiency and productivity of water use, and better use of water markets to optimise the economic benefits that water brings.

In our towns and cities, we must secure water supplies for current and future needs, including from a range of new sources that rely less on rainfall given the clear threat climate change poses to traditional water sources.

In delivering Water for the Future we will be seeking to set a new standard in national leadership and co-operative relations with State and Territory governments.

I believe that Water for the Future is the right path to take. It’s a truly comprehensive plan that works in the national interest. And it is based on a co-operative approach to working with State and Territory governments - a real change from the last 12 years.

I stress this is a very important piece of legislation and I urge those on the Opposition benches to vote in favour of this Bill.

Senator McEWEN (South Australia) (5.54 pm)—The incorporated speech read as follows—

The Water Amendment Bill 2008 is another significant step towards securing Australia’s water needs into the future. In particular, this Bill addresses the need to ensure the most efficient use possible of water in the Murray-Darling Basin.

Covering more than 1 million km², the Murray-Darling Basin occupies one seventh of Australia’s total area and produces some 40% of the value of our agriculture. The Murray-Darling Basin and its wetlands provide habitats for many threatened animal and plant species. If these wetlands dried up, we would see the extinction of some of these species. And, of course, rural and urban communities in South Eastern Australia in particular rely on the Basin for water. For all of these reasons and more, we need to implement changes to how we manage the precious water in the Basin.

The health of Australia’s rivers has deteriorated over the last 100 years due to a number of factors, ranging from overallocation of water to planting of non-native, introduced plants and crops that require water from irrigation to survive. Rural research has gone a long way towards improving the efficiency of irrigation, yet a proportion of inefficient systems such as unlined channels on sandy soils remain and these contribute to the drain on the rivers of the Murray-Darling Basin and other water courses used for irrigation.

Other significant influences have been:

- Our growing population which has increased our water extractions by 500% since the 1920s;
- The manipulation and diversion of flows, largely for irrigation, leading to a severe impact on what would be a natural environmental flow—according to CSIRO, the mean annual discharge from the Murray mouth for the last ten years has been about 2,700 gigalitres, whereas without diversions the average annual figure would be about 12,000 gigalitres;
- Salinity, pests and weeds which affect the health of major rivers in the MDB including the invasion of carp which have caused the decline of native fish species; and
- Climate change.

The fact that we have treated the Murray-Darling Basin badly over a long period of time is not new.
When faced with this information the Howard Government did not take action. Instead, the Opposition spent 12 years in Government doing nothing, just as they did nothing when faced with mounting evidence of the consequences our nation would face if no action was taken against climate change. While the Coalition to this day continues to be riddled with climate change deniers, the Howard Government did eventually recognise, with the help of a looming election, that a problem existed with the Murray-Darling Basin.

Following the November 2006 Summit on the southern Murray-Darling Basin (MDB), the former Prime Minister and Murray Darling Basin State Premiers commissioned the CSIRO to report on sustainable yields of surface and groundwater systems within the MDB. This report from the CSIRO Murray-Darling Basin Sustainable Yields Project summarises the assessments for 18 regions that comprise the Basin.

Yesterday, the final report for the Murray-Darling Basin Sustainable Yields project was released. This final report will be a critical resource in the Rudd Government’s work to restore the balance in the Murray-Darling Basin and will be essential to informing the development of the new Basin Plan.

Key findings of the report are:

- Total flow at the Murray mouth has been reduced by 61 per cent and the river now ceases to flow through the mouth 40 per cent of the time, compared with one per cent in the absence of water resource development;
- The median decline for the entire Basin is projected to be 11 per cent by 2030—nine per cent in the north and 13 per cent in the south;
- Under the median 2030 climate, diversions in driest years would fall by more than 10 per cent in most New South Wales regions, 20 per cent in the Murrumbidgee and Murray regions, and from around 35 per cent to 50 per cent in the Victorian regions;
- Under the dry extreme 2030 climate, diversions in driest years would fall by around 40-50 per cent in New South Wales regions, over 70 per cent in the Murray, and 80-90 per cent in major Victorian regions;
- By 2070 the median climate under high global warming is expected to be broadly similar to the dry extreme 2030 climate; and
- Current groundwater use is unsustainable in seven of the 20 high-use groundwater areas in the Basin and will lead to major drawdowns in groundwater levels in the absence of management intervention.

These findings remind us of just how serious the situation is and the Rudd Government is determined to take action. The Australian Government is investing $12.9 billion in Water for the Future—a 10-year plan to secure the long-term water supply of all Australians.

Water for the Future is built on four key priorities:

- taking action on climate change,
- using water wisely,
- securing water supplies, and
- supporting healthy rivers.

Water for the Future is the first ever nationwide plan that addresses both rural and urban water. It will help secure water supplies for Australian households, businesses and farmers, as well as provide water to restore the health of Australia’s stressed river systems.

In addition, on 3 July this year, the Rudd Government achieved something that the Howard Government never did. At the meeting of the Council of Australian Governments (COAG), Prime Minister Kevin Rudd and First Ministers of each of New South Wales, Victoria, South Australia, Queensland and the Australian Capital Territory (the Basin States under the Act) made an intergovernmental Agreement on Murray-Darling Basin reform. The reforms in that agreement are necessary to meet the current needs of the Basin, and to protect and enhance its social, environmental and economic values in the long term.

The Bill before us today is designed to amend the Water Act 2007 to give effect to the Agreement on Murray-Darling Basin Reform IGA. This will be achieved through four major amendments:

1. Clarifying the processes of the Murray-Darling Basin Authority (the Authority) when the Authority is providing the proposed Basin Plan, or a proposed amendment of the Basin Plan, to the Minister for adoption;
2. Recognising the adoption by New South Wales of the National Water Initiative risk assignment framework;

3. Clarifying that references to water access rights and interests held by the Commonwealth in paragraph 108(3)(a) of the Water Amendment Bill 2008 (the Bill) extend to water access rights and interests held by any agency of the Commonwealth; and

4. Extending the operation of paragraph 108(3)(d) of the Bill to cover water access rights and interests held by the Commonwealth and any of its agencies for the purposes of the Living Murray Initiative, including water access rights and interests held by the Commonwealth Department of the Environment, Water, Heritage and the Arts, to ensure that water access rights and interests acquired under the Living Murray Initiative will continue to be managed under the Living Murray Initiative in the future, consistent with the agreement reached between the Commonwealth and Basin States in the Agreement on Murray-Darling Basin Reform.

The Bill addresses the long term management of the Basin’s water resources, and the approaches and mechanisms required to ensure that it is sustainably managed in the future. The Rudd Government is building for the future, not the next election. We are a Government that has a vision of a stronger, healthier country for future generations and this Bill will help that vision become a reality.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.54 pm)—I would like to thank all senators for their contributions to this debate. I want to make a number of points in the time remaining. The first is that we, on this side of the chamber, regard the Water Amendment Bill 2008 as a much needed and long overdue reform. It is a reform that will put the basin on the right footing to face the challenges ahead. It has taken a long time for Australia to get to this point. Some 93 years ago, in 1915, the basin states—New South Wales, Victoria, South Australia—and the Commonwealth signed the River Murray Waters Agreement and established the River Murray Commission. This later became the Murray-Darling Basin Commission, and the resulting governance model required the agreement of all basin jurisdictions before anything could be done by the commission.

These arrangements for decision making about basin water management have remained largely unchanged to this day, and the reality is that the overallocation of water resources that we know exists today, combined with record low inflows and the onset of climate change, were not envisaged at the time that this River Murray Waters Agreement was signed. The final report for the Murray-Darling Basin Sustainable Yields Project, which I launched yesterday, is a stark reminder of why we need to act, a stark reminder of the risks and challenges that this basin faces. But it has taken until 2008 for a government to be able to strike the agreement with the basin states that is now before this Senate. So, to those senators who are critical of this, I say they must understand from where it is that we have come and what it is we are seeking to achieve at this time—because the reforms in this bill, which is before the chamber, are needed to ensure that the communities of the Murray-Darling Basin, and the governments which are responsible for that basin, are able to meet these challenges. Those challenges, as identified in the CSIRO study which I launched, are substantial.

The reforms in the bill are needed to ensure the viability of the basin’s water-dependent industries. They are needed to ensure vibrant and productive communities and to ensure the sustainability of the rivers of the Murray-Darling Basin. The reforms in the bill reflect a new era of cooperation and collaboration between the Murray-Darling Basin governments for basin-wide water re-
source management. For the first time in history we are recognising, as Senator Heffernan said, that rivers run across state borders, and we are seeking to manage the basin on this basis. This has followed on from an important series of negotiations between the then new Labor government and the basin states. Senators will recall that the first major step was in March 2008. Some four months after being elected, we achieved a memorandum of understanding on Murray-Darling Basin reform signed by the Prime Minister and the premiers of New South Wales, Victoria, South Australia and Queensland and the Chief Minister of the ACT. And, as we said we would, we achieved an intergovernmental agreement at the subsequent COAG meeting—also signed by first ministers—which grounds the legislation before the parliament today.

It is important to pause and recollect that this has never actually been achieved by any previous federal government in the nation’s history. An arrangement to manage the Murray-Darling Basin was promised by Prime Minister Howard in, I think, January 2007, but it was never delivered. The reforms which are before the chamber have only been possible because basin states have been willing to refer powers to the Commonwealth under the Constitution. This, again, was not achieved by past governments. It was something that I think the current Leader of the Opposition, the then Minister for the Environment and Water Resources, Mr Turnbull, wanted but was never successful in delivering.

The bill before the chamber establishes a single body to manage the basin and transfers the current powers and functions of the Murray-Darling Basin Commission to the Murray-Darling Basin Authority. It also enables the Basin Plan, which the authority is charged with developing, to provide arrangements for critical human water needs as well as the strengthening of the ACCC by extending the application of the water market rules and water charge rules.

What has occurred to enable the government to bring legislation into this place is that we have seen bills referring power to the Commonwealth, consistent with the intergovernmental agreement to which I have referred, having passed the New South Wales, Queensland and South Australian parliaments. The same legislation has passed the legislative assembly in Victoria and is to be debated in the legislative council on 2 December. Upon passage of the legislation through that chamber, all referrals will be in place to enable the Commonwealth government to assume the referred powers. I wish to record the acknowledgement and thanks of this side of the chamber to the governments and the parliaments of the basin states for acting promptly in addressing the referral of their powers. We look forward to the finalisation of the referral by the Victorian parliament.

What more does this bill do? This bill delivers on our election commitment. Before the election, we said a range of things in relation to water, and we are delivering on them. This delivers on our election commitment to bring the Murray-Darling Basin Authority and the Murray-Darling Basin Commission together as a single body. The bill ensures that there will be a single body for overseeing the water resource planning in the Murray-Darling Basin, an authority that will be an independent expert agency established by the Commonwealth with the powers and functions necessary to ensure that the basin’s water resources are managed in an integrated and sustainable way—again, something that has never occurred before.

A key role for the independent expert authority is the preparation of a whole-of-basin plan in the context of clear accountability to
the Commonwealth minister. While the ministerial council of basin governments will provide advice on the plan to ensure it is the best possible plan, ultimately the decision in relation to the plan under the bill rests with the Commonwealth minister. The government’s intention is that the first Basin Plan will be finalised in early 2011.

The Basin Plan enables the national interest to be put first by providing new sustainable diversion limits on water use, taking account of future climate change and addressing a legacy of past overallocation in the basin. For the first time ever, we will have enforceable, scientifically informed limits on the amount of water that can be taken out of our rivers and groundwater systems across the basin. It is extremely important (a) that the science is, for the first time, actually going to drive the sustainable diversion limits; and (b) that the authority’s approach will reflect the recognition by this government—which, unfortunately, is not shared by those on the other side of the chamber—that we have to confront the future of climate change and the challenge of climate change not only as a nation but also in the particular context of the Murray-Darling Basin. It is also important that we recognise the legacy of overallocation. This government is prepared to work with the community to deal with that legacy.

There are a number of issues which have been raised in the context of the debate. I will turn to some of those now, although I note that they primarily relate to amendments which have been moved, so no doubt the chamber will deal with them in the context of the committee stage. For example, the issue of variability in averages has been raised by previous speakers and also in the Senate inquiry report on the bill. I make the point that the term ‘long-term average sustainable diversion limit’ is used in the bill. This was intended to provide a useful metric for levels of diversions in various parts of the basin and for the basin as a whole. The use of this term does not, however, suggest nor necessitate the management of basin water resources through averages, either in terms of planning or in terms of compliance. The bill will also allow markets to operate much more effectively in allocating water between competing uses, improving water use efficiency and delivering water to its highest value uses. Under its current terms, the bill provides a range of amendments in relation to the role and powers of the ACCC.

To be frank, the inconsistency and, at times, hypocrisy of some of the arguments put by the opposition over time on water has been quite extraordinary. I turn first to the Sugarloaf Pipeline and I make this point on timing: the Food Bowl Modernisation Project and the diversion of the 75 gigalitres of water to Melbourne for Melbourne’s drinking water supplies were announced about two months before the passage of the Water Act, but did Mr Turnbull put into that act the amendments that he brought forward and that the opposition are now proposing? Did he criticise in the parliament and put forward amendments in relation to Premier Bracks’s already announced project? He did not.

Of course, the opposition have now seized upon this. It was not an issue when they were in government. They did not run on it in government. They did not put it into their legislation but they want to put it on the table in this chamber—frankly and, I suggest, quite patently—to play some political games. I also make the point that the opposition have completely failed to acknowledge the stringent guidelines that Minister Garrett, in his approval under the EPBC Act, has placed on this project and that confirm that Melbourne only receives a share of water that is saved through the project, and that independent audited reports of water savings must be undertaken. It is a condition also that savings
allocated to the Living Murray or Water for Rivers programs may not be allocated for Melbourne. Water designated as an environmental sieve must be maintained. In other words, we will protect environmental water.

It is an interesting point. We can have a long discussion with various opposition senators from various states who say, ‘You shouldn’t be taking water out of the basin.’ I have a summary in front of me, which I am happy to go through with senators from the other side, in relation to every state where such infrastructure occurs, where water is diverted outside of the basin. Senator Bernardi is looking at me. He would be aware, for example, that Tailem Bend to Keith is one of them. If the opposition is going to be consistent, are they saying that all of those should also be put out to pasture? They will not say that, because they want to pick on one project for political purposes, a project, let’s remember, that the Liberals in Victoria have conceded that they will use the water from. I do not think that anybody who looks too closely at what the opposition is doing could come to anything other than a reasonable determination that the opposition is playing politics here.

I note that a number of coalition senators have raised the issue of the time frame; it was certainly raised in the context of the Senate inquiry. A number of senators were critical of the honouring of the state water-sharing plans. That appears to be a change in their position. I look forward to seeing whether or not what was flagged in the coalition’s comments about the bill is actually reflected in their amendments, because Mr Turnbull committed to honouring existing state water plans when he introduced the bill into the House of Representatives in August 2007. Mr Turnbull stated that the bill will honour existing state water plans, and that comment was made in the full knowledge that Victoria’s current state water plans generally expire at 2019. So I look forward to listening to the views of opposition senators on that point, because it is very clear that some of what has been said by opposition senators on the issue of state water shares directly contradicts the position of their leader when he was the minister introducing this bill. We look forward to their consideration of these issues.

On some issues in relation to communities and structural adjustment, I will deal with the specific amendments rather than responding when summing up. Despite some of the criticisms that have been made in this chamber and externally, the government has actually committed more money to investment in infrastructure and irrigation than it has to purchases. On this side of the chamber, we do believe that the best way of assisting communities to meet the challenge of climate change and reduced water availability is to invest in those communities so as to enable greater efficiencies.

Senator Fisher made some comments about critical human needs. The definition of critical human needs has been the subject of extensive and detailed discussion with the states, so this is an issue where the opposition needs to be aware that the states have a very keen interest. Of course, this legislation stands or falls on the existence of the state referral powers in their current form. I think that Senator Fisher said, ‘We can live with drinking water but we can’t live with the definition that talks about prohibitively high social, economic or national security costs.’ One of the examples given to me in relation to the second part of the definition is to enable water to be supplied in those circumstances to an ammunitions factory, and there are obviously security implications with that. OneSteel at Whyalla is another example of an operation which at this stage also sources water from the Murray, so there are very significant economic and social considerations.
I do want to make the point in more detail that critical needs are something that South Australians in particular, one would have thought, understand the importance of, given that those of us who are from Adelaide and the communities on that side of the border do rely primarily on the River Murray for our drinking water. So giving priority to critical human needs is a fairly self-evident need.

Senator Xenophon made a number of comments, and I am happy to deal with those again in the committee stage and more generally if he wishes. He made the point that people are being rewarded for bad behaviour. I have made the point that in the context of the Murray-Darling, no-one in any of the basin states is perfect. Criticisms can be made of water management decisions probably in every part of the basin. There would certainly be different opinions. We in this government think that we have to get beyond the sort of finger-pointing and blame-shifting that has bedevilled water policy, particularly in the Murray-Darling Basin, for too long. In our view, it really is not constructive to simply go through a litany of perceived past wrongs, which obviously some people have one opinion on while others have another. What we have to do is get on with the job, and that is what the government is doing.

I also make the point that Senator Xenophon seeks for the government to go beyond this legislation, and he talks about the views of John Williams. I know John; he is an extremely impressive constitutional lawyer. But I do want to make this point—

*Senator Williams interjecting—*

*Senator WONG*—A different lawyer—a constitutional lawyer from Adelaide, not a senator from Queensland.

*Senator Williams*—Try New South Wales; I am formerly from South Australia.

*Senator WONG*—Sorry, New South Wales. Okay, now that we have got over that! There are a range of things that I am sure we could get lawyers to give their views on. If we had not gone down the path of getting agreement, cooperation and collaboration from the states, the prospect of actually implementing reform would become much more difficult. I for one do not believe that the best interests of any community in the basin are served by having a long constitutional validity argument. Their best interests are served by the government getting on with progressing this legislation, purchasing water, ensuring the independent authority can work on the Basin Plan, which includes the scientifically based cap, and investing to ensure that there are efficiencies.

From a South Australian perspective, there are a range of reforms in this bill that are beneficial, and which I am happy to take Senator Xenophon and other senators through, including conveyance water, which is one of the key issues for securing drinking water. This is a bill that will enable the government and communities to respond to the challenge of climate change. I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Ordered that consideration of the message in Committee of the Whole be made an order of the day for a later hour.

**MIGRATION LEGISLATION AMENDMENT (WORKER PROTECTION) BILL 2008**

*Second Reading*

Debate resumed from 24 September, on motion by *Senator Ludwig*:

That this bill be now read a second time.

*Senator FERRAVANTI-WELLS* (New South Wales) (6.15 pm)—The coalition will be supporting the Migration Legislation Amendment (Worker Protection) Bill 2008 but, in doing so, wants to raise some major
concerns highlighted by the lack of availability of the regulations to the bill. Whilst the coalition is conscious of the various instances of exploitation of workers, it is important that legislation defining obligations be upfront and specific. It is very important that the good reputation of Australia and of Australian sponsors of temporary labour be maintained and not be eroded. In this respect the coalition believes that a framework for sponsor obligations is necessary. Indeed it was a process that the coalition commenced through the Migration Amendment (Sponsorship Obligations) Bill 2007. The then Minister for Immigration and Citizenship, Kevin Andrews, allocated additional resources to ensure implementation of more streamlined processes in this area.

We share the concerns that have been highlighted by the majority of the submissions to the inquiry by the Senate Standing Committee on Legal and Constitutional Affairs. In particular there are two areas of concern, regarding imposition of unknown obligations on sponsors which are contained in regulations which the government has not yet introduced and the potential for ongoing changes of obligations by regulation in the future. Indeed, some witnesses advocated that the bill be deferred until the regulations are presented and considered so that passage of both be effected together. The coalition notes that the Deegan report was not available at the time of the Senate committee inquiry and at the time of its reporting. Accordingly, my comments today are confined to the bill before us and to the Senate committee report on the bill.

The government has made much of the consultation process, although the adequacy of this process was questioned in the Senate committee inquiry by some witnesses who described it as truncated and inadequate. The coalition take at face value the government’s indications about sponsor obligations. However, we place on record our concerns about the enactment of legislation which imposes obligations which are not available for scrutiny at this point but are to be contained in regulations which will be available in the future. The question arose in the inquiry as to whether these obligations ought more properly be contained in the bill rather than relegated to regulations. The Department of Immigration and Citizenship, DIAC, insisted that it requires flexibility and hence the government has opted to impose obligations in this manner. This was the very concern of stakeholders who feared that this flexibility will permit the Rudd government to make changes to regulations and thus alter obligations as it sees fit and without appropriate consultation. This is a concern we too share.

I turn to the specifics of the bill. The objective of the bill is to amend the Migration Act to strengthen the framework for employer sponsorship with a view to ensuring that working conditions meet Australian standards and sponsorship costs be more fully identified. Visa holders are currently sponsored by employers who must meet a series of undertakings. These undertakings are now to be specified in the new regulations. The regulations will be drawn up in 2009 to be followed by months of consultation and education about the changes. All currently engaged sponsors will be transferred to the new regime. This is the nub of the concerns, because sponsors are being required to sign up to obligations which are yet to be defined.

In 1996 the coalition introduced new visa categories to allow employers to sponsor skilled workers on a temporary basis for between three months and four years to help ease labour shortages. The Howard government’s 457 visa program has been a great success in satisfying the demand for skilled workers and helping to ensure that Australia maintains its international competitiveness.
The annual intake for the 457 visa program has steadily increased from 16,550 in 1996-98 to 22,370 in 2003-04 and to 58,050 in 2007-08. Table 3.1 of the Senate committee report sets out these statistics. Indeed in this 11-year period 304,400 section 457 visas were granted. In addition, 251,200 secondary visas were granted to spouses, interdependent partners, dependent children or other relatives of the section 457 visa holder, making a total of 550,600 visas granted under this umbrella. There are currently nearly 19,000 employers using 457 visas. Nearly 30 per cent of 457s are employed in New South Wales, with the New South Wales government—and indeed state governments generally—being the most prolific user of 457 visas.

Despite its successes, Labor and the unions have mounted a scare campaign surrounding the 457 visa system. As then shadow minister Senator Ellison pointed out, the previous scare campaign was debunked when the Rudd government released the final report of its review of 457 visas in May this year. This report recognised that 457 visas are essential to meet short-term skills shortages in Australia where no local labour is available. It also confirmed that businesses are experiencing significant delays in having visas processed, with 37 per cent of low-risk onshore visa applications taking longer than eight weeks to be finalised. The report went on to point out that there is ‘a need to reduce visa-processing times and improve flexibility of the temporary skilled migration programs’. As Senator Ellison indicated at the time, the coalition had already announced funding in last year’s budget to introduce a new fast-tracking system in early 2008. Unfortunately, Labor had delayed in getting this system up and running.

The coalition accepts that there have been breaches by employers of their undertakings and that these have been reported in the media. At the Senate inquiry, Mr Sutton from the CFMEU gave evidence of alleged ‘many’ instances of breaches and of his longstanding campaign in this area. In response to questions requesting that specific details be produced substantiating this assertion, Mr Sutton appears to have produced some documents detailing about 17 instances of breaches. The union assertion of ‘many’ breaches was disputed by many of the witnesses. As indicated, the coalition condemns the exploitation of workers. However, the number of breaches ought to be placed in the context of two important statistics detailed in the Senate’s report. Firstly, since 1997-98, 304,400 section 457 visas have been granted. Seventeen instances, whilst deplorable, do not constitute the alleged rampant breaches sought to be portrayed by the unions. Secondly, according to DIAC’s own statistics in its 2006-07 report, only 1.67 per cent of sponsors were found to have breached their sponsorship obligations.

There are areas of concern about this bill. While the framework in the bill can be supported by the coalition as a further evolution of our obligations of sponsorship, we do not yet know the details of the regulations. We will need to subject them to the usual scrutiny when they are revealed. The April 2008 discussion paper released by DIAC does, however, describe potential new payment obligations for sponsors of 457 visa workers and their families, including meeting all of the education costs of minors accompanying the worker; covering all medical costs through either insurance or direct payment, including covering medical costs where the insurance company refuses to pay; paying migration agents’ fees or other costs of recruitment up to a maximum specified; paying all travel costs to Australia—only travel from Australia was required previously; and paying any licence or registration fees asso-
ciated with the worker taking up employment in Australia.

I would now like to turn to the four key issues raised in the Senate inquiry and reflected in its report. Regrettably, the short time frame and the lack of willingness by the government to afford longer time for greater scrutiny of the legislation meant that only the main points of concern were elicited.

Senator Chris Evans—One day on the Telstra bill.

Senator FIERRAVANTI-WELLS—Given the devil likely to be contained in the detail in the regulations, Minister, it is likely that there are even more concerns which time and the absence of the regulations have precluded the Senate from examining.

Firstly, concerns were raised about the actual need for the bill and whether the Rudd government was using the proverbial sledgehammer to crack the nut. The Australian Chamber of Commerce and Industry argued that the changes ‘seem disproportionate to the actual scale of sponsorship problems’, citing the 1.67 percentage of sponsor breaches referred to earlier. ACCI submitted that some of the proposed measures would have a detrimental effect on Australian business, especially on small to medium enterprises and that the cost of some of the measures might be prohibitive for many businesses. Indeed, it would even discourage the use of the program by Australian employers experiencing genuine skill shortages.

Evidence indicated that there was only a very small proportion of sponsors who abused the system, that the breaches that had come to light had been oversensationalised by the media and that abuse of sponsor obligations in white-collar professional industries was extraordinarily low. Understandably, the union movement supports the bill and, in some instances, argued it did not go far enough. Given the campaign waged against 457 visas by the unions, one only has to look at the rather large advertisement like the one I am holding up here in the Sydney Morning Herald of 10 November 2008 to know that the unions are not going to stop until they get rid of 457 visas.

While acknowledging that there have been some abuses but disputing that these had been as widespread as reported, several industry representatives questioned the appropriateness of treating all migrant workers on subclass 457 visas as one group and suggested consideration of a two-tiered system that differentiated between migrant employees who were acknowledged as potentially at risk as opposed to professionals such as engineers who were more likely to be capable of looking after their own interests. AMMA submitted that the legislation and regulations should only target those visa holders who may be at risk of exploitation and proposed a threshold salary of $75,000, above which visa holders would not be subject to the full extent of the legislation and regulation protection regime. It is interesting to note from table 3.2 of the Senate report that in 2003-04 about 89 per cent of the 22,370 section 457 visas granted were in the top three major groups of ASCO nominated occupations—namely, managers, administrators and professionals and associated professionals. By 2007-08 the figure was 80 per cent of 58,050 visa holders in same top three categories.

Secondly, concerns were raised about the effect of the bill on industry, with a range of witnesses indicating that the broad effects of the bill and the overall reform package would be to burden industry and discourage the use of the subclass 457 visa system. Several portrayed this as counterproductive, especially in light of the overall skills shortage and the Rudd government’s intention to address the financial crisis by bringing forward infrastructure projects. Indeed, some actually
said that this was illusory, given the shortage of engineers in Australia.

ACCI emphasised that the extra costs associated with increasing the number and scope of sponsor obligations would be prohibitive, particularly for small employers. The Migration Institute of Australia, while being supportive of the bill, raised concerns that the balance set by the bill and subsequent regulations may weigh heavily against the sponsoring employer and, if so, employers would avoid sponsoring overseas workers and would either fail or take business offshore, which is not the intended outcome.

Sitting suspended from 6.30 pm to 7.30 pm

Senator FIERRAVANTI-WELLS—The Ethnic Communities Council of Queensland expressed similar concerns, but from the viewpoint of the visa holder. It stated that, if the legislation and regulations are too severe, visa holders themselves may be disadvantaged by the measures.

Thirdly, there are concerns about the sponsor obligations and the enforcement regime, the most significant complaint being the lack of availability of the regulations. Many witnesses and submissions questioned how to comment on the impact of a bill when its most vital component, namely the regulations, was not known. This uncertainty is already impacting on employers currently considering sponsoring 457 visa applicants. Concerns about the unavailability of the content of the regulations are also particularly relevant to the issue of enforcement and the proposed inclusion of the civil penalty provisions for failure to satisfy sponsorship obligations, resulting in a maximum penalty of $6,600 for an individual per offence and $33,000 for a body corporate. There is a lack of clarity about the element of ‘fault’, no statutory defence options and no ministerial discretion apparent in the bill.

Concerns are further heightened by the effect of transitional arrangements whereby current sponsors will have to comply with the new sponsorship obligations, and accompanying civil penalties, when the new provisions commence. Indeed, the Senate report retains serious misgivings about some aspects, and for penalties of this nature it is arguably appropriate that the scheme clearly include elements of fault or the availability of relevant statutory defences, or both, and for this to be apparent in the bill and not left to prescription by regulation.

Other areas of concern raised in the Senate report include: the proposed 140L test regarding barring of sponsors; penalties for multiple breaches; the potential damage to small business; the mandatory sanction provision in proposed section 140L(2), which could be harsh and unworkable, especially in relation to partnerships and unincorporated associations; the lack of detail about the proposed scheme for inspectors and lack of enforcement powers; and proposed section 140Z, which seeks to make it a criminal offence, punishable by up to six months in prison, for a person to fail to produce a document or thing to an inspector by a specified time—not less than seven days—and which lacks any defence.

Fourthly, repeated and significant concerns were raised about the application of new obligations to existing sponsors, referred to as retroactive or retrospective. The transitional provisions apply to several categories of existing sponsors. Whilst DIAC was at pains to point out that the effect of the bill is not retrospective, Fragomen Global lawyers observed:

… the fundamental point—is—that sponsors are going to be deemed to accept the new obligations at the point where they are introduced by regulation.
Major stakeholders have raised objections about the potential costs of this approach, including the need to redraft and renegotiate contracts and revise many aspects of current business practice, as well as about the added complexity of assessing the impact of the bill in the absence of the detail of the regulations. DIAC is opposed to managing two systems whilst obligations expire, but the report calls for DIAC to give consideration to allowing sponsors to seek exemption from new obligations that would impose extreme hardship.

Other issues of concern raised in the inquiry, but not examined, include the lack of clarity about certain terms, employers hopping on the part of subclass 457 visa holders and privacy issues. In conclusion, the coalition, notwithstanding its concerns, does not want to delay the protection of workers and therefore will support the passage of the bill.

Debate (on motion by Senator Wong) adjourned.

Ordered that the resumption of the debate be made an order of the day for a later hour.

WATER AMENDMENT BILL 2008

Consideration resumed.

In Committee

Bill—by leave—taken as a whole.

Senator XENOPHON (South Australia) (7.35 pm)—I move amendment (1) on sheet 5649:

(1) Page 2 (after line 11), after clause 3, insert:

4 Review of operation of Water Act 2007 as amended by this Act

(1) The Productivity Commission must, by 30 June 2010, and each 30 June thereafter, prepare a report on the operation of the Water Act 2007 as amended by this Act and provide it to the Minister.

(2) In preparing a report required under subsection (1), the Productivity Commission must consider but is not limited to the following matters:

(a) the environmental impact on inflows;

(b) the economic sustainability of Basin water resources;

(c) the environmental sustainability of Basin water resources;

(d) the relative efficiency of water trading rules;

(e) the effectiveness of the Authority in carrying out its functions;

(f) the adequacy of the powers of the Authority;

(g) alternative models buying back tradeable water rights;

(h) the effectiveness of infrastructure projects and other water-saving measures funded (in whole or in part) by the Commonwealth;

(i) any other matter relevant to the objects of the Water Act 2007.

(2) The Minister must ensure that the Productivity Commission has sufficient resources to prepare a report required under subsection (1).

(4) The Minister must cause a copy of a report prepared under subsection (1) to be tabled in each House of the Parliament within 5 sitting days of that House after receiving the report.

This amendment relates to a review of the operation of the Water Act by the Productivity Commission, which must be done by 30 June 2010 and yearly thereafter. It sets out a number of the matters that the commission should consider. I urge honourable senators to support this amendment on the basis that it provides an overview of the operation of the act. Given that a key aspect of the legislation relates to water efficiency and water savings, the Productivity Commission is an independent body that can check the extent of efficiencies made, the effectiveness of infrastructure projects and other water-saving measures funded in whole or in part by the Commonwealth. Given the importance of the
issue of water, I think it is important that there be that overview by the Productivity Commission.

Senator NASH (New South Wales) (7.36 pm)—The coalition is quite supportive of the review of operation. We think it is appropriate that the amendment Senator Xenophon has put forward is considered in a very favourable light. It is certainly an appropriate course of action that there be a review, and the Productivity Commission is the appropriate body to do that.

Senator WONG (South Australia—Minister for Climate Change and Water) (7.37 pm)—The government is not supportive of this amendment. I just want to go through what I understand to be the logic behind it and explain why the government is not supportive of it.

First, a range of the issues in subsection (2) that Senator Xenophon’s amendment goes to are issues essentially that we would anticipate the authority will consider in the context of the preparation of the Basin Plan. Second, I make the point that, under section 87, audits of the current act by the National Water Commission are provided for every five years, and I also would refer the good senator and the opposition to section 253 of their own act, which deals with the role of the ACCC in addition to provisions in the bill which give certain powers to the ACCC. I would also refer senators to what section 253 of Mr Turnbull’s act says, which is a review of the operation of the act. The government’s view is that the existing act will deal with the issues.

I would make this point though on the amendment in relation to the Productivity Commission auditing infrastructure projects that the Commonwealth invests in. We wonder whether Senator Xenophon has canvassed that matter with irrigators in the Riverland, because it has certainly never been a point put to me. I wonder whether Senator Nash’s constituents would be aware of her view that the Productivity Commission should be auditing infrastructure projects that those constituents are seeking. I make this point because there are obviously potential consequences from such an amendment. The government’s view is that the existing provisions of the act will deal with the issues.

Senator SIEWERT (Western Australia) (7.39 pm)—The Greens indicate support for this amendment. We think it is appropriate that the Productivity Commission look at the effectiveness of infrastructure projects that have been funded. I think that is also a worthwhile exercise, so we indicate our support.

Question agreed to.

Senator NASH (New South Wales) (7.40 pm)—by leave—I move opposition amendments (1) to (3) on sheet 5650:

(1) Schedule 1, item 2, page 11 (lines 28 to 35), omit subsection 86A(2), substitute:

(2) Critical human water needs are the needs for a minimum amount of water, that can only reasonably be provided from Basin water resources, required to meet human drinking, sanitation and health requirements in urban and rural areas.

(2) Schedule 1, item 2, page 12 (after line 24), after section 86A, insert:

86AA Definitions and criteria relating to critical human water needs

(1) The Authority must publish, by 1 July 2009, a report containing the following:

(a) a comprehensive, practical definition of the term critical human water needs which identifies categories of users of such water and allowable purposes for the use of such water;
(b) a definition of the core human consumption requirements which would satisfy paragraph 86A(2)(a);

(c) a definition of the non-human consumption requirements which would satisfy paragraph 86A(2)(b).

(2) The Authority must, by legislative instrument, determine, by 1 July 2009:

(a) clear, transparent and equitable criteria the Authority will apply in determining whether the definition in paragraph 86A(2)(a) is met;

(b) clear, transparent and equitable criteria the Authority will apply in determining whether the definition in paragraph 86A(2)(b) is met;

(c) clear, transparent and equitable criteria the Authority will apply in determining the volume of conveyance water required to deliver water to meet critical human water needs;

(d) clear, transparent and equitable criteria the Authority will apply to monitor the use of such water to ensure it is used for the allowable purposes referred to in paragraph (1)(a).

(3) Schedule 1, item 2, page 13 (after line 4), after section 86B, insert:

86BA Reports on and evaluation of critical human water needs distributions

The Authority must publish, at least monthly, after the Basin Plan first takes effect, a report specifying:

(a) the amounts of water distributed or allocated under the Basin Plan to meet critical human water needs; and

(b) the amounts of conveyance water distributed or allocated to deliver that water; and

(c) in relation to each such distribution or allocation:

(i) to whom and where the water has been distributed or allocated;

(ii) the criteria upon which the water has been distributed or allocated;

(iii) the length of time for which such water has been distributed or allocated to meet that need;

(iv) an evaluation of the compliance of that distribution or allocation with the criteria specified under subparagraph (ii).

I do note the concurrence of views on this particular issue from the opposition and Greens senators. The issue of critical human needs is one that was raised consistently during the inquiry process for this bill. There was very much a consistent view provided through the evidence to the committee that overwhelmingly favoured the need for the bill to more clearly define critical human needs. The inclusion of critical human needs was generally supported, but one of the things that became apparent through the inquiry process was the lack of any definition and the impact that that would have in determining future plans for the basin.

In relation to the definition there was a variance of views from witnesses appearing during the inquiry and from industry itself as to what the definition could mean. Interestingly, and perhaps the minister might be able to enlighten us around this particular area, her view was I think recently stated publicly that critical human needs were ‘drinking water’. The coalition senators, and I am assuming the Greens as well, actually felt that the bill does not address critical human needs to provide that clear and distinct definition of drinking water that the minister gave so publicly recently. Perhaps the minister could enlighten us as to her reading of the very clear definition of critical human needs against what was a very common view that it did need refining to make it clearer and more distinct.

**Senator Fisher** (South Australia) (7.43 pm)—If the definition of critical human wa-
ter needs is intended to be drinking water, can the minister identify which section in the
bill so defines them?

Senator WONG (South Australia—
Minister for Climate Change and Water)
(7.43 pm)—The definition of critical human
water needs appears in proposed section 86A
of the bill and is defined under subsection (2)
as:

… needs for a minimum amount of water, that
can only reasonably be provided from Basin wa-
ter resources, required to meet: (a) core human
consumption requirements in urban and rural
areas; and (b) those non-human consumption
requirements that a failure to meet would cause
prohibitively high social, economic or national
security costs.

I do find it somewhat extraordinary that we
have coalition senators, including those from
Adelaide, suggesting that the provisions
around critical human needs should be lim-
ited to the extent that Senator Nash’s
amendment suggests.

I want to make this very clear so that op-
position senators and the shadow minister,
who is here, understand what is being pro-
posed here. This is part of the bill which sits
within the referred provisions. The referral
bills passed by New South Wales, Queens-
land and South Australia and currently un-
der consideration by the Victorian Legisla-
tive Council would not confer on the Com-
monwealth parliament the power necessary
to pass a bill with an amended definition of
‘credible human water needs’. The amend-
ment that is being proposed by Senator
Nash—be careful, Senator Birmingham, that
you understand what you senators are do-
ing—would, if carried and retained by this
parliament, require the scope of the referral
to be renegotiated with the states and for
each state to amend its referral legislation,
significantly delaying the passage of what
we on this side regard, and many regard as
important legislation. This definition was
agreed in the IGA, to which I referred in my
summing up speech on the second reading,
and it was the subject of extensive negotia-
tions with the states and public consultation
both in the lead-up to the negotiation of the
agreement and in the negotiation of a com-
prehensive water bill in 2007.

Just so we are clear about the history and
the approach to this: it is the case that, under
the new regime, the authority will be re-
quired to set out the methodology by which
it determines critical human water needs and
conveyance water in the Basin Plan. The
application of the definition will draw on the
contingency planning work that has been
underway between governments in the
southern basin since November 2006. Com-
munities which are dependent on basin water
resources are those communities who rely on
basin water resources, and these are likely to
be all of the communities within the basin
and, obviously, some communities outside of
the basin that are provided with water from
the basin to meet part or all of their critical
needs, such as Adelaide.

The first limb of the definition that is in
the bill, ‘core human consumption require-
ments’, generally refers to full restricted ur-
ban demand, no outdoor use and fully re-
stricted domestic and stock use. With the
second limb of the definition, ‘non-human
consumption requirements that a failure to
meet would cause prohibitively high social,
economic or national security costs’—and I
emphasise that again: ‘prohibitively high
social, economic or national security
costs’—a starting point may be that these
requirements are zero but that uses may then
be considered on a case-by-case basis. For
example, the authority might draw on the
principles in the Murray-Darling Basin dry
inflow contingency planning overview report
to first ministers May 2007. So this is a defi-
nition—and Senator Nash and Senator Bir-
mingham might want to know this—that
your government applied under contingency arrangements that you are now essentially seeking to change. Those agreed definitions—agreed by first ministers in May 2007, under the previous government—include:

I. the impact of not providing water would cause prohibitively high social, economic or security costs;

II. there are no viable alternatives to provide the good or service that requires water; and

III. the recipient of the water has developed a water efficiency plan incorporating industry best practice water efficiency targets.

Examples that have been provided to me of uses that may meet—and I emphasise ‘may meet’—these criteria include water for hospitals, schools, aged care, defence facilities such as Thales ammunitions factory at Mulwala, food production, and other important industries that provide significant employment in regional Australia, such as, OneSteel, Nystar and San Remo.

I suggest to Senator Nash that there are some very compelling reasons, both in policy terms but also, frankly, in terms of the cooperative and constitutional arrangements which underpin this legislation, and, in the light of that, she should not proceed with these amendments.

Senator NASH (New South Wales) (7.49 pm)—Mr Temporary Chairman, we would like to have amendment (1) put separately and then amendments (2) and (3) subsequently put together.

The TEMPORARY CHAIRMAN (Senator Barnett)—The question is that opposition amendment (1) on sheet 5650 be agreed to.

Senator SIEWERT (Western Australia) (7.50 pm)—The Greens have an amendment that is the same as clause (1) of the opposition’s amendments, so we will be supporting this amendment.

Question put:

That the amendment (Senator Nash’s) be agreed to.

The committee divided. [7.55 pm]

The Temporary Chairman—Senator G Barnett)

Ayes…………. 32

Noes…………. 23

Majority……… 9

AYES

Barnett, G.
Birmingham, S.
Boyce, S.
Bushby, D.C.
Coonan, H.L.
Ferguson, A.B.
Fisher, M.J.
Heffernan, W.
Johnston, D.
Kroger, H.
Mason, B.J.
Minchin, N.H.
Parry, S.
Ronaldson, M.
Siewert, R.
Trood, R.B.

NOES

Arbib, M.V.
Bishop, T.M.
Cameron, D.N.
Conroy, S.M.
Feeney, D.
Forshaw, M.G.
Hurley, A.
Landy, K.A.
Moore, C.

Bernardi, C.
Boswell, R.L.D.
Brown, B.J.
Cash, M.C.
Eggleston, A.
Fierravanti-Wells, C.
Hanson-Young, S.C.
Humphries, G.
Joyce, B.
Ludlam, S.
McGauran, J.J.
Nash, F.
Payne, M.A.
Scullion, N.G.
Troeth, J.M.
Williams, J.R. *

Bilyk, C.L.
Brown, C.L.
Collins, J.
Farrell, D.E.
Fielding, S.
Furner, M.L.
Hutchins, S.P.
McEwen, A. *
Polley, H.
Question agreed to.

Senator NASH (New South Wales) (7.59 pm)—I seek leave to withdraw opposition amendments (2) and (3) on sheet 5650.

Leave granted.

Senator SIEWERT (Western Australia) (7.59 pm)—I move Greens amendment (1) on sheet 5629:

(1) Schedule 2, page 286 (after line 20), after item 6, insert:

6A Paragraph 3(h)

After “to provide for the”, insert “regular and systematic”.

6B At the end of paragraph 3(h)

Add:

; and (iii) the long-term health, resilience and sustainability of Australia’s rivers, wetlands and estuaries.

This relates specifically to expanding the objects of the act. While the objects of the act are actually quite comprehensive with regard to most issues, we are specifically concerned about the issues of river health and are keen to ensure that the role of the authority is absolutely clear in terms of river health, looking at the issues of river health and ensuring that there is systematic and regular collection, collation, analysis and dissemination of information around river health. We seek to amend the objects to include the long-term health, resilience and sustainability of Australia’s rivers, wetlands and estuaries, because fundamentally that is specifically what we are trying to ensure by this act. The Basin Plan is aimed at trying to achieve that. These amendments were suggested by Professor Mike Young, most recently during the recent inquiry but also during the original inquiry last year into the Water Act 2007, and also very strongly recommended by the late Professor Peter Cullen because he felt there was not clarity in the act around what the role of the authority was in ensuring the monitoring and evaluation of the basin and felt that it needed to be clarified through changes to the object of the act. 

Senator NASH (New South Wales) (8.01 pm)—I think people recognise very clearly that coalition senators are also very concerned about river health and the future of the Murray-Darling Basin. However, I indicate that we will not be supporting this amendment from the Greens. The coalition believe there are certain triggers that are contained within this amendment that may well have undefined and unintended consequences. On that basis, we will not be supporting the amendment.

Senator WONG (South Australia—Minister for Climate Change and Water) (8.01 pm)—I indicate, so senators are aware, that the government is not supporting this amendment. First, in relation to inserting ‘regular and systematic’ into paragraph 3(h), we believe the objective of information collection is already achieved in part 7 of the act, which provides quite a detailed regime for regular and systematic reporting. In relation to the reference to wetlands and estuaries, which is the second part of the amendment, in our view the existing objects of the act already provide that focus for the authority. In effect, the amendment simply uses different words to achieve the same object.
Question negatived.

Senator SIEWERT (Western Australia) (8.03 pm)—by leave—I move Greens amendments (1) to (11) on sheet 5646:

(1) Schedule 2, page 288 (after line 23), after item 22, insert:

22A Subsection 4(1) (definition of long-term average sustainable diversion limits)

Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

(2) Schedule 2, page 294 (after line 2), after item 50, insert:

50A Subsection 22(1) (table item 4, column 3)

Omit “long-term average sustainable diversion limits”, substitute “long-term sustainable diversion limits”.

50B Subsection 22(1) (table item 6, column 2)

Omit “long-term annual average quantities”, substitute “long-term annual quantities”.

50C Subsection 22(1) (table item 6, column 2)

Omit:

The averages are the long-term average sustainable diversion limits for the Basin water resources, and the water resources, or particular parts of the water resources, of the water resource plan area.

50D Subsection 22(1) (table item 6, column 3)

Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

50E Subsection 22(1) (table item 7, column 2)

Omit “long-term annual average quantities”, substitute “long-term annual quantities”.

50F Subsection 22(1) (table item 7, column 2)

Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

50G Subsection 22(1) (table item 7, column 2)

Omit:

The average is the temporary diversion provision for those water resources or that particular part.

The sum of:

(a) the long-term average sustainable diversion limit; and
(b) the temporary diversion provision;

for those water resources or that particular part is the long-term annual diversion limit for those water resources or that particular part.

50H Subsection 22(1) (table item 8, column 2)

Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

(3) Schedule 2, page 294 (after line 6), after item 51, insert:

51A Subsections 23(1) and (2)

Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

Note: The heading to section 23 is altered by omitting “average”.

51B Subsection 24(1)

Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

51C Subsection 24(1)

Omit “long-term average quantity of water”, substitute “long-term quantity of water”.

51D Subsections 24(6) and (7)
Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

(4) Schedule 2, page 301 (after line 14), after item 75, insert:

75A Subsection 74(2)
Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

(5) Schedule 2, page 301 (after line 16), after item 76, insert:

76A Subsection 74(4)
Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

(6) Schedule 2, page 302 (after line 17), after item 77, insert:

77A Subsection 75(1)
Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

Note: The heading to section 75 is altered by omitting “average”.

(7) Schedule 2, page 303 (after line 2), after item 80, insert:

80A Subsection 75(3)
Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

(8) Schedule 2, page 303 (after line 18), after item 82, insert:

82A Subsection 75(4)
Omit “long-term average sustainable diversion limit” (twice occurring), substitute “long-term sustainable diversion limit”.

(9) Schedule 2, page 303 (after line 27), after item 83, insert:

83A Section 76
Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

(10) Schedule 2, page 303 (after line 31), after item 85, insert:

85A Subsection 77(4)
Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

(11) Schedule 2, page 303 (after line 33), after item 86, insert:

86A Subsection 78(2)
Omit “long-term average limit”, substitute “long-term limit”.

86B Paragraph 78(3)(a)
Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

86C Subparagraph 78(3)(a)(i)
Omit “long-term average limit”, substitute “long-term limit”.

86D Subparagraph 78(3)(a)(ii)
Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

86E Paragraph 81(1)(b)
Omit “long-term average sustainable diversion limit”, substitute “long-term sustainable diversion limit”.

These amendments relate to variability of annual flow and were specifically recommended during the Senate inquiry, again by Professor Mike Young. They relate specifically to the word ‘average’, which is used throughout the act. Professor Young said that, as experienced in recent years, averages can be extremely misleading, especially in episodic, event driven systems such as those found in the Darling system. He said that variability is often measured by dividing the flow range, the maximum and the minimum, by the mean annual flow and that, in the Murray, this results in a ratio of 15 to five, whilst in the Darling system the resultant ratio is 4,705 to two. The Darling River system is much more variable than the Murray River system, and Professor Young believes
it would be a mistake for basin planners to simply add up averages derived from different parts of the system. The Basin Plan also needs to take into account that adverse climate change may occur.

Given these observations, he recommended that part 2 of the act be generalised by a series of recommendations, which is what we are trying to achieve—a much more realistic way of dealing with flows in the river than using averages. We believe it is a much more rigorous and scientific approach, particularly as we are moving into a period of climate variability and climate change where the science, particularly in the northern part of the basin, is saying that—I hate to say it—on a more regular basis we might see events similar to what we saw last summer that could significantly change the calculations if we do not move into using this particular system rather than just averages. We believe this is more realistic and will provide a better tool for the authority when they are developing the Basin Plan and management plans for the basin into the future. It provides us with a much more significant and rigorous tool as we try to adapt to climate change and deal with the increasing variability in flow. We need to factor in variability in the way that we manage the basin, and we believe this provides part of the tool set that we need.

Senator NASH (New South Wales) (8.06 pm)—I indicate, recognising the Greens' position on this, that the coalition will not be supporting these amendments. Certainly, upon reading the amendments, it seems there may well be unintended consequences as a result of this—I think particularly in the upper basin. As a result, the coalition will not be supporting the amendments.

Senator BIRMINGHAM (South Australia) (8.06 pm)—My understanding from discussions with the Greens and other parties, including Professor Young, prior to this debate is that these amendments were moved during the debate on the Water Bill 2007 in this place and that the indication at that time was that the then government and the then department felt that it was possible and likely that there was enough flexibility in the act for the Murray-Darling Basin Authority to be able to work around some of the valid issues that Senator Siewert has raised. Averages may not be a neat fit everywhere and there are some instances in which alternative formulae may need to be applied, but elsewhere in the act the potential exists for the authority to be able to establish different formulae and approaches. I would appreciate it if the minister could confirm whether my understanding, given to me by others in recollection of that discussion, is correct and if there is that ability within the act for different approaches to be applied rather than for them having to be the averages that Senator Siewert has highlighted in these amendments.

Senator WONG (South Australia—Minister for Climate Change and Water) (8.08 pm)—I did note in my summing up speech that this was an issue raised both in the Senate report and also by Senator Siewert, in particular the issue of variability in averages. As I said then, and I will reiterate in a little more detail, throughout the act the term 'long-term average sustainable diversion limit' is used. This is intended to provide a useful metric for levels of diversion in various parts of the basin and for the basin as a whole. It does not, however, suggest or necessitate the management of basin water resources through averages, either in terms of planning or compliance. Preparation of sustainable diversion limits involves setting a sustainable extraction limit for the full range of expected seasonal variations anticipated for the planning period. The use of the term ‘average’ in the defined term ‘long-term average sustainable diversion limit’ simply
reflects the fact that averages provide a useful metric for communicating a diversion limit, which will itself obviously be based on a more complex formula that does take into account natural variability.

In terms of planning, the act states that the long-term average sustainable diversion limits may be specified as a particular quantity of water per year, as a formula or other method that may be used to calculate a quantity of water per year or in any other way that the authority determines to be appropriate. Such flexibility has been given to the authority to enable it to develop specific arrangements for specific locations and circumstances. The complexity of water management in the Murray-Darling Basin surely provides such a scope. The provisions of the act already allow sophisticated and flexible diversion limit arrangements to be applied, including a share based arrangement, and in relation to particular water years and water availabilities for the basin as a whole, for particular water resources and for parts thereof.

In terms of compliance, the phrase ‘whether in relation to a particular water accounting period or over a longer period’, which is item 8 in section 22(1), emphasises that the compliance arrangements can specify compliance arrangements for specific water years, not just long-term average limits. So this is an important feature of the Water Act 2007 and makes it clear that compliance with the Basin Plan is not on the basis of averages.

I trust that deals with the issues that Senator Siewert raises. I also on this occasion share Senator Nash’s views about potential unintended consequences. In particular, the government is concerned with the omission of the definition which is contained in relation to item 2 section 50C of Senator Siewert’s amendment. We do not support these amendments.

Question negatived.

Senator XENOPHON (South Australia) (8.11 pm)—I move the amendment on sheet 5661:

Schedule 2, page 293 (after line 7), after item 45, insert:

45A Before Division 1 of Part 2

Insert:

Division 1A—Interim Basin Plan

Subdivision A—Powers of Minister in relation to management of Basin water resources

18I Decision that Interim Basin Plan required

The Minister may decide that, to address the current crisis affecting the Murray-Darling Basin, an Interim Basin Plan is required, as an emergency measure to apply until such time as he or she approves a Basin Plan that is consistent with the Water Act 2007.

18J Authority to prepare Interim Basin Plan

(1) If the Minister decides under section 18I that an Interim Basin Plan is required, the Minister must direct the Authority to prepare the Interim Basin Plan and the Authority must prepare the Interim Basin Plan.

(2) An Interim Basin Plan prepared by the Authority under subsection (1) must include any determination made by the Minister under section 18L, 18M or 18N.

(3) A direction by the Minister under subsection (1) must provide that the Authority must prepare the Interim Basin Plan, after consultation with the Basin States and provide it to the Minister within 6 months of the date of the direction.

(4) An Interim Basin Plan may include any of the matters that must or may be in-
A direction by the Minister under subsection (1) is a legislative instrument.

18K Approval of Interim Basin Plan

(1) If the Minister gives a direction under subsection 18J(1), within 30 days of receiving the Interim Basin Plan from the Authority the Minister must either:

(a) approve the Authority’s Interim Basin Plan; or
(b) approve the Authority’s amended Interim Basin Plan provided to the Minister under paragraph (3)(a); or
(c) amend the Authority’s Interim Basin Plan and approve it; or
(d) prepare an alternative Interim Basin Plan and approve it;

as an emergency measure to apply until such time as he or she approves a Basin Plan.

(2) The Minister must, before amending the Authority’s Interim Basin Plan under paragraph (1)(c) or preparing an alternative Interim Basin Plan under paragraph (1)(d), consult the Authority.

(3) If the Minister consults the Authority under subsection (2):

(a) the Authority may amend its Interim Basin Plan and provide the amended Interim Basin Plan to the Minister within a timeframe decided by the Minister; or
(b) the Minister may amend the Authority’s Interim Basin Plan under paragraph (1)(c) or prepare an alternative Interim Basin Plan under paragraph (1)(d).

(4) An Interim Basin Plan approved under subsection (1) is a legislative instrument.

(5) When an Interim Basin Plan approved under paragraph (1)(b), (c) or (d) is laid before a House of the Parliament under the Legislative Instruments Act 2003, the Minister must also lay before that House a document that sets out the Minister’s reasons for not approving the Authority’s Interim Basin Plan under paragraph (1)(a).

18L Matters that may be determined by Minister

(1) The Minister may, to give effect to an Interim Basin Plan under this Division, determine:

(a) interim water sharing regimes; and
(b) interim allocation arrangements; and
(c) interim storage management; and
(d) interim water accounting rules; and
(e) rules for arrangements for sale and purchase and movement of water among Basin States; and
(f) the allocation of water for essential system maintenance, conveyance and environmental purposes; and
(g) any other matter necessary to give effect to an Interim Basin Plan.

(2) In making a determination under subsection (1), the Minister must have regard to the matters set out in section 18O.

(3) A determination under subsection (1) is a legislative instrument.

18M Sharing regime

In the interests of sustaining and protecting the environment and to assist in making any determination under subsection 18L(1), including in relation to any water resource plan area, the Minister must determine:

(a) the share of water needed to maintain Basin water resources in a manner that enables water of reasonable quality to be conveyed to water users, to maintain essential system functions and to maintain water quality; and

(b) the share of the remaining non-flood water to which a Basin State is entitled; and
(c) the share, if any, to be granted to the environment as a separate and clearly identifiable holder of an inalienable entitlement to water allocations in the water resource plan area.

18N Activities inconsistent with relevant international agreements

The Minister may make a determination that certain activities are inconsistent with relevant international agreements.

Subdivision B—Matters to which Minister must have regard when making a determination

18O Matters to which Minister must have regard when making a determination

In making a determination under this Division, the Minister must have regard to:

(a) the principles set out in the National Water Initiative which have been agreed to by all governments of the Commonwealth of Australia;

(b) critical human needs;

(c) environmental needs and obligations including international obligations;

(d) community needs;

(e) the importance of efficient market processes in determining the most appropriate way to use water and to facilitate structural adjustment;

(f) the importance to the economy and communities of maintaining permanent plantings;

(g) relevant international agreements;

(h) the possibility that all or some parts of the Murray-Darling Basin may be experiencing adverse climate change, so that it may not be possible to sustain all forms of water use in the Murray-Darling Basin and that any adjustment burden must shared equitably across the Murray-Darling Basin;

(i) the need for economically efficient water use and investment;

(j) any other benefits available to particular users of Basin water resources;

(k) the need to prevent activities that contribute to the improper use, storage and diversion of water;

(l) any other matter to which the Minister considers it necessary to have regard.

Subdivision C—Powers of Authority in relation to implementation, compliance and enforcement of Interim Basin Plan

18P Powers of Authority in relation to implementation, compliance and enforcement of Interim Basin Plan

(1) The Authority is responsible for implementing an Interim Basin Plan.

(2) For the purposes of investigating compliance with and enforcing an Interim Basin Plan, the Authority has the same enforcement powers as it has in relation to a Basin Plan.

(3) For the purposes of investigating compliance with and enforcing an Interim Basin Plan, the Authority also has the same enforcement powers as the ACCC and the Minister have in relation to a Basin Plan.

Subdivision D—Other matters

18Q Inconsistent State actions

(1) A State must not act in any manner which is inconsistent with an Interim Basin Plan or a determination made under this Division.

(2) A State that imposes restrictions on the trading and transfer of tradeable water rights in relation to Basin water resources is not eligible to receive any Commonwealth funding under the National Water Initiative.

18R Trading and transfer of tradeable water rights by Commonwealth

The Commonwealth and the Commonwealth Environmental Water
Holder are not subject to any restrictions on the trading or transfer of tradeable water rights in relation to Basin water resources.

18S Declaration of taxation schemes detrimental to management of Basin water resources

(1) The ACCC must, by 30 June 2009, inquire into the effects of arrangements in the *Income Tax Assessment Act 1997* on:

(a) the water market; and

(b) the nature of irrigation practice and investment;

and provide, by 31 December 2009, advice to the Minister based on the outcome of the inquiry.

(2) Acting on the advice of the ACCC, the Minister may determine that a taxation scheme is detrimental to management of the Basin water resources.

(3) The Minister must give a copy of a determination made under subsection (2) to the Treasurer.

(4) If the Minister gives a copy of a determination to the Treasurer under subsection (3), the Treasurer must cause a report to be prepared in response to the determination.

(5) The Treasurer must cause a copy of a report prepared under subsection (4) to be laid before each House of the Parliament within 15 sitting days of that House after the completion of the preparation of the report.

18T Failure to comply with Interim Basin Plan made under this Division

(1) If a Basin State fails to comply with an Interim Basin Plan or any determination made under this Division, the Minister must assess:

(a) the impact of that failure to comply on the other shares determined under section 18M in the Basin water resources; and

(b) the quantitative effect of that failure to comply on the Basin water resources.

(2) If a Basin State fails to comply with an Interim Basin Plan or any determination made under this Division, the Minister must by determination reduce that Basin State’s share in the Basin water resources as determined under section 18M by 10 times the quantitative effect of that failure to comply as assessed under paragraph (1)(b).

(3) If a Basin State, after the Minister under subsection (2) reduces that Basin State’s share in the Basin water resources, continues to fail to comply with an Interim Basin Plan or a determination made under this Division, the Minister must apply for an injunction against the Basin State under section 140.

This amendment is about having an interim Basin Plan. It is to add a degree of urgency to the bill to ensure that the minister may decide, in order to address the current crisis facing the Murray-Darling Basin, to implement an interim Basin Plan as required as an emergency measure to apply until the Basin Plan is approved. That is what it is in a nutshell. There are a number of consequential amendments as to how it would operate, but effectively it would provide for the authority to prepare an interim Basin Plan within six months and for the minister to sign off within 30 days. My concern in relation to this, which I have stated before, is that waiting until 2011 with implementation in 2019 is just too long a time frame, given the urgency of the crisis.

Senator NASH (New South Wales) (8.13 pm)—The coalition certainly recognises the intent of the amendment that Senator Xenophon is putting forward here this evening. There is indeed a recognition of the speed at which we should be moving forward with the plan. However, in terms of putting an interim
Basin Plan in place, there was a level of concern from many industry groups that appeared before the inquiry about the necessity of doing that, perhaps because of the duplication that would arise as a result of that. But we do take on board Senator Xenophon’s intent in trying to relay the urgency, from his perspective, of what he would like to do.

One of the things that I would point out is that a lot of the planning could already have taken place under the old Water Act 2007, as I am sure the minister is well aware, and the minister could have begun under the act standing. There certainly has been a degree of speculation that perhaps nothing can move forward until we move to the new legislation, but I think even the minister would recognise that there is a degree of planning and forward movement on reform that could already be taking place. So I indicate to the Senate that the coalition will not be supporting the amendment of Senator Xenophon.

Senator SIEWERT (Western Australia) (8.14 pm)—The Greens indicated in our minority report on this bill that we felt that it was important that we start setting some sort of basic planning in place. We felt that planning with a non-binding approach should be started in order to start sending some security to basin communities so that they have a bit of a sense of certainty about their planning. We are attracted to the idea of interim planning. We are concerned that resources may be diverted away from the final planning to an interim plan, which is why we were going for a non-binding approach, so that some preliminary work would be done to give some security to communities. We do have some problems with more formalised interim planning. We would prefer some sort of non-binding approach to be taken in order to do some preliminary work with communities.

Senator FISHER (South Australia) (8.16 pm)—I rise to support Senator Nash’s comments. We understand Senator Xenophon’s motivation in moving these amendments and would support the motivation behind them. But, however well-intentioned they are, I fear they may fail to deliver in coming up with an interim plan that Senator Xenophon hopes would enable an emergency response. Instead, they risk coming up with an interim plan that would essentially be the surrogate real plan, would last for significantly longer than the interim and would ultimately stave off what should be the arrival at the end point, which is a permanent and ongoing plan. On that basis, whilst Senator Xenophon’s amendments are very well intentioned, I do not believe that we can support them.

Senator WONG (South Australia—Minister for Climate Change and Water) (8.17 pm)—I am sure that it comes as no surprise to Senator Xenophon that the government is not supporting this set of amendments. I note that they essentially comprise giving the relevant minister quite a lot of power.

Senator Fisher—There is such a thing as a poisoned chalice.

Senator WONG—But it is not a regime that is consistent with what we have negotiated with the states. I want to also raise a practical issue. I think all of us who are close to the issue of water management in the basin have a sense that much should have been done before but, in terms of the practicalities of this, the government is focused on getting the authority up and running, on resourcing that authority adequately and on ensuring that we achieve a Basin Plan in early 2011, as I said in my second reading speech. That is a very substantial task to put in place with the relevant community consultation that is required under the legislation. Also, it is already a substantial task to, as a matter of policy, take into account a whole range of scien-
scientific issues which have previously not formed the basis of management decisions, as Senator Xenophon and others well know. To load on top of that an additional interim plan is, in our view, unmanageable.

Question negatived.

Senator SIEWERT (Western Australia) (8.19 pm)—by leave—I move Greens amendment (2) and (6) on sheet 5629:

(2) Schedule 2, page 293 (after line 7), after item 45, insert:

45A Paragraph 20(b)

After “quantities of”, insert “or shares of”.

(6) Schedule 2, page 294 (after line 2), after item 50, insert:

50A Subsection 22(1) (table item 6, column 2)

After “quantities of water”, insert “or shares of water”.

50B Subsection 22(1) (table item 7, column 2)

After “quantities of water”, insert “or shares of water”.

This is to do with long-term sustainable diversion limits. These are two amendments that are intended to implement recommendations from Professor Young at the committee’s inquiry. They are about trying to produce a better outcome for the basin. Essentially we seek to change the word ‘quantities’ to ‘shares’ of surface water and groundwater. We believe this is more consistent with the National Water Initiative, which requires—but it is not done in many of the basin’s unregulated systems—that it is more appropriate to define sustainable diversion limits as the proportion or share of water that can be derived under different circumstances and conditions. We believe that, in the increasingly variable climate and water flow scenarios that we are facing in the basin, this is a more appropriate way to start setting the long-term sustainable diversion limit. In other words we start thinking of proportions or shares of the water.

We have sought to amend this act before. We think that this is a more appropriate way to go. As has been mentioned earlier, we sought to move a number of these amendments last time. I repeat that they are on the recommendations of professionals and experts in river management and ecosystem health, who presented to the previous inquiry in August 2007 on the Water Act 2007. They still recommend that these amendments will improve the act. So it is not a case of them having given evidence a year ago, thinking it was a good idea at the time but subsequently changing their minds. They still think this is a more appropriate way to facilitate effective management of the basin. We are talking about setting up a system that needs to deal with an increasingly variable climate, with decreasing water flows in an environment in which we are going to have to reduce consumptive water use by 42 to 53 per cent. So we need some pretty progressive ways of thinking about how we are going to manage a very limited resource.

We believe that these amendments make sense and assist us in innovative ways of thinking about the water resource and how we are going to manage it and share it into the future, because that is what we are going to be doing. We are going to have to share a limited resource for ecosystem and river health, for wetlands health, for irrigators and for human needs. Each one of those uses is extremely significant, and we believe that this is a more appropriate way to look at that water resource. We commend these amendments to the committee.

Senator XENOPHON (South Australia) (8.22 pm)—I support these amendments. Senator Siewert is absolutely right. You need to look on a share basis rather than take the current approach. This is something that has
been strongly recommended by a number of experts, including Professor Mike Young from the Wentworth Group of Concerned Scientists, and I believe Professor Young is absolutely right in taking that approach in relation to looking at a sharing regime.

Senator NASH (New South Wales) (8.23 pm)—I certainly could not agree more with Senator Siewert that we need to be progressive and innovative in how we move forward in terms of managing the basin. Indeed, I recognise the very clear intent with which Senator Siewert has moved these amendments. However, I must indicate to the committee that we will not be supporting these amendments. In spite of having very closely listened to Senator Siewert, we believe that there is the potential for possible unintended consequences and, as a result, we will not be supporting the amendments.

Senator WONG (South Australia—Minister for Climate Change and Water) (8.23 pm)—I wish to indicate to Senator Siewert a couple of things. The government is not proposing to support this. In part, there is a possibility that the amendments, as they are drafted, may well confuse the interpretation of the act. I would also ask Senator Siewert, on this issue, to have regard to the existing definitions in the act, under section 23, subsection (2), which makes it very clear that:

A long-term average sustainable diversion limit for the Basin water resources, for the water resources of a particular water resource plan area or for a particular part of those water resources may be specified:

(a) as a particular quantity of water per year; or
(b) as a formula or other method that may be used to calculate a quantity of water per year; or
(c) in any other way that the Authority determines to be appropriate.

So, in the government’s view, that section of the existing act already allows the authority to take into account the dynamic nature of water availability in the basin, including different climatic and hydrological regimes. This section that I have just outlined would allow the long-term average sustainable diversion limit to be expressed as a share if the authority considered it to be appropriate pursuant to section 23, subsection (2C). The use of the term ‘average’ in the defined term of long-term average sustainable diversion limit, as I have indicated before, simply reflects the fact that averages provide a useful metric for communicating a diversion limit, which will itself, obviously, be based on a more complex formula that takes into account natural variability.

Question negatived.

Senator XENOPHON (South Australia) (8.26 pm)—I move amendment (3) standing in my name on sheet 5649:

(3) Schedule 2, page 293 (after line 7), after item 45, insert:

45A Before paragraph 20(a)

Insert:

(aa) the Authority to take a whole of Basin approach in managing Basin water resources, taking into account environmental, social, economic and hydrological considerations;

This relates to a whole-of-basin approach in terms of the way that the authority will function. It makes explicit what some would say is implicit in the bill, but I think it is important that it be clear that what is being proposed is spelt out in the context of the authority’s functions. I would urge senators to support this particular amendment. The amendment makes it clear that the authority should take a whole-of-basin approach when preparing a Basin Plan. It requires a Basin Plan to take into account environmental, social, economic and hydrological considerations and to set out environmental objectives for each part of the system. Section 20 of the
bill requires a Basin Plan to set out environmental objectives for each part of the system but does not necessarily require these objectives to be defined in a manner that reflects the impact of one part of the system on all other parts. This amendment effectively promotes a holistic approach to the Basin Plan which, at present, appears to be lacking, other than in the form of some subtle undertones.

Senator NASH (New South Wales) (8.27 pm)—As Senator Xenophon has indicated, whilst the intent of this is already taken into account in the bill, the coalition certainly believes that it is appropriate to clarify it by way of the amendment that Senator Xenophon has moved. To have a little more clarity and transparency in the requirements is appropriate, and the coalition will be supporting the amendment.

Senator BIRMINGHAM (South Australia) (8.28 pm)—I would like to echo that support for Senator Xenophon’s amendment. In some ways this is a cosmetic amendment. I am not wishing to downgrade it at all but, of course, it flows to objects of the Basin Plan and the purpose of the Basin Plan. Nonetheless, it is important that the new Murray-Darling Basin Authority be very clear in its understanding of what the objects and purpose of that Basin Plan are. Whilst the purpose, as outlined in the current act, does go through a range of associated factors that have some overlap with the amendment that Senator Xenophon has moved, it is not put so clearly and concisely. In particular, it does not provide that whole-of-basin understanding across the different factors that Senator Xenophon has raised in this amendment—across those factors of environmental, social, economic and hydrological considerations.

Yes, the current purposes of the plan and the act talk about basin-wide environmental objectives, but they then go on to specify and limit that to some extent to water dependent ecosystems rather than looking at the fullsome approach that has been proposed by Senator Xenophon. As to giving a clear message and mandate to the MDBA and ensuring that the new authority, when comprised, has a mandate to deliver the type of basin plan that will give consideration to the full basin, I endorse and echo Senator Nash’s support for Senator Xenophon’s amendment.

Senator SIEWERT (Western Australia) (8.30 pm)—I would like to indicate the Greens’ support. We think that it is important to put this sort of emphasis into the plan. It will give the authority the extra support to ensure that whole-of-basin approach is taken to managing our basin water resources. We think the plan needs to take into account the environmental, social, economic and hydrological issues that are in this amendment and that this enhances the plan. I cannot see any reason why all the state stakeholders would not support an amendment such as this. The Greens will be supporting this amendment.

Senator WONG (South Australia—Minister for Climate Change and Water) (8.31 pm)—I indicate to Senator Xenophon that we believe that the existing section 20 of the act essentially already provides the sort of whole-of-basin approach that is included in his amendment. Frankly, it is probably the case that different words are used in the amendment to achieve the same object. For example, the current section of the act provides for the integrated management of basin water resources in a way that promotes the objects of the act, including the environmental, hydrological, social and economic considerations that are fundamental to the purposes of the act. I acknowledge that the opposition is going to vote to amend the objects that Mr Turnbull put in place in their legislation. I hope they discussed that with him.
Question agreed to.

Senator SIEWERT (Western Australia) (8.32 pm)—I move Greens amendment (3) on sheet 5629:
(3) Schedule 2, page 293 (after line 7), after item 45, insert:

45B After paragraph 20(b) Insert:
(ba) measures which ensure that flows are sufficient and regular enough to maintain essential ecosystem functions throughout the Basin and that the effects of diverting water in one part of the Basin on all other parts of the Basin are fully accounted for;

This is an amendment to ensure that the Basin Plan also provides for maintaining ecosystems. The measure ensures that flows are sufficient and regular enough to maintain essential ecosystem functions throughout the basin and that the effects on all parts of the basin of diverting water in one part of the basin are fully accounted for. We believe this enhances the role of the Basin Plan. The measure ensures that flows are sufficient and regular enough to maintain essential ecosystem functions throughout the basin and that the effects on all parts of the basin of diverting water in one part of the basin are fully accounted for. We believe this enhances the role of the Basin Plan. I think it actually fits in quite nicely with the amendment that Senator Xenophon has just successfully moved to ensure that the authority takes a whole-of-basin approach to managing water resources. This is specifically aimed at ensuring that there are sufficient and regular flows to maintain essential ecosystem functions. By moving this amendment, we are trying to ensure the maintenance of the entire ecosystem and that its functions are protected and are provided with minimum flows of water through the basin. Again, I remind the chamber that the amendment is a result of recommendations from scientists who think that the act does not necessarily ensure that the whole of the system is looked after. As I said, I think this complements very well the amendment that has just passed by ensuring that those minimum flows are provided to ensure ecosystem health.

Senator NASH (New South Wales) (8.34 pm)—Certainly, the coalition recognises Senator Siewert’s point, that she believes that it fits quite nicely with the previous amendment. However, having looked closely at this and having listened to Senator Siewert, we are not convinced that there will not be possible unintended consequences as a result of this. I indicate to the Senate that the Nationals will not be supporting the amendment.

Senator WONG (South Australia—Minister for Climate Change and Water) (8.35 pm)—The government is not supporting this amendment. I make the point that this is potentially highly prescriptive. In our view, the MDBA should be left to set these targets as appropriate rather than mandating quite in the manner that is proposed in this amendment. We are also concerned about how this may interact with other sections of the bill and act. The government is not minded to support this amendment.

Senator SIEWERT (Western Australia) (8.36 pm)—I am obviously disappointed that neither the coalition nor the government are supporting an amendment that is designed to ensure sufficient and regular maintenance of flow and to ensure that the essential ecosystem functions throughout the basin are maintained. I think it is a critical amendment for ensuring that ecosystems are protected. Needless to say, we are extremely disappointed that they are not getting supported. Again, I remind this place that this is from strong recommendations from people that know about ecosystem health and know what is needed to protect those ecosystems. I remind the chamber that 80 to 90 per cent of the wetlands in the basin have already been lost. We are talking about trying to protect those remaining few original wetlands in the basin. It is a shame that the coalition and the government are not prepared to support amendments that seek to ensure their health.
Question negatived.

Senator SIEWERT (Western Australia)
(8.38 pm)—by leave—I move Greens amendments (4), (5) and (11) on sheet 5629:
(4) Schedule 2, page 293 (after line 7), after item 45, insert:

45C Subsection 21(1)
Repeal the subsection (not including the heading), substitute:

(1) The Basin Plan (including any environmental watering plan or water quality and salinity management plan included in the Basin Plan) must be prepared so as to provide for giving effect (to the extent to which they are relevant to the use and management of the Basin water resources) to:

(a) relevant international agreements; and

(b) the Australian Ramsar management principles as prescribed by section 335 of the Environment Protection and Biodiversity Conservation Act 1999; and

(c) plans and strategies developed for implementing commitments under relevant Agreements in accordance with the Environment Protection and Biodiversity Conservation Act 1999 including but not limited to:

(i) any management plans for a Ramsar wetland under section 328 or section 333 of that Act; and

(ii) any recovery plan or threat abatement plan prepared by the Commonwealth under Chapter 5 of that Act or any recovery plan or threat abatement plan developed by a State or Territory; and

(iii) the China Australia and Japan Migratory Birds agreements and any wildlife conservation plans under section 285 of that Act.

(5) Schedule 2, page 293 (after line 7), after item 45, insert:

45D At the end of paragraph 21(2)(a)
Add:

(iii) the need to take precautionary measures to anticipate, prevent or minimise the causes of climate change and mitigate its adverse effects; and

(iv) the need for sustainable management, conservation and enhancement of sinks and reservoirs of all greenhouse gases including biomass, forests and oceans as well as other terrestrial, coastal and marine ecosystems; and

(v) the need for adaptation to the impacts of climate change including appropriate and integrated plans for water resources and agriculture; and

(11) Schedule 2, page 301 (after line 1), after item 69, insert:

69A At the end of section 55
Add:

(4) A water resource plan must be prepared to give effect (to the extent to which they are relevant to the use and management of the Basin water resources) to:

(a) relevant international agreements; and

(b) the Australian Ramsar management principles as prescribed by section 335 of the Environment Protection and Biodiversity Conservation Act 1999; and

(c) plans and strategies developed for implementing commitments under relevant Agreements in accordance with the Environment Protection and Biodiversity Conservation Act 1999 including but not limited to:

(i) any management plans for a Ramsar wetland under section
328 or section 333 of that Act; and

(ii) any recovery plan or threat abatement plan prepared by the Commonwealth under Chapter 5 of that Act or any recovery plan or threat abatement plan developed by a State or Territory; and

(iii) the China Australia and Japan Migratory Birds agreements and any wildlife conservation plans under section 285 of that Act.

These amendments ensure that existing environmental agreements and commitments can be incorporated into the Basin Plan and be consistent with the Basin Plan. The amendments seek to ensure that Australian Ramsar management principles—for example, as prescribed by the Environmental Protection and Biodiversity Conservation Act—and other plans and strategies are in fact integrated so that the Basin Plan and this act work in an integrated manner with the Environmental Protection and Biodiversity Conservation Act. The amendments ensure that the Basin Plan and the water resources plan are consistent and give effect not only to the relevant international agreements but also to plans and strategies developed by implementing those commitments under the EPBC Act. I reiterate that these amendments are recommended by scientists and those experts in environmental protection who believe that, while there are provisions in the existing Water Act to attempt to integrate these, it does not sufficiently integrate both the provisions under the EPBC Act and requirements under international conventions to ensure Ramsar management of these wetlands, of which there are 17 in the basin. We do not believe that there are sufficient mechanisms in the current Water Act to ensure that that happens, so we have sought to improve the Water Act by ensuring better integration between the Basin Plan and such environmental agreements that we are signatories to.

Senator NASH (New South Wales) (8.40 pm)—We certainly recognise Senator Siewert’s intent in terms of the international agreements and the Ramsar requirements. But, again, having listened very carefully to the senator and taken all of those things on board, we are not convinced that the potential for those possible unintended consequences will arise, and therefore we will not be supporting the amendments.

Senator WONG (South Australia—Minister for Climate Change and Water) (8.40 pm)—The government is not going to support these amendments. I ask Senator Siewert and her party to consider this issue: there is a call for more independence in the authority, but by these and other amendments that the Greens are moving they are in effect seeking, via legislation and via this Senate chamber, to be far more directive and prescriptive in relation to the authority than the existing act. I invite the Greens to consider the consistency of a position which on the one hand says, ‘We want the authority to be more independent of government or whomsoever,’ but on the other hand seeks far more prescriptive provisions in the legislation around what the authority is to do.

Our strong view, which was our election commitment, is that the independence of the authority is important. It is clearly against legislative and policy criteria as set out in the act. We have concerns about seeking to prescribe certain matters by legislation—and I am not only talking about the current amendments but a range of others that have been moved by Senator Siewert. Senator Siewert anticipated my response—she said, ‘I know that the act already has these provisions in it,’ and at section 21(1) it does already reflect relevant international treaties. Section 20 of the act provides that a Basin Plan must give effect to relevant international agreements, which include the Ramsar convention and a range of other conventions.
and international agreements, some of which Senator Siewert referred to. Other relevant conventions can be prescribed by regulation. Obviously it is not the case that we need to reproduce the words of any particular convention, or part thereof, in order to give effect to it.

Senator SIEWERT (Western Australia) (8.43 pm)—Given the minister’s comments, I need to check that in fact the authority will pay due regard to Australia’s international obligations for Ramsar management and various strategies and documents that are developed—conditions, for example, that are imposed under the Environmental Protection and Biodiversity Conservation Act. I presume that the minister is not being so broad with the independence of the authority that the authority does not need to give due regard to other laws of this land and other obligations that Australia has for implementing its Ramsar, CAMBA and JAMBA commitments. There is a whole list of those. I presume that the minister does not mean the authority has such independence that it can feel free to ignore those obligations.

Senator WONG (South Australia—Minister for Climate Change and Water) (8.45 pm)—Senator, I think I have already indicated the locations in the act, in particular in relation to sections 21 and 20, which make reference to this, and I have just given you the addition of subparagraph (c), from memory. I would also refer you to the definition of ‘relevant international agreement’ which is contained in section 4 of the Water Act:

“relevant international agreement” means the following:

(a) the Ramsar Convention;
(b) the Biodiversity Convention;
(c) the Desertification Convention;
(d) the Bonn Convention;
(e) CAMBA;
(f) JAMBA;
(g) ROKAMBA;
(h) the Climate Change Convention;
(i) any other international convention to which Australia is a party and that is:

(i) relevant to the use and management of the Basin water resources; and
(ii) prescribed by the regulations for the purposes of this paragraph.
Senator SIEWERT (Western Australia) (8.46 pm)—My concern still goes to the comment you made about the level of independence of the authority. Quite clearly, as you pointed out, there are a number of documents and conventions and a number of international agreements and pieces of legislation that the authority will be required to give effect to. So I fail to understand why we cannot provide further clarification of the environmental agreements that the authority needs to take into account and give effect to. When I raised this issue, you said it binds the level of independence of the authority. I am concerned that is the way it is being seen, rather than the authority being required to ensure that they implement a range of other environmental agreements as they come into effect.

Senator WONG (South Australia—Minister for Climate Change and Water) (8.47 pm)—I was making the point about not just this amendment but, more broadly, the Greens amendments, some of which are, in our opinion, significantly prescriptive at the same time as you have amendments whereby you seek to expand the independence of the authority. That is our view. You do not share it, and I accept that. I do not think I can assist you any further on that.

Question negatived.

Senator NASH (New South Wales) (8.50 pm)—by leave—I, and also on behalf of Senator Siewert, move amendments (1) and (2) on sheet 5622 revised 3:

(1) Schedule 2, page 294 (after line 2), after item 50, insert:

50A  At the end of section 21
Add:
    Basin Plan not to permit taking water for additional uses outside Basin

(8) The Basin Plan must ensure that no water is taken from Basin water resources for use outside the Murray-Darling Basin unless, prior to 3 July 2008, water would have been taken from Basin water resources for that use.

Note: 3 July 2008 is the date the Commonwealth, the Basin States and the Australian Capital Territory entered into an intergovernmental agreement on Murray-Darling Basin Reform.

(9) The Basin Plan must not permit:

(a) the construction or operation of water infrastructure; or

(b) work in the nature of a river flow control work;

if the primary purpose of that construction, operation or work is to enable water to be taken contrary to subsection (8).
Note 1: *water infrastructure* is defined in section 7(3).

Note 2: *river flow control work* is defined in section 8 but has a meaning affected by subsection (10).

(10) For the purposes of this section, *river flow control work* has the meaning it would have if paragraph 8(2)(b) were repealed.

(2) Schedule 2, page 318 (after line 32), after item 162, insert:

162A At the end of Part 12
Add:

257 Prohibited water infrastructure operations

(1) An infrastructure operator must not:
(a) construct or operate water infrastructure; or
(b) undertake work in the nature of a river flow control work;
if the primary purpose of that construction, operation or work is to enable water to be taken from Basin water resources for use outside the Murray-Darling Basin.

Note 1: *infrastructure operator* and *water infrastructure* are defined in section 7.

Note 2: *river flow control work* is defined in section 8 but has a meaning affected by subsection (3).

(2) Subsection (1) does not apply if, prior to 3 July 2008, water would have been taken from Basin water resources for that use.

(3) For the purposes of this section, *river flow control work* has the meaning it would have if paragraph 8(2)(b) were repealed.

These amendments by the coalition quite simply amend the bill so that the Basin Plan does not permit taking water for additional uses outside the basin. I think this is an area that has had a particular focus—certainly over the last few months at least, if not longer—on the issue of building the pipeline to take water from the Murray-Darling Basin for urban water use in Melbourne. A number of witnesses have certainly raised this issue, not only through the inquiry process but out in the communities and throughout industry as a whole, noting the complete stupidity of putting in place a pipeline to take water out of the Murray-Darling Basin when, from what we can see, the intent of not only the Water Act 2007 but also the Water Amendment Bill 2008, which seeks to amend the act, is to ensure the future sustainability of the Murray-Darling Basin. Perhaps I could make a couple of comments about the water savings currently available through the buy-back process that the government are undertaking, and we have seen recently figures on this provided to the Senate, through the estimates process. All this does relate very clearly to the building of the pipeline and the taking of the water, because it will give a contrast in terms of what the government are doing with their focus on water savings in the basin.

The intent of the government with the $50 billion plan was to buy back entitlement of around 34,000 megalitres of water. It became apparent after some negotiations that it could not go through to completion and there looked to be only 22,000 megalitres of water available to that entitlement. As recently as four or so weeks ago, senators were given to understand that only 9,000 megalitres of that entitlement had moved onto the register and, of that, only 849 megalitres were real water allocation. The reason I raise that is that it is particularly important to compare and contrast that to the 75,000 megalitres of water that will be taken from the basin for urban water use in Melbourne. If I may just add to that point: there is no restriction on require-
ment for usage of that water for Melbourne once that water is taken from the basin.

We have heard quite a deal of discussion around critical human needs. It is not only critical human needs that that water can be used for in Melbourne; it can be used for anything that the state government chooses. I know that the minister will say that this water is going to come from water savings, and that has been very clearly stated to quite a great extent not only by the minister but by other members of the government. It is very apparent that, if there are any savings to be made in the Murray-Darling Basin, those savings should remain within the basin.

Much work has been done to ensure that we retain water in the basin. Indeed, the minister would say that the buyback process is the quickest form of getting water back into the system. We actually disagree with that, because we think water efficiency is by far the most important way to get water back into the system. The minister talks consistently about water savings in the basin, which is why we find it incomprehensible that the government would not agree to an amendment to this bill that will require water savings to stay within the basin. That is essentially what these amendments require.

The amendments are specifically targeted to ensure that no water that has already been taken out for a purpose prior to 3 July can be taken out from that point. The simple objective is to ensure that we do all we can to reach sustainable levels in the Murray-Darling Basin. Also, the social and economic impacts on the communities that are going to have their water removed as a result of the bill have not even been determined by the government. That has not even been looked at. I would put forward that that is one of the most crucial things that the government should be turning its mind to when looking at taking water out of the basin. I am sure that the minister will come up with a number of arguments as to why it is okay to suck 75,000—

Senator Wong—How about your hypocrisy?

Senator NASH—I had not mentioned the word ‘hypocrisy’. Maybe I should just jump on that. I had not got to hypocrisy yet. Thank you, Minister. I was getting to that: the hypocrisy of the government in what it is doing by bringing this bill into the Senate and then allowing potentially 75,000 megalitres a year to be sucked out of the basin for Melbourne’s urban water use. I might add that Melbourne is allowing around 400 gigalitres of stormwater to run off into the ocean and is doing absolutely nothing about it. So while they are not doing all they can do to ensure their own sustainability, the minister is quite happy to support the taking of that water out of the Murray-Darling Basin. Perhaps I am misguided in my intent, but what we are trying to do with the Murray-Darling Basin is to make it sustainable for irrigators, farmers and the environment—right across the board—so that there is a balanced and fair share of water.

Having recently travelled from one end of the basin to the other, I have seen the enormous amount of work that irrigators and communities are doing to ensure that they do all that they can in terms of efficiency and sustainability. When they are going to those lengths to do all they can to make the basin sustainable, I can only agree with the overwhelming outcry from these communities right throughout the basin over the agreement to take 75,000 megalitres of water a year out of the basin. I would call on the minister to listen to those communities. I would say that, in her quieter moments, the minister probably agrees with me, given the amount of work she is doing to keep water in the basin. The government wants to allow
that amount of water out of the basin each year when, as so many of the witnesses to the inquiry said, the basin is in crisis—they used various words. It seems absolutely—and I use the minister’s own word—hypocritical that the government should be doing that.

Senator SIEWERT (Western Australia) (8.58 pm)—These amendments are both opposition and Greens amendments. The government’s position is not only hypocritical but it also stumps me. We are collectively, as a community and as a nation, spending a vast amount of money—and I must say that the Greens agree with spending that money—on buying back water so as to get to a situation where we get as much water as we can back into the system. We have invested over $3 billion in the past to buy back water. We are investing over $6 billion in infrastructure development and in restructuring to try to improve irrigation efficiency, all of which is focused on ensuring that water goes back into the system.

At a time when we are doing all that we can to return water to the Murray-Darling system—when we need every drop of water—Victoria, instead of contributing its share back into the system, seems to think it is acceptable to carve off 75 gigalitres. And that is the water that actually goes into the pipe to Melbourne; it does not include losses to the system through a failure to return water to the groundwater in the system. So in reality we are talking about way over 75 gigalitres. Collectively we somehow think it is okay that 75 gigalitres of water is put in a pipe and taken out of the system to feed Melbourne, which, as has been highlighted in the second reading debate today, chucks 400 gigalitres of water into the bay. It does not make sense.

I heard Senator Feeney in the chamber getting stuck into the opposition, and he did not leave out the Greens. He said I was talking about an additional 75 gigalitres, that it is really only water that is in the system anyway and that it is savings. Everybody else’s savings are going back into the system. The water that is being saved by efficiencies in Victoria should be going back into the Murray-Darling Basin system. The approach that says, ‘We will have efficiencies and, unlike everybody else, whose savings are going back into the system, we will take that water and send it to Victoria because they cannot get their act together in terms of water efficiency, water conservation, recycling and the use of the stormwater that is going out into the bay,’ does not make sense. All that water should be returned to the river.

When the Senate Standing Committee on Rural and Regional Affairs and Transport was in Adelaide—and I see senators here who represent South Australia, including Senator Wong, on the other side of the chamber—we had a fair old whack at South Australia because Adelaide was not making enough effort to wean itself off the Murray. But at least it had started. While we have one Australian capital city trying to wean itself off, albeit a bit too slowly, we have Victoria trying to put itself right onto the Murray. It does not make sense. It is all very well for the Commonwealth to wash its hands, like Pontius Pilate, and say, ‘We assessed the route of the pipeline to Melbourne and we have put some conditions on that.’ What it did not assess was the impact of taking 75 gigalitres of water out of the basin and piping it down to Melbourne.

The Commonwealth also says, ‘We’re not paying for the pipeline.’ But the Commonwealth is going to pay Victoria a billion-dollar bribe so that it will sign on to the Murray-Darling Basin Agreement and the IGA. In effect, it is helping to pay for this water because it is paying Victoria a hell of a lot of money to get as yet unspecified re-
turns. The figures that Victoria gave for the potential efficiency savings out of Food Bowl phase 2—because this is Food Bowl phase 1—are back-of-the-envelope calculations about how much water is going to be saved.

I feel I am in the twilight zone again because we are moving amendments with the opposition, which is what we did with the Safe Work Australia legislation. We are moving these amendments with the coalition because we do not believe it is appropriate that that amount of water be taken out of the system and piped down to Melbourne. Not only that, but it became obvious during the inquiry that if this water is to come out of the existing allocation to Victoria then that water will not always be available. Given the variable climate and drought scenarios that increasingly we are facing, this pipeline in fact could sometimes be dry. They are spending an awful lot of money to pipe 75 gigalitres—sometimes 75 gigalitres—of water down to Melbourne.

The Commonwealth has refused to engage with this other than on a very cursory level in terms of the conditions under the environment protection act and the route of the pipe. Not only that, but even before some of the conditions required by the Minister for the Environment, Heritage and the Arts, Mr Garrett, had been met—for example, an audit of any potential efficiencies carried out by Victoria—and despite the fact that the Victorian Auditor-General has already disputed the so-called water savings, the pipeline has been built. Communities and farmers are being arrested for trying to stop this stupid extraction of water from a system facing crisis. While everybody is trying their hardest to get water back into the river, Victoria is busily taking it out. The communities of the Murray-Darling Basin have an absolute right to be very angry that, while they are making sacrifices and finding savings, their hard work is being undermined by people in Melbourne sucking water out of the system.

We think it is appropriate to make these amendments to stop any new allocations of water from the basin because the basin cannot afford them anymore. The Greens later will be moving an amendment that also seeks to ensure that extraction of water from the basin is gradually further reduced. We know that it is going to take some time, but this amendment specifically deals with new extractions. We commend these amendments to the Senate. If Victoria will not make sensible decisions, it is abundantly clear that the Basin Plan needs to have provisions in place that do not allow further extractions. The Commonwealth needs to take leadership on this issue. There should be no further extractions outside of the basin. It is time to draw the line. In fact, it is way beyond that time; we may already be too late.

**Senator FISHER** (South Australia) (9.07 pm)—I rise to support the amendment. Previous speakers have talked about the hypocrisy of the construction of the north-south pipeline. It is not just hypocritical; it is plain wrong. The good people of Melbourne are unwittingly being used as the political fodder in this equation in the sense that the good people of Melbourne are like the good people of Adelaide—they are water wise and they want to do the right thing with water. Like Adelaide, Melbourne has choices in sourcing its water. Melbourne has choices in terms of better collection, storage, use and reuse of water, as has Adelaide. Capital cities must exercise those choices and leave the Murray-Darling Basin and its precious resources to those communities who have far less choice in accessing their water sources.

The north-south pipeline cuts through all of that. It was a politically expedient decision, as indicated by other speakers, to buy Victoria’s cooperation in the COAG process.
Centres that are not part of the basin simply should not be able to draw upon the basin. We will talk later in this process about the necessity to gradually wean off reliance on the basin those urban centres that are outside the Murray-Darling Basin or not situated along the River Murray yet continue to rely on it for significant proportions of their water use. Once constructed, this pipeline will continue to be utilised to water the good citizens of Melbourne. It is wrong, and this amendment should be supported.

Senator XENOPHON (South Australia) (9.09 pm)—I indicate my strong support for this amendment. Senator Siewert is right: we need to draw a line in the sand, and it needs to be drawn here and now in relation to this project. I would like to commend the work that the Plug the Pipe group have done in raising the profile of, fighting for and being relentless on this issue in their pursuit of getting a good outcome for their communities and indeed for the Murray-Darling Basin. In particular I commend Ken Pattison, who I have got to know quite well in recent times, and his very dedicated group of people that have been working on this issue of getting the facts out there and raising public awareness not just in their local communities and not just in Victoria but across the nation.

I want to put some questions to the minister. I appreciate that the minister is not here, but I will just put these on the record. I referred in my second reading debate contribution to a number of statements—

Senator Sterle—Mr Temporary Chairman, I rise on a point of order to say that the minister is not here, but I will just put these on the record. I referred in my second reading debate contribution to a number of statements—

Senator XENOPHON—I was not in any way suggesting that of the minister. In fact I flagged to the minister the areas in which I would be raising questions, so I just want to make it clear that there is absolutely no suggestion that I have any criticism of the minister whatsoever about this. I did have a brief discussion with her previously.

Can I just retrace what I put in my second reading debate contribution with respect to this bill. Victoria’s own Auditor-General, Mr Des Pearson, has been critical of the project—the north-south pipeline, or the Sugarloaf Pipeline, as it has been called—and he has cast doubt over the anticipated water savings the project will yield. In his report Planning for water infrastructure in Victoria, released on 9 April 2008, he concluded that the level of information provided to the community on water supply projects has been inadequate and needs to be improved. Specifically he noted:

… the processes used to develop the Victorian water plan fell short of the standard the Department applied when developing the white paper and the Central Region strategy.

He further criticised the Victorian water plan for:

… widely varying levels of rigour around the plan’s costs and expected water savings benefits.

My question to the minister, given the criticisms by the Victorian Auditor-General, the very trenchant criticisms of this project and the criticisms as to the lack of rigour around the plans, costs and expected water savings benefits, is: what role can the Commonwealth play to ensure that there is a level of accountability with
respect to the assertions made by the Victorian government as to anticipated water savings?

Senator BIRMINGHAM (South Australia) (9.13 pm)—I would like to echo Senator Nash’s and Senator Siewert’s support for this amendment moved by the opposition and the Australian Greens. This is a very principled amendment. It is an amendment that does draw a line in the sand and say ‘enough is enough’ when it comes to additional extractions from the basin system to go elsewhere. It says, ‘No more can or should be accepted.’ The clear line that the Australian Senate should be driving home tonight is that some things just do not make sense.

This amendment is a principled one that would apply as equally to any other proposal. If there were a proposal to hook Sydney up to the Murray-Darling system, or to hook Perth up to the Murray-Darling system or, had Adelaide never been connected, to hook Adelaide up—

Senator Parry—What about Hobart?

Senator BIRMINGHAM—or to hook Hobart up, with all their plentiful water supplies in Tasmania, this amendment would apply equally to all, because it says enough is enough. But of course it is being driven by something that makes no sense at all, and that something is one particular act—the north-south pipeline, or Sugarloaf Pipeline. That makes no sense at all, as has been so well articulated by a number of my fellow senators already.

There are many people who are passionately opposed to this. As Senator Xenophon did, I acknowledge the Plug the Pipe coalition and, particularly, Chris Harrison and Ken Pattison, who are in the gallery tonight. I acknowledge that they have travelled to attend the Senate committee hearings both for the inquiry into the Coorong and Lower Lakes and for the inquiry into this bill. They lead opposition to this that is not just based in the Goulburn Valley region; it stretches far beyond that through much of Victoria and through much of the Murray-Darling Basin. That opposition is driven by the basic understanding of anyone who has looked at this—that is, that it is just simply wrong. It is the wrong thing to be doing to put another major urban centre on the teat of the Murray-Darling Basin system at this critically important time.

Yes, the objective is that it is achieved from savings. As I said in my speech in the second reading debate, I hope very much that those savings are achieved, because it is important to the river system overall that the infrastructure savings that we on this side are very passionate about—from all sorts of projects, including the Food Bowl Modernisation Project—are achieved and that we do save the thousands of megalitres of water that can be saved from more efficient alternatives. But the proposal to share those savings—a third to the environment, a third to the irrigators and a third being piped off to Melbourne; the 75 gigalitres—is just madness. It is just total and utter madness.

A far better proposal—a proposal that would mirror the plan laid down by the coalition government at the outset of the whole national approach to managing the Murray-Darling Basin—is the fifty-fifty plan, whereby there would be some 50 per cent for the environment and 50 per cent for irrigators. That plan would actually see more water going back into local irrigation communities in the Goulburn Valley. It would ensure that they are able to sustain the levels of production that they would hope to and that they are able to do more with less, and it would see more water going into the Goulburn River and the Murray River and ensure that we actually get better outcomes.
The big question is: what about Melbourne? Well, the question for the government is: why not help Melbourne and Victoria find some alternatives? Why not actually do as the government are doing in other places—for example, in Adelaide, where they have offered funding to help with the building of desalination plants, and where they have offered support to help with other groundwater storage and capture? Why not pursue other alternatives? As Senator Siewert mentioned, 400 gigalitres of stormwater flows out each year from Melbourne. Why not help capture some of that and reuse some of that instead of building a pipeline to take 75 gigalitres away? Why has the minister not picked up the phone and called Premier Brumby or any of the Victorian ministers and said, ‘Hey, I’ve got an idea; how about we do something other than this pipeline—let’s think about alternatives to building this pipeline’? They are the questions that need to be answered. Having already put a billion dollars on the table, why can’t they, if need be, find a little bit more—though I cannot understand why it would be necessary—to find an alternative to secure Melbourne’s long-term water supply that does not require building this pipeline?

The minister made reference today to the CSIRO’s sustainable yields report, and she has made reference to it a number of times since its release yesterday, saying that it demonstrates the enormous challenge the basin faces going into the future and that it demonstrates how important it is going to be for us to do more with less throughout the basin. Surely it also demonstrates that building this pipeline is the wrong thing to do, that, if we are about securing more environmental flows and if we are about securing our irrigation industries with the maximum amount of production potential, we should have a system that secures Melbourne’s supply without the need to build this pipeline.

With that, I endorse the amendments and look forward to the minister explaining how and why this can be justified.

Senator WONG (South Australia—Minister for Climate Change and Water) (9.19 pm)—I am very pleased to get the opportunity to stand up and point out some of the extraordinary hypocrisy that has spewed forth from the other side of the chamber in this debate. I want to go through this very carefully because, frankly, there are a lot of inconsistent views and inconsistent positions being put by the opposition on this.

The first point I would make is a very important point—the opposition know this but, in their haste to try to play a bit of politics with this, they are avoiding it—and that is that the federal government is not putting any money into this project. The project which is being funded is the second stage of the food bowl project. The second point I would make really shows that the Liberal opposition are driven by politics and not by policy on this issue. I do note that, even though they profess to have such a position predicated on looking after communities in the basin, I do not think we have had a Victorian senator from the Liberal Party speak. Perhaps they can explain what their views are about water supply for Melbourne and that they are very happy to not take water from this pipeline.

But let me just make a few points. Hypocrisy No. 1: the Liberal Party in Victoria have said they will use this pipeline and the water it transports. So let us understand this. In this debate in the federal Senate, you are trying to play politics with this because you think there is something in it for you—notwithstanding the fact that you know that, if this amendment gets up and is retained, this would undermine the IGA. You know that. You are prepared to play politics with the Murray-Darling, just as you did for over
a decade. But your colleagues in Victoria will use this pipeline and the water. If you were really serious about this issue, you would ensure that the Victorian Liberal Party refused to support this project, but you cannot deliver that and you know that. So that is hypocrisy No. 1.

Hypocrisy No. 2 goes right to the heart of Mr Turnbull’s bill. When was the food bowl project first announced by Premier Bracks? It was 19 June 2007. Who was in federal government then? Someone remind me. Was it Kevin Rudd? I do not think so. Who was the minister?

Senator Sterle—They are quiet over there now.

Senator Fisher—It is a bit boring.

Senator WONG—I will take that interjection. Senator Fisher says ‘a bit boring’, and some people might say aspects of her government were boring, but that is really up to her if she wants to criticise them. Who was in government then?

Senator Sterle—It starts with T.

Senator WONG—Who was the minister who two months after that brought forward the very act we are amending?

Senator Sterle—the second letter is U.

Senator WONG—Senator Sterle’s interjections are difficult at times—

Senator Parry—He is not in step.

Senator WONG—No, he is very funny, I think. That is why it is difficult. He is one of the few people who are actually funny in this place. Two months after Premier Bracks announced this project, Mr Turnbull brought forward the Water Act. Was there a provision in it which prevented Food Bowl 1? No. Was there a provision that said, ‘We are so worried about the basin we are going to make sure that the Victorian project does not proceed’? They could have done that then before the Victorian Liberal Party said, ‘Actually we are going to use it even though people don’t like it.’ Did he put a provision in the act which prevents it? No, he did not. So maybe next time when you come in here or go out to communities and start to lecture people about why this is so bad, you could be upfront and honest about your complete failure, in the state party, in the state parliament and in the federal parliament, to ever have backed the words and the rhetoric with deeds. That is the hypocrisy, that you come in here and you say these things but you know you would not do anything different, you never did anything different and your colleagues in Victoria would not do anything different.

A number of other issues have been raised. I think Senator Siewert described our involvement as cursory. I say, Senator, on the involvement the federal government has in this project, that I think you might have been absent from the chamber when I pointed out we are not funding this project; it is Food Bowl 2 that is being funded, and I think you are aware of that. But Minister Garrett’s decision making was not cursory under the EPBC Act. He is a minister who takes his accountability under that legislation very seriously. He has put in place as the decision maker a range of decisions and conditions of the approval, which is really the only legislative involvement he has with this project. They essentially ensure that Melbourne only receives a share of water saved through the Food Bowl Modernisation Project and that independent audited reports—this goes in part, Senator Xenophon, to your issue—of the savings achieved are undertaken. It is also a condition that savings allocated to the Living Murray—that is environmental water, water for rivers again—may not be allocated to Melbourne and that water designated as an environmental reserve must be maintained. In other words, this is about protecting environmental flows, about ensuring that through
the Commonwealth’s involvement, which is as an EPBC Act decision maker, the conditions require the auditing of the savings, the reporting of those and the safeguarding of environmental water. So, with respect, Senator Siewert, and I know in this debate we can all say things at times, I do not believe it is cursory and I do not think that is a fair assessment of Minister Garrett’s decision.

Senator Birmingham—this is another one of the hypocrisies tonight—was saying, ‘Why don’t you do something about Melbourne’s water supply?’ As I understand it, Senator Birmingham is a moderate who then lined up with Mr Costello, but maybe I am wrong. Mr Costello was the Treasurer who said that the Commonwealth had no role in urban water. I thought that was your party’s position, that you had no role in urban water. We, on the other hand, went to the election with commitments on urban water. And guess what? They were commitments that we will deliver on and are delivering on, commitments that were funded through the budget: a billion dollars for urban water desalination, the stormwater harvesting fund—

Senator Birmingham—Why don’t you do something for Melbourne out of that money?

Senator Wong—Senator Birmingham, you can interject all you like. You said I should just pick up the phone and try and cut a deal. We actually think there is a process here. This is an election commitment. The process is there for states and other levels of government to make application about. But, unlike you, we think the Commonwealth has a role in urban water, and we had two lots of $250 million election commitments which we also funded through our first budget. So the hypocrisy from a party that did not believe prior to the last election that the Commonwealth had a role in urban water lecturing others about the need to have a role in urban water is pretty extraordinary.

The next point I would like to make is in relation to the scope of, essentially, a prohibition. I made the point in the second reading summing-up, and it may be that senators were not aware of this, but there are a range of pipelines and channels which already move water out of the basin. The most obvious are to Adelaide, Manheim to Adelaide, Morgan to Whyalla, Swan Reach to Stockwell, Murray Bridge to Onkaparinga, and Tailand Bend to Keith. I could list a whole range in New South Wales as well for you, Senator Nash, and you would probably laugh at some of my pronunciation, but I could give you a list of the very many pipelines and channels moving water out of the basin in New South Wales, Victoria and South Australia, and even in Queensland.

It is the case, as I read this amendment, and I might be wrong, that, if, for example, the salinity levels in terms of the current off-takes for Adelaide’s water supply were too high or if there were other reasons in water quality—and of course none of us want this to happen, but I just make this point because of the politics that is being played here—and we were in a position where the South Australian government and the federal government had to look at moving the current off-takes, it is quite likely that that would be prevented by this amendment. So what are the criteria—Adelaide okay and Melbourne not okay? Not if it is John Brumby? The reality is that a lot of politics is being played on this issue.

As I said, when it comes to water, people should judge the Liberal Party not on what they say but on what they do. They come in here and say a lot about Food Bowl, but what they did in government was to not oppose it, to not amend this act. What they do in their state Liberal Party is accept that they are go-
ing to use that pipeline, but what they say in here is a different issue. Everybody in this chamber knows—and I do not count the crossbenchers in this because they have a consistent position on these issues—that those on the other side, the alternative government, by playing politics with this issue put the bill at risk. If they press and insist on this amendment, they know that they put the bill at risk. They are playing political games with this, just as they have played with the Murray-Darling Basin for over a decade.

Senator NASH (New South Wales) (9.31 pm)—I will just add a few further comments. Perhaps, colleagues, we have hit a nerve, judging by the initial response we got from the minister around this amendment. I would like to add one point, in placing further comments on record about the intimation from the minister that we on this side are playing politics with this pipeline, that what we are putting forward in an amendment to ensure that the water cannot be taken out of the basin is playing politics. I would suggest to the minister that every single one of those communities affected by this pipeline going ahead is not saying that we are playing politics. I would say that every single one of those farming families, and other families in the communities that rely on that water, do not think we are playing politics. I would say that every single person that is affected in the Murray-Darling Basin, and all of those other people, perhaps from the other states, who are not even affected but can realise the stupidity of this pipeline going forward, does not think we are playing politics. Perhaps if the minister actually ventured out to a few rural and regional communities occasionally they would tell her that the opposition is not playing politics with this issue.

The minister has an opportunity here to agree to this amendment. She has an opportunity here to make sure that this—as my colleague so perfectly put it—wrong pipeline stops. Do not listen to what the minister is saying around playing politics and all the hyperbole; the fact is that this pipeline is in place to go ahead and the minister, by agreeing to this amendment, has the power to stop it.

Senator XENOPHON (South Australia) (9.33 pm)—I would like to ask the minister a number of questions in relation to what she said about the independent audited reports under the EPBC Act. Could the minister elaborate on the extent of that audit and who would carry out such an audit? Given the criticisms by the Victorian Auditor-General as to the robustness or otherwise of the water savings, I would be grateful if the minister could also walk the Senate through the processes involved in determining whether or not the water savings in this project are real.

Senator WONG (South Australia—Minister for Climate Change and Water) (9.34 pm)—Senator Xenophon, I have some information here. I have to be frank with you—the issue is in Minister Garrett’s decision. I have a background note here. As a caveat to what I am about to say, I am not sure these are the exact words of the condition. So I will give you these words and then we can give you further information if it appears that this is summarised in any way. Part 4 of what I have in front of me reads as follows:

The person taking the action—that is EPBC Act language—must provide by August each year an annual report on the compliance with these conditions, including the results of all EPBC listed surveys and environmental monitoring undertaken, independent audited reports of water savings achieved and the amount of water allocated for extraction, any adaptive management, any remedial actions taken and the effectiveness of measures implemented to mitigate the impact on EPBC listed species.
I may not be able to get you confirmation tonight, Senator, if those words are not correct, but I will attempt to do so. That is what I have here.

Senator XENOPHON (South Australia) (9.35 pm)—I am grateful for that response but, as I understand it, the minister’s role is after the event in the sense that there will be an audit of whatever water savings are achieved—if there are any water savings achieved—aft the event, and the criteria for the audit are restricted to the matters which the minister must consider, such as the impact on listed species. In addition to the matters that I have raised, can the minister clarify, in relation to the water savings, how the audit process will be undertaken, what the nature of such an audit will be and, further, whether it will consider the matters raised by the Victorian Auditor-General as to the assertions made by the Victorian government on water savings, which were the subject of quite trenchant criticism by the Victorian Auditor-General in his report of April 2008?

Senator WONG (South Australia—Minister for Climate Change and Water) (9.37 pm)—Senator Xenophon, I am not sure I have all the officers here for the EPBC division, for obvious reasons, but what I can indicate is this: as I understand the advice to me, it is not permitted for there to be an increase in diversions and what is permitted is a diversion from savings, so not a net increase. In relation to conditions, I can read you the whole of what I have. The preamble says that it is to protect EPBC listed species. Then there are five paragraphs that I have here. It states the Melbourne water extracted to the Sugarloaf Pipeline must be:

(a) not more than 75gl in any one year;
(b) not more than 350 megalitres per day—and there is some discussion about daily pumping rates—
(c) met only through controlled pre-ordered releases from Melbourne’s share of the water savings allocated to it pursuant to any bulk entitlement issued under the Water Act;
(d) sourced from savings not allocated to Living Murray or Water for Rivers; and
(e) zero if the necessary regulated releases are for the maintenance of environmental flows or materially deplete water stored in Eildon Weir that is designated as being an environmental reserve.

Part 3 says that all water savings taken from the Goulburn River must be sourced from projects that comply with the requirements of the EPBC Act 1999. And then part 4 is the words I listed previously:

The provision by the person taking the action—that is, the proponent—of an annual report on compliance with these conditions, including the results of surveys, environmental monitoring undertaken, independent audited reports of water savings achieved and the amount of water allocated for extraction—et cetera.

Senator XENOPHON (South Australia) (9.39 pm)—Could I just get some further clarification from the minister. I know the minister said earlier that stage 1 and stage 2 of the Food Bowl Modernisation Project do involve Commonwealth funds, but I would have thought that stage 2 is in a sense contingent on or linked to stage 1 with respect to that. That is a preliminary question I will put to the minister.

There is a fundamental problem here in that the role of the minister for the environment under the EPBC Act is constrained—it looks at this after the event. What happens if the audit process says, ‘We haven’t achieved these water savings,’ and there are no net water savings but the project is already up and running? The water going into Melbourne will presumably have a critical human needs status by virtue of it actually going into Melbourne.
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I do appreciate the information you have provided to date, Minister, but the other issue is: how will the audit operate? What is the audit process? Who will it be conducted by? Will it be relying on information provided by the Victorian government or by Victorian government instrumentalities, or is it something that can be independently and robustly assessed by the Commonwealth or by an organisation or authority delegated by the Commonwealth in the context of an audit process?

Senator WONG (South Australia—Minister for Climate Change and Water) (9.41 pm)—I will take these sequentially. On the first point, maybe I have not made myself as clear as I could have, Senator Xenophon, about the EPBC Act provisions. As I understand it, Minister Garrett is seized of a statutory obligation and has certain statutory powers pursuant to that act once a referral is made. Once he is seized of those powers he can then impose conditions that are contemplated by those powers under the act. I do not have anything in front of me which limits the audited water savings to the issue of listed EPBC species or other such limitations. If I am wrong on that, I can correct that at a later stage, but nothing before me suggests, nor intuitively does it make sense, that once he has those powers to make those decisions and make those conditions he would have to constrain them in the way you seem to be suggesting. That is the first point.

On the second point in relation to the independent audited reports of water savings, what I read out to you simply makes that statement. I am sorry, Senator Xenophon, but I have lost my train of thought.

Senator Nash interjecting—

Senator WONG—You reckon you might do better, Senator Nash? I can go to the third issue, which I think was Food Bowl 2. I have been asked about this. There is obviously a difference between a project that the Commonwealth funds and a project that the Commonwealth is the decision maker on pursuant to a statutory power. What I have indicated publicly in relation to Food Bowl 2 is that we will have a proper due diligence process in relation to that project. We are very aware of the importance of applying an appropriate and rigorous due diligence process to any project that is funded through the Water for the Future project. Does that assist, Senator Xenophon?

Senator XENOPHON (South Australia) (9.44 pm)—It assists, but I would like some more assistance. The minister has raised the point that the minister for the environment is not constrained to look at the impact on species, for instance—

Senator Wong—There is nothing in front of me.

Senator XENOPHON—Sorry, I will clarify that: there is nothing in front of the minister in relation to that. But the point I was raising was that this whole process is looking at this after the event. In other words, there will be huge implications for the Murray-Darling Basin in terms of water being taken out of the basin. The audit process is after the event; it does not look at the issues of concern that the Victorian Auditor-General, Des Pearson, raised in his report of April 2008. So that is the first step. Rather than bombarding the minister with half-a-dozen questions, perhaps we should deal with them one at a time.

Senator WONG (South Australia—Minister for Climate Change and Water) (9.45 pm)—I thought I had done all right with the bombarding, Senator Xenophon, but clearly not. I do not want to get drawn into this specific one because those are matters that would be for Minister Garrett, but generally the proposition would be that, if an EPBC Act approval—a decision—is made
with conditions, under that act, as I understand it, such approval could be revoked if the conditions were not met. That is, if the proponent or other person were obliged to undertake certain activities that were a condition of the approval, they could be in breach of that approval and there would be a range of remedies under that act which would apply.

I have sought to be as helpful as I can. The officers I have here from the department are not from the division that deals with EPBC Act approvals. That is Minister Garrett’s area. If you want further information on that, I would have to get those officers here. These are officers who deal with the Water Act, the water bill and related matters. There is a separate approvals division of the department.

I also have a question for Senator Nash. In terms of the point I made before, if there was an issue with the existing off-takes for Adelaide’s water supply which required some construction to move, is it her understanding that the amendment she and Senator Siewert have moved would prevent such action from being taken to secure Adelaide’s water supply?

Senator NASH (New South Wales) (9.47 pm)—My understanding of what we were moving was certainly to ensure that the water currently within the basin stays within the basin. It is quite clear and quite simple. I would suggest that of course there is recognition of the events that happened prior to 3 July—of some taking of water from the basin—but quite clearly and simply, from that point in time, no water is to be removed from the basin.

Senator WONG (South Australia—Minister for Climate Change and Water) (9.47 pm)—With respect, Senator Nash, that does not help. Adelaide is not technically in the basin. As we know, it is reliant on the Murray River, but it is technically not in the basin. If the Murray Bridge-Onkaparinga off-take had to be moved because salinity levels at Murray Bridge got too high, is it not the case, Senator, that your amendment would actually not permit the state government to do that in order to secure Adelaide’s water supply? I think the answer is yes.

Senator NASH (New South Wales) (9.48 pm)—I think the Senate would understand that the intent of the amendment recognises very clearly the water needs that are already recognised in terms of shifting water out of the basin. Indeed, the amendment would allow the movement of the water currently being taken out of the basin. The intent is very clearly not to allow additional water to be taken out of the basin from 3 July.

Senator BIRMINGHAM (South Australia) (9.49 pm)—In support of Senator Nash’s comments: if the minister were to look closely at the amendments, she would see that they go very much to the use of the water and that a use of water that currently exists or that existed prior to 3 July 2008 when the IGA was entered into would continue to be permitted. Quite clearly, that is why these amendments have been worded in the way they have, to reflect that uses for urban centres prior to the government signing the IGA with all of the states and territories in the basin would be able to continue. I think the minister is trying to fly a flag of fear on this one, but it does not stand up. She is obviously trying to create a distraction from the real issue. The real issue that we are looking at here is about putting a new city onto the basin. We are not arguing about whether or not Adelaide would be continued. The intent, as Senator Nash said—and, I am fairly confident, as the wording of this suggests—is to allow Adelaide to continue to have the secure water supply it currently has. It would, however, protect the basin from being raided by the Victorian government.
To that end, whilst we are throwing questions at the end of answers, can I add to Senator Xenophon’s questions whether you are getting additional advice from those responsible for the EPBC Act and Minister Garrett’s decisions. The questions I have relate to the volume and priority of water for extraction from those savings into the pipeline. Specifically, what volume of savings have to be made for the 75 gigalitres to be extracted? Does the 75 gigalitres for Melbourne get priority over savings for irrigators or the environment, or is it shared equally depending on what volume of savings is made? Indeed, is Melbourne perhaps ideally at the end of the three parts of that equation? Minister, I look forward to some clarification.

Senator WONG (South Australia—Minister for Climate Change and Water) (9.51 pm)—That was a valiant attempt by Senator Birmingham, but I think it is absolutely unclear as to whether or not these amendments would in fact prohibit the sort of remedial or emergency work—

Senator Birmingham—Rubbish.

Senator WONG—You can shake your head, Senator Birmingham, but I am sure that there are many lawyers in the world who could make that argument. These amendments, at best, you could assert—

Senator Birmingham—Perhaps you’d like to propose a way to fix it, then.

Senator WONG—If I could finish, Senator Birmingham. I know you are getting a bit tetchy because your little political game is not looking as good. You might actually be putting something up that means that Adelaide, if it made a decision that it needed to shift the off-takes, could not, in relation to a project that your Victorian Liberal colleagues want to use the water of. I know that is embarrassing and I know it is embarrassing that Mr Turnbull did not move an amendment to stop this, but I cannot help that. What I can do is respond. I have given the chamber information in relation to Minister Garrett’s approvals. I have undertaken—because I do not have those officers here tonight—to provide Senator Xenophon with information. If necessary, I can table a copy—I will check on the appropriateness of it—of the approvals and the conditions associated with that. I think, however, that anybody who is listening to this can understand what game is being played.

It is the case, Senator Xenophon, that the assessment of this project, in terms of how the Commonwealth might approach the assessment, would not be the same if we were to be funding it. That is very poorly expressed. If we were funding a project, we would take a different view than Minister Garrett has to take under the EPBC Act. So that is the case. I am simply making the point that he has put in place a range of conditions which are designed to safeguard the environmental water component. They are designed to ensure that Melbourne, insofar as is possible, only receives a share of the water that is saved through the modernisation project. So those are the conditions that Minister Garrett has imposed, and I will provide the detail of those when I am able to. In relation to this amendment, I am not sure I can assist Senator Birmingham any further on this point.

Senator BIRMINGHAM (South Australia) (9.54 pm)—I have another quick question for the minister. The minister stated a couple of times that she believes this amendment would undermine the IGA—the intergovernmental agreement entered into by the Commonwealth with the states and territories and the basin jurisdictions. In evidence to the Senate inquiry undertaken into this bill, Dr Horne, from your department, was asked some fairly specific questions about this issue. He was asked:
Is there anything in the IGA or agreements leading to this bill or within this bill that actually requires the north-south pipeline to be built?

To which he replied, ‘Not at all.’ He was further asked:

Or the Commonwealth to support or facilitate the building of the north-south pipeline?

His reply was, ‘No, not at all—nothing at all.’ Given his fairly emphatic responses that there was nothing requiring support for this pipeline from the Commonwealth, or nothing particularly in the IGA that required the building of this pipeline, why is the minister so emphatic that this amendment is a danger to that agreement?

Senator WONG (South Australia—Minister for Climate Change and Water) (9.55 pm)—As the senator knows, there is a distinction—and he knows this but he is happy to play more games—between the Commonwealth being obliged to fund any part of a project and the Senate moving, in the context of a bill that is reliant on referral powers, something that effectively—

Senator Birmingham—The questions weren’t about funding.

Senator WONG—If I could finish, Senator Birmingham.

Senator Birmingham—If you could answer the question.

Senator WONG—Yes, and I am responding. There is a distinction between that situation to which you referred that is included in the Hansard and amendments which are specifically aimed at ensuring that particular project cannot proceed. You have at least been honest about that. Senator Nash’s contribution was quite upfront. These amendments are aimed at stopping that project. You have not explained how you are going to deal with all those issues. So, if you want to play that game, Senator Birmingham, you can. I think people will continue to look at the fact that the Victorian Liberal Party propose to use this pipeline and that in government you did not move this amendment because you knew it would not be the responsible thing to do.

Senator XENOPHON (South Australia) (9.56 pm)—Can the minister clarify that in the context of the audit that will be undertaken under the EPBC Act—

Senator Wong—I’m not doing this anymore. I can’t. I don’t have those officers here. If you want that information, I will have to give it to you later.

Senator XENOPHON—I appreciate the minister’s interjection. It is a helpful interjection, but there are a number of matters there that I have raised in relation to the audit process that are of concern to me. I appreciate the minister’s candour that the officers responsible for the EPBC process are not available. Perhaps that information can be provided, in order to not delay the committee stage any further, by way of a briefing?

Senator WONG (South Australia—Minister for Climate Change and Water) (9.57 pm)—What information, Senator Xenophon, are you seeking? I want to be clear about what information is being sought here. Perhaps you can clarify that very specifically and, if you wish me to arrange a briefing, I can assure you that the government can arrange one on this issue.

Senator XENOPHON (South Australia) (9.58 pm)—If I can clarify: the nature of the audit that will be undertaken by the Minister for the Environment, Heritage and the Arts under the EPBC process. Will that audit rely, for instance, on information provided by the Victorian government or instrumentalities, or will it be an independent process having access to sources of information directly? What sanctions are involved if the water savings that have been asserted by the Victorian government are not there, and can there be confirmation that this process is very much after
the event—after the project has been completed—or that the water is actually flowing out of the pipeline?

Senator WONG (South Australia—Minister for Climate Change and Water) (9.58 pm)—Senator, I have actually answered most of those. Either I have not made myself clear or there is some other reason why those answers have not been sufficient for you, but I think I have actually answered all of those. If you wish for a briefing, we will arrange it, but I am not sure I can assist you any further in the chamber tonight. Again, I make the point. You asked if the minister will undertake an audit. I specifically responded to that and said that it was a condition of the approval under the EPBC Act that an independent audit be undertaken. It is not the minister who undertakes that. This is the case in relation to EPBC Act conditions regularly. Senator Siewert would know, because she has asked me a few questions about various aspects of approvals. Conditions are, on occasion, imposed under that act. It is not the minister who goes out and complies with them. In general, it is the proponent who goes out and is required to comply with them. It is then assessed whether they have, in fact, done so.

In relation to the breaching issue, on my advice, if conditions are imposed, a subsequent failure postapproval not to comply with the condition would be in breach of those conditions and relevant action could then be taken pursuant to the remedies under the act. Given that this is a regulatory provision, I am reluctant to have a discussion in this chamber that is about a specific project and what happens if it is breached. I think it is proper in this place and in a briefing to have, if it is required, a general discussion about what failure to meet conditions could mean regarding enforcement or other remedies under the act. I suggest to you that we are getting into the question: ‘If this person failed this condition, what would Minister Garrett then do?’ In the context of the sort of regulatory provisions we are talking about, I am not sure that that is particularly helpful.

Question put:

That the amendments (Senator Nash and Senator Siewert’s) be agreed to.

The committee divided. [10.05 pm]

(The Chairman—Senator the Hon. AB Ferguson)

Ayes…………… 33
Noes…………… 20
Majority……… 13

AYES

Barnett, G. Bernardi, C.
Birmingham, S. Boswell, R.L.D.
Boyce, S. Brown, B.J.
Bushby, D.C. Cash, M.C.
Eggleston, A. Ferguson, A.B.
Fielding, S. Fierravanti-Wells, C.
Fisher, M.J. Hanson-Young, S.C.
Heffernan, W. Humphries, G.
Johnston, D. Joyce, B.
Kroger, H. Ludlam, S.
Macdonald, I. McGauran, J.J.J.
Minchin, N.H. Nash, F.
Parry, S. * Payne, M.A.
Ronaldson, M. Scullion, N.G.
Siewert, R. Troeth, J.M.
Trood, R.B. Williams, J.R.
Xenophon, N.

NOES

Arbib, M.V. Bilyk, C.L.
Brown, C.L. Cameron, D.N.
Collins, J. Conroy, S.M.
Crossin, P.M. Conroy, S.M.
Faulkner, J.P. Farrell, D.E.
Forshaw, M.G. Feeney, D.
Lundy, K.A. Fetherall, D.
McEwen, A. * Moore, C.
Pratt, L.C. Stephens, U.
Wong, P. Wortley, D.

PAIRS

Abetz, E. Hurley, A.
Adams, J. McLucas, J.E.
Brandis, G.H. Carr, K.J.

CHAMBER
Senator SIEWERT (Western Australia) (10.09 pm)—I move Greens amendment (2) on sheet 5659:

(2) Schedule 2, page 294 (after line 2), after item 50, insert:

50B  At the end of section 21
Add:

Basin Plan to provide for reduction in use in additional population centres outside Basin

(11) The Basin Plan must provide for a reduction over time in the amount of water taken from Basin water resources to meet the needs of population centres outside the Murray-Darling Basin.

This amendment relates to the reduction of water use outside of the Murray-Darling Basin. The amendment seeks to require the Basin Plan to provide for a reduction over time in the amount of water taken from the basin’s water resources to meet the needs of population centres outside of the Murray-Darling Basin. This is in the spirit of the amendment that we have just passed. We do not say, and would not even dream of saying, that we have to cut off extractions outside of the basin straightaway. What we are trying to do is send a message that we are seeking to reduce the extraction of water from outside the basin. As I said, the amendment does not seek to stop it straightaway, but we do think that it is important that population centres outside of the Murray-Darling Basin actually start to move towards better water conservation and efficiency to ensure that the water that we do save in the basin—the water that we buy back and the water savings that we make through water efficiency measures—is in fact kept in the basin. We think that this amendment sends a very clear signal to those centres and to all the users of those pipelines that Senator Wong outlined earlier. This amendment basically puts on notice all of the centres in Victoria, New South Wales and South Australia that are taking water from the system that we need to reduce that use. Adelaide is slowly moving that way, and this amendment will ensure that that is actually given effect through legislation.

Senator BIRMINGHAM (South Australia) (10.11 pm)—Lest the minister was to get up and give another speech about hypocrisy tonight, I am pleased to indicate our support for the Greens amendment. I indicate our support because this is about being consistent in principle and in action. I indicate our support because we believe the objective that the Greens amendment seeks is the right objective. That objective is for the major population centres over time to become more independent of the River Murray system.

We have just passed an amendment saying that no new population centres should be added to the Murray-Darling system. We now believe that it is right and fair and proper to back up that first amendment with this one. This amendment indicates that those centres currently reliant on the system should over time ease and reduce that reliance. I emphasise very carefully the words ‘over time’. This is not at all about cutting off. Far be it from the minister to consider misrepresenting anybody in this regard. This is about a reduction in reliance over time to ensure that what Adelaide is trying to do, what the state Liberal Party in South Australia has advocated through alternative water security options for Adelaide, what, albeit belatedly, Premier Rann and the South Australian government have backed as well—
**Senator Wong**—You do not want to take Ted Baillieu’s line on Melbourne water but you are happy to take the state Liberals’ line on water in South Australia—is that how it works?

**Senator BIRMINGHAM**—The minister wants to throw up all sorts of state lines at us. That is fine. The point I am making, Minister, is that the policy approach we are taking here is a very consistent one—from the previous amendment to this one. We believe that South Australia and Adelaide are heading in the right direction. We believe that this sends a signal that they should continue to head in the direction of greater reliance on sources other than the Murray-Darling system. We have faith in the independence and integrity of the people appointed to the Murray-Darling Basin Authority to ensure that the right approach for the implementation of this is taken and that over time we do indeed achieve the right result—that is, greater independence from the Murray-Darling system of all cities that currently rely on it, as well as ensuring that no new ones are added.

**Senator FISHER** (South Australia) (10.14 pm)—As a senator for South Australia, I am very happy to support this amendment. As a senator for South Australia, I continue to support weaning Adelaide off the Murray. It is only responsible to aim at having those population centres that have watersourcing choices, choices as to from where they get their water beyond the Murray, exercise those choices. For a city like Adelaide, when Adelaide is not even on the Murray, to continue to resort to the Murray for up to 80 per cent of the city’s water use in some years is a scenario that is inappropriate to be continued over time, given the current and future situations of the Murray-Darling Basin and the lack of choices that other communities in the Murray-Darling Basin have in terms of accessing their water. Urban population centres that are not on the Murray, such as Adelaide, should be weaned off the Murray, leaving the Murray for those who have little choice and less choice in terms of accessing water. This is the federal government’s opportunity to commit to assisting the state government to wean Adelaide off the Murray and indeed to set a target time within which that will be achieved. It is the right thing to do, and I support the amendment.

**Senator XENOPHON** (South Australia) (10.16 pm)—For the reasons articulated by Senators Siewert, Fisher and Birmingham, I support this amendment.

**Senator WONG** (South Australia—Minister for Climate Change and Water) (10.16 pm)—The government does not support this amendment. Let us be very clear on what this amendment does. This is a requirement not simply that the government do what it is already doing; that is, assist urban communities to diversify their water supplies. This amendment is imposing, through this provision, a requirement on Adelaide to reduce its use of the Murray—so a declining cap on Adelaide and a declining cap on Port Pirie, on Port Augusta, on the Blue Mountains, on Ararat, on Bacchus Marsh, on Whyalla and on Keith.

We on this side of the chamber note there has been a bit more hypocrisy tonight from senators lecturing people about weaning. As I have said, the former Treasurer, Mr Costello, said under the previous government—and I do not recall Senators Birmingham or Fisher gainsaying Mr Costello—the Commonwealth had no role in urban water. We do not take that view. We put in our first budget $12.9 billion, including an additional amount in excess of $1½ billion focused very clearly on enabling or supporting the diversification of water supplies particularly for urban centres, towns and cities. I have already taken the chamber through those par-
ticular commitments, commitments which were never matched, to my recollection, by those opposite even during the election campaign. Certainly never were such programs provided by the previous government. It is the case that, in the face of climate change, we in Australia do need to diversify our sources of water. We have to become less reliant on rainfall and we need to look at options such as stormwater harvesting and using rainwater and grey water, as well as desalination and such techniques. That is why the government is prepared to work with state governments, local governments or other proponents to assist with that process. It is essentially retooling or reworking the way in which we currently use water.

It is very different to say we will work to do that while putting in place another direction. I remind Senator Siewert again of the independence of the authority. This amendment is another direction about what has to be in the plan. It is a demand, regardless of whatever other issues and facts might be relevant, that the plan has to essentially impose a declining or reducing cap on Adelaide and the other urban centres or towns or cities that I have mentioned. These are very different propositions. One is very much a legislative stick and the other is working with communities to try to prepare them for the challenge of climate change. We are prepared to do the latter. We are not prepared to support this amendment, for the reasons that I have outlined.

I am also advised there are some constitutional concerns as to this amendment. Obviously, this has the support of the Liberals and the crossbenchers. But I would ask the chamber to consider the wisdom of making this sort of proposition part of the legislation, rather than letting the authority, in the context of the plan, take into account the whole-of-basin approach that is in the objects of the act and in other provisions as amended in fact by a previous amendment in this committee stage.

Question put:
That the amendment (Senator Siewert’s) be agreed to.

The committee divided. [10.25 pm]
(The Chairman—Senator the Hon. AB Ferguson)

Ayes………….. 33
Noes………….. 19
Majority………. 14

AYES
Barnett, G. Bernardi, C.
Birmingham, S. Brown, B.J.
Boyce, S. Cash, M.C.
Bushby, D.C. Ferguson, A.B.
Eggleston, A. Fierravanti-Wells, C.
Fielding, S. Hanson-Young, S.C.
Fisher, M.J. Heffernan, W.
Heffernan, W. Humphries, G.
Johnston, D. Joyce, B.
Kroger, H. Ludlam, S.
Macdonald, I. McGauran, J.J.J.
Minchin, N.H. Nash, F.
Parry, S. * Payne, M.A.
Ronaldson, M. Scullion, N.G.
Siewert, R. Troeth, J.M.
Troid, R.B. Williams, J.R.
Xenophon, N.

NOES
Arbib, M.V. Bilyk, C.L.
Brown, C.L. Cameron, D.N.
Crossin, P.M. Farrell, D.E.
Faulkner, J.P. Feeney, D.
Forsyth, M.G. Furner, M.L.
Hurley, A. Landy, K.A.
Marshall, G. McEwen, A. *
Moore, C. Pratt, L.C.
Sterle, G. Wong, P.
Wortley, D.

PAIRS
Abetz, E. Hogg, J.J.
Adams, J. Conroy, S.M.
Brandis, G.H. McLucas, J.E.
Colbeck, R. Hutchins, S.P.
Cooman, H.L. Poiley, H.
Question agreed to.

**Senator SIEWERT** (Western Australia) (10.27 pm)—I foreshadow that I will withdraw Greens amendment (3) on sheet 5659, because we have covered the substantive issue in terms of the water-sharing regime. However, I want to clarify with the minister a point that was raised in the previous discussion about the water-sharing regime. This amendment sought to put an additional amendment in place in section 23 of the act that relates to the long-term average sustainable diversion limits for the basin. It states:

... for the water resources of a particular water resource plan area or for a particular part of those water resources may be specified:

(b) as a formula or other method that may be used to calculate a quantity of water per year; or

(c) in any other way that the Authority determines to be appropriate

I just wish to confirm the previous point that the minister made that that would allow for water shares to be considered if that were determined appropriate by the authority.

**The CHAIRMAN**—Order! There is far too much audible noise in the chamber. Would those who are conducting conversations please do it outside of the chamber.

**Senator WONG** (South Australia—Minister for Climate Change and Water) (10.29 pm)—I am just observing that I have the National Party on my side at the moment.

**Senator Joyce**—The Greens are over there; we are over here.

**Senator WONG**—I am sorry, Senator Joyce, but you are actually on the same side as the Greens.

**The CHAIRMAN**—Order! Senator Joyce, you are also not in your seat, and interjections are orderly—that is, disorderly. Very disorderly! Perhaps we will try again, Senator Wong.

**Senator WONG**—Some of us might say that was a Freudian slip, but I would not; it would be too uncharitable. Senator Siewert, my advice is: yes.

**Senator SIEWERT** (Western Australia) (10.30 pm)—Thank you. I withdraw Greens amendment (3) on sheet 5659.

**Senator XENOPHON** (South Australia) (10.30 pm)—I move amendment (4) on sheet 5649:

(4) Schedule 2, page 294 (after line 14), after item 52, insert:

52B After section 26

Insert:

26B Trading and transfer of tradeable water rights

(1) The Commonwealth and the Commonwealth Environmental Water Holder are not subject to any restrictions on the trading or transfer of tradeable water rights in relation to Basin water resources.

(2) A State that imposes restrictions on the trading and transfer of tradeable water rights in relation to Basin water resources is not eligible to receive any Commonwealth funding under the National Water Initiative.

This amendment relates to the trading and transfer of water rights. This amendment precludes states that impose restrictions on
the trading and transfer of tradeable water rights from receiving Commonwealth funding under the National Water Initiative. The Commonwealth and the Commonwealth environmental water holder are, however, precluded from the restrictions on the trading and transfer of tradeable water rights.

Essentially, this relates to the issue of the four per cent cap and Victoria’s trenchant opposition to the attempts by the Commonwealth to abandon the cap at the COAG meeting in July. I believe this is an important amendment in the context of ensuring that we have some transparency in the market and some trading and transferability of water rights.

Senator NASH (New South Wales) (10.31 pm)—I certainly recognise the intent with which Senator Xenophon has moved this amendment. But I raise the concerns that have been raised with the coalition by the irrigation community with regard to wholesale loss of water, particularly concerns about the lack of any structural adjustment funding to deal with arising situations, and indicate to the Senate that we will not be supporting the amendment.

Senator SIEWERT (Western Australia) (10.31 pm)—The Greens support the intent of this amendment, particularly given that I am aware that the coalition and, in fact, Senator Xenophon propose moving some community planning amendments and some restructuring amendments. In that context, I believe that this is an important amendment, particularly in the framework of the further amendments that we will be discussing in this chamber. I do support the intent of this amendment, and the Greens will be supporting it.

Senator WONG (South Australia—Minister for Climate Change and Water) (10.32 pm)—I raise just two difficulties with this, apart from the obvious political one, which Senator Xenophon is aware of, in relation to this issue. The first is that this essentially billedeislative fiat seeks to impose the reforms that are currently the subject of reform through negotiation, collaboration and cooperation with the states. I would make the point, Senator Xenophon—and I am sure the four per cent issue was high in your mind when you considered this amendment—that it is quite possible that there would be fees or other charges or other restrictions well beyond that, including possibly some that apply in South Australia, which might well fall within the ambit of this provision. There would be different views from some irrigators in South Australia about that.

I have made it clear publicly that we do see an efficient and well-functioning water market as very important for reform. It is not an ideological position around markets; we actually think it is in the best interests of irrigators and their communities to ensure the water goes to where it is most highly valued. It is one of the ways in which the adjustment process can be managed and enables people to have choices about selling a portion of their water, investing or, if they wish to, choosing to exit the industry or invest in some other way. We will continue to work through the processes that are in place around these issues. I am advised that there are a number of policy and legal concerns associated with this proposed amendment.

The other point I would raise, Senator Xenophon—and it is possible you simply were not aware of this—is that I am not aware of any specific funding program under the National Water Initiative. That was an agreement reached with the states in 2004 but it is not currently the way in which Commonwealth funding for water is delivered to the states. So that is a technical issue in relation to the second part.

Question negatived.
Senator SIEWERT (Western Australia) (10.35 pm)—I move Greens amendment (7) on sheet 5629:

(7) Schedule 2, page 295 (after line 7), after item 59, insert:

59AA Section 38

Repeal the section.

This amendment relates to exemptions from regulations, specifically to section 34 and subsequently section 38, which is ‘Regulations may provide for exceptions’. That actually gives effect to section 34 of the act, which is ‘Effect of Basin Plan on Authority and other agencies of the Commonwealth’. It says:

(1) The Authority, and the other agencies of the Commonwealth, must perform their functions, and exercise their powers, consistently with, and in a manner that gives effect to, the Basin Plan.

There are a number of other provisions under that clause. Section 38, however, provides for exceptions to this. I would like to know from the government why the authority may be exempt from having to ‘perform their functions and exercise their powers consistently with, and in a manner that gives effect to, the Basin Plan’. Our amendment seeks to take out that exemption provision, so I am seeking clarification from the minister as to why the authority would be exempt from giving effect to the Basin Plan. I moved the amendment because I do not think it is appropriate that the authority be exempt from applying the plan.

Senator WONG (South Australia—Minister for Climate Change and Water) (10.37 pm)—I just make the point—and I am sure Senator Siewert is aware—that this provision is a regulation-making power. The Senate would still have its usual powers in respect of disallowance in relation to any regulations which were brought forward. The advice I have is that this really is intended to apply to an emergency situation or a situation where you had unforeseen circumstances—the example that one official has given me would be for dam failure. It enables a pathway for efficient administration of the act in emergencies and unforeseen circumstances. In terms of accountability and oversight, I make the point that this is a regulation-making power and the Senate would still have the opportunity in relation to any regulations tabled to consider them.

Senator SIEWERT (Western Australia) (10.38 pm)—I thank the minister for her answer, as I was seeking clarification around this power. I appreciate that it is a regulation-making power and I appreciate the comment around it being a legislative instrument. I thank the minister for her clarification about the emergency provisions so that the Senate has an indication of why such exemptions would be provided for. Now that the minister has clarified the extent to which the provision would be used, I seek leave to withdraw amendment (7) on sheet 5629.

Leave granted.

Senator XENOPHON (South Australia) (10.39 pm)—I move amendment (5) on sheet 5649:
(5) Schedule 2, page 295 (after line 7), after item 59, insert:

59A At the end of Subdivision D of Division 1 of Part 2
Add:

40A Failure to comply with Basin Plan
(1) If a Basin State fails to comply with the Basin Plan, the Minister must assess:
(a) the impact of that failure to comply on the shares of other Basin States in the Basin water resources; and
(b) the quantitative effect of that failure to comply on the Basin water resources.
(2) If a Basin State fails to comply with the Basin Plan, the Minister must by determination reduce that Basin State’s share in the Basin water resources by 10 times the quantitative effect of that failure to comply as assessed under paragraph (1)(b).
(3) If a Basin State, after the Minister under subsection (2) reduces that Basin State’s share in the Basin water resources, continues to fail to comply with the Basin Plan, the Minister must apply for an injunction against the Basin State under section 140.

This relates to the failure to comply with the Basin Plan. The amendment deals with basin states that fail to comply with the plan by enabling the minister to reduce their share in the basin water resources by 10 times the quantitative effect of that failure to comply with an interim Basin Plan. It also provides that the minister is to have the power to apply for an injunction against the basin state consistent with section 140 of the Water Act. The amendment ensures that there will be severe consequences for states who fail to comply with the Basin Plan and, as a result, jeopardise the management and wellbeing of the river system.

I am sure some of my colleagues may see this as quite draconian but, in a sense, we have had a situation where the cap was breached in previous years. There did not appear to be any sanctions, and I think it is important that there are appropriate sanctions in the context of ensuring that the plan is adhered to.

Senator NASH (New South Wales)
(10.40 pm)—While recognising the intent with which Senator Xenophon is moving this amendment, the coalition believe that there is an understanding that, within the Basin Plan itself, this will be dealt with. Our belief is that it is rather too prescriptive, which will lead to unintended consequences, and the opposition will not be supporting the amendment.

Senator SIEWERT (Western Australia)
(10.41 pm)—I have to concur with the coalition. While the Greens do support the intent of this amendment, we are concerned that it is far too punitive and find that we cannot support it—although, as I said, we do support the intent and the direction in which the senator is trying to head.

Senator WONG (South Australia—Minister for Climate Change and Water)
(10.41 pm)—For courtesy’s sake I wish to indicate the government’s position that we do not support the amendment. I share some of the concerns raised by senators previously, and I would also make the point that there are enforcement provisions under part 8 of the act which enable, for example, the authority to seek an injunction, if this becomes necessary, against a body or a person, including a state.

Question negatived.

Senator SIEWERT (Western Australia)
(10.42 pm)—by leave—I move Greens amendments (8) to (10) on sheet 5629 together:
These relate to modifications to the Basin Plan and reduce the number of times the minister can send the Basin Plan back to the authority to only once. This issue has been a concern for a number of organisations, as I understand it, and the concept has been subject to much discussion. The Greens have indicated that we are concerned about the way that the Basin Plan can be modified and the influence of ministerial direction.

We are seeking to amend these provisions of the bill to restrict, as I said, the number of times that the minister can send the Basin Plan back to the authority. We are concerned about the level of independence of the authority. The minister, I know, has thought that we have been seeking to tie up the authority and to limit its independence. We do not believe that the amendments we have been dealing with previously seek to influence the authority in any political manner but instead provide guidelines to the way the authority can or should be putting in place and developing the Basin Plan. We believe that it is appropriate to give the authority as high a level of independence as possible and seek to move these amendments in order for that to happen.

Senator NASH (New South Wales) (10.44 pm)—It is certainly the case that the authority does need to be able to perform the roles with which it is charged but, given the possible unintended consequences that we see might arise from these amendments, we will not be supporting the amendments.

Senator WONG (South Australia—Minister for Climate Change and Water) (10.44 pm)—We do not support the amendments. Section 44 of the act does seek to strike the right balance between independence for the authority and government accountability. The minister’s capacity to give directions has been appropriately limited. The minister cannot give directions on any matters of a scientific or factual nature. Section 44(4) and section 175 of the act deal with this. In all cases—and this is the transparency issue and accountability issue—where the minister gives direction to the authority, the minister must table the reasons for such directions in the parliament and, in the case of directions relating to the Basin Plan, the minister must include reasons for not following the advice of the authority. The minister is also prevented from giving any direction to the authority in respect of any enforcement related action the authority wishes to take.

Question negatived.

Senator SIEWERT (Western Australia) (10.46 pm)—I move Greens amendment (4) on sheet 5659:

(4) Schedule 2, page 301 (after line 14), after item 75, insert:

75A Paragraph 64
Repeal the section, substitute:

The accreditation of a water resource plan under section 63 ceases to have effect at the end of the period of six
This amendment relates to the duration of accredited state plans. The issue very specifically here is the fact that, under the present agreement and act, the various state catchment plans and water-sharing plans do not have to come into effect until 2014 in the case of New South Wales and until 2019 in the case of Victoria.

As I said in my speech in the second reading debate, we do not believe that this is appropriate. We do not believe that leaving the implementation of or bringing in line water-sharing plans with the Basin Plan until 2019 is appropriate. That is 11 years down the track. Some of them may well in fact be encouraged to modify their plans before that date, but they do not have to. This amendment seeks to ensure that water-sharing plans, catchment management plans, come into line with the Basin Plan so that we can start implementing the Basin Plan much sooner than 2019. That is the objective of the amendment. We are trying to ensure that we have a Basin Plan that is able to be implemented throughout the basin consistently and as soon as practically possible.

We appreciate that there is a certain amount of time that is going to be needed to develop the plan and to consult adequately with the community. As I also alluded to in my speech in the second reading debate, there is a need to coordinate the buyback, the delivery of the infrastructure water efficiency expenditure and any restructuring funding that may become available and that is undertaken. That, we know, takes time. Consulting with the community takes time. We need to make sure that this Basin Plan is acceptable to the community because, when all is said and done, despite the fact that we—collectively, the Australian community—are investing $12.9 billion, it is the community that wears the brunt. It is the farmers who end up making the change, and they need to be on board with this plan as well.

So we appreciate that there is going to be some time taken to develop the plan, but we do not appreciate that it is acceptable that, in some catchments, the water-sharing plans will not be changed until 2019. We are supposed to be taking a whole-of-basin approach to this crisis. Different implementation under different scenarios over a period of time—between 2011, when the Basin Plan is to be completed, to 2019 when it is finally implemented in some catchments—is not a whole-of-basin approach. This amendment is intended to ensure that the various state plans and water-sharing plans come into line with the Basin Plan as soon as is practical after the Basin Plan is finalised.

Senator NASH (New South Wales) (10.49 pm)—At the outset I would like to say that I could not agree more with Senator Siewert’s view that farmers are going to have to be on board, on side and agreeable as we work through the Basin Plan. At the end of the day, they are an enormous part of ensuring that the sustainability of the basin is reached. With regard to this amendment, while I do recognise the intent with which Senator Siewert has put this amendment forward, the prescriptive nature, the time line and the potential unintended consequences that that may have preclude the opposition from supporting the amendment.

Senator XENOPHON (South Australia) (10.50 pm)—I indicate my support for this amendment. In the absence of an interim Basin Plan to allow the minister to act urgently pending a full Basin Plan being prepared, this amendment certainly goes a long way in dealing with and acknowledging the urgency of making sure that the plan comes into effect.
Senator WONG (South Australia—Minister for Climate Change and Water) (10.50 pm)—The government does not support this amendment. I want to make clear what is being proposed. Regardless of what we might think of these plans, these plans have been developed through different processes in each region, including in various regions in South Australia. Water users have made substantial investment decisions predicated around the time lines of those plans. For government to simply override these plans would, I think, be highly problematic. Particularly in the light of the exaltations in the Greens minority report—and Senator Siewert should be aware of this—about working with community, it would hardly be a way forward on what is a very substantial adjustment process. It would hardly be a way forward that worked with communities for us to simply override the plans that many irrigators have relied on in terms of their investments.

We do not shy away from the need to make an adjustment. That is why we are purchasing water. That is why we are rolling out investment in irrigation infrastructure, and it is why we are committed to the passage of this legislation and to the creation of a Basin Plan. But we have to recognise that it is an adjustment and we do have to put in place a range of policy measures to enable that adjustment to occur. We also have to recognise the need for some certainty in what are uncertain times, particularly in terms of the availability of water. We have to recognise where policy certainty is required in order to enable users to make that adjustment. So the government is consistent with the approach taken by the opposition when in government and is respecting existing state water resource plans. That does not mean we shy away from the urgent current task of reducing extraction from the rivers, which is the reason behind our purchase program and the reason behind our infrastructure program.

Senator SIEWERT (Western Australia) (10.53 pm)—It is probably to be expected that neither the government nor the opposition would be supporting this, despite the rhetoric of needing to fix the Murray-Darling Basin because it is in crisis.

Senator Xenophon—It is urgent.

Senator SIEWERT—And it is urgent. We are to pass this legislation through this place because it is so urgent that we need to act immediately. We cannot afford to waste time debating amendments to try to improve this bill and the act because it is urgent that we act. It is so urgent that we act that we can wait till 2019 until we bring the water-sharing plans into line with the Basin Plan. Make no mistake: the Basin Plan will not come into effect until 2019, when these final catchment plans come into line with the Basin Plan. While the minister has tried to turn the Greens very strong comments and feeling for community involvement in the decision making and the restructuring of the basin, that does not mean that we have to endorse plans that are potentially—I will say that: potentially—unsustainable and are not consistent with a sustainable cap. How can we stand and say to the Australian community that we have to rush this piece of legislation through this place if we cannot ensure that the Basin Plan comes into effect as soon as possible? The government can engage the community in discussions about the future of the basin and still have a meaningful deadline for the implementation of the Basin Plan.

So both major parties think it is acceptable that the Basin Plan does not come into effect till 2019. Yes, the Greens do accept that it is urgent; we do accept the urgency for putting in place the authority and setting the planning process in place. But do not pull the
wool over the Australian community’s eyes and say that that means we are going to get a Basin Plan that delivers any proper meaningful outcome in terms of ensuring that all water use in the basin is sustainable. Do not pull the wool over our eyes by saying it is urgent and we have to act with haste if in fact we are rushing so urgently that we may get there by 2019. In New South Wales it is 2014. It is not acceptable to the Australian community.

Yes, I do appreciate that we are spending $12.9 billion, but it is not being spent quickly enough. We are not acting with a sense of urgency. I remind this place that the Wentworth Group of Concerned Scientists has pointed out that we need to reduce consumptive water use by 42 to 53 per cent, and that seems to me pretty consistent with the dire warnings and the dire outcomes and predictions we got from the CSIRO sustainable yield project just yesterday. The minister very eloquently told this place about those dire consequences yesterday and today. Let us not pretend that we are rushing with all haste to try and implement a plan when we have got 11 years to rush this through. It is absolute nonsense. It makes a mockery of the comments that we have to do this urgently. The river is not going to be around in 2019.

Senator WONG (South Australia—Minister for Climate Change and Water) (10.57 pm)—I thank Senator Siewert for the courtesy of letting me make a couple of comments. I wanted to respond on this before 11, and I appreciate your showing me that courtesy. First, I am going to take you to something you said about the government saying we cannot afford to debate amendments. I have been in here debating amendments. We have never said that. The point I have made to the chamber is that we do want this legislation passed before the end of the year because we want the authority to be able to do the work under the act, as amended, that is required, including the sorts of issues that you have raised previously, and to get on with the very substantial task of preparing the Basin Plan. We are clear that we want this legislation through, but we have never shied away from the ability to debate amendments. As you know, the government has considered the views of crossbench senators in your various reports, as I hope you would have seen from the way in which the debate has been undertaken. So I think that it is not quite accurate.

First, in terms of urgent action, I recognise that this is not a Commonwealth takeover; this is a cooperative approach that has been negotiated with the states. We saw how effective a Commonwealth takeover was last year when it was announced in January and by the election nothing had happened. So talk about urgent action; we have to have urgent action and we believe the best way is to take the approach we have taken, which is to get an agreement to purchase water as the quickest way to put water back into the river and to roll out infrastructure and irrigation investments.

I would also make the point that I trust the senator understands how this amendment would be perceived in many of these communities. The Greens may well make a decision to support this amendment nevertheless and to put it forward, and you are entitled to do that. I am simply making the point that, if the position of the Greens is to engage and empower communities, as they have talked about in their report, that is not how many of those communities would take this amendment, for the reasons I have outlined. There may be other policy reasons to put forward this amendment, but I simply make that point.

Question negatived.

Progress reported.
ADJOURNMENT

The PRESIDENT—Order! It being 11 pm, I propose the question:

That the Senate do now adjourn.

Mr Jim Maher AO

Senator FARRELL (South Australia) (11.00 pm)—I rise on this historic day, when Labor has introduced legislation to end Work Choices, to pay tribute to the working life of an exceptional and outstanding Australian, Mr Jim Maher AO. Jim recently retired from his role as Director of the REST Superannuation fund, thereby bringing to an end a working career serving retail workers which spanned 52 years. His leadership, wisdom and sound advice have been acknowledged in the maiden speeches of many senators and members of parliament in both state and federal governments. Senator Jacinta Collins, who is here in the chamber tonight, Mark Bishop and indeed the President of this chamber have all acknowledged Jim’s contribution in their maiden speeches, as have I. For those who knew Jim Maher, it would come as no surprise that so many senators and MPs have credited Jim for some of their success. I feel that it is important to bring to the attention of the house the remarkable achievements of such an exceptional Australian and stalwart friend of the Labor movement.

James Bernard Maher was born on 20 August 1927. He was educated at the Christian Brothers College in Clifton Hill, Victoria. As a young man working for Norman Makin, the great South Australian member of parliament, he would sometimes relax with former Prime Minister John Curtin, whom he considered a close friend, by watching Collingwood play football. In 1946, Norman Makin left parliament to become Australia’s ambassador to the United States. Public Service rules at the time prevented Jim from joining Norman in Washington, so Jim became a shop assistant. His decade of experience on the shop floor means that Jim has a unique knowledge of the pressures that retail workers face.

Jim began his involvement with the SDA on 1 January 1956 as an organiser. It was a role he genuinely enjoyed, as it provided him with the opportunity to work directly with shop assistants to resolve the difficulties and issues that they faced. Between 1968 and 1971 he served as the assistant secretary of the Victorian branch and in 1971 became the secretary of the Victorian branch, a position that he held for 20 years. In 1970, Jim Maher became the National President of the SDA, which, at the time, had only 57,000 members Australia wide. Today, the union has grown to have a 220,000-strong membership base, and it is the largest single affiliate of the ACTU. Jim Maher’s leadership was a key factor in the success of the SDA. During the Labor split in the 1950s, Jim Maher was firmly on the side of the anticommunists. He continued to help lead the fight to retain the integrity and direction of the union in the face of numerous disruptive forces within the union over many years.

I first met Jim in 1976 at a national meeting of the SDA held at the Travelodge on South Terrace in Adelaide, just up the road from where I now have my office. Ever vigilant, when I first met Jim he suspected that I was a Barry Egan supporter and promptly asked me to leave the meeting. I was pretty green and young in those days, so I rapidly left with my tail between my legs! I think it demonstrated his vigilance in maintaining the attention of the house the remarkable achievements of such an exceptional Australian and stalwart friend of the Labor movement.
He was a man of action. He knew how to go from A to B without inventing letters between them and realised that the best way out of a problem was to crash through it. Two of the most significant industrial achievements that occurred under his leadership were the winning of the first five-day week for shop assistants in Australia in 1971 and the achievement of equal pay for work of equal value for women in the retail industry. Consider the remarkably high turnover of workers in the retail industry. There are hundreds of thousands of shop assistants who enter and leave the retail industry every year. If you then consider the significant improvement in conditions and wages for retail workers that Jim helped achieve, it would not be outlandish to say that Jim Maher, over some decades, directly improved the lives of millions of Australian workers.

In addition to his extensive involvement with the SDA, Jim Maher was a key figure in the leadership of the ACTU. He served as an executive member of the ACTU between 1980 and 1993, serving five of those years as vice-president. During his time as a union official, Jim witnessed some of the most dramatic changes to ever occur in industrial relations, from closed shops to the accord, to Work Choices, and finally a return to some form of equilibrium, currently being proposed by the Labor government.

Jim was also passionate about the savings and long-term future of retail workers. He was a director of REST Superannuation, the superannuation fund for retail workers, from its inception. While super returns have dropped recently due to the world economic crisis, REST Superannuation has produced excellent returns for its members right from its beginning, and Jim’s prudent and measured leadership contributed much to REST’s success.

Another of Jim’s outstanding achievements was representing the SDA at the International Federation of Commercial, Clerical, Professional and Technical Employees from 1976 to 1995—a role he filled with great enthusiasm and diligence.

Jim’s passion for his country was also demonstrated by his participation in many organisations that have helped define what it means to be an Australian. Jim was a member of the Australian Bicentennial Authority, which was founded to develop and coordinate projects that promoted Australia’s cultural heritage for the bicentenary in 1988. He has also been a director of the National Australia Day Committee and was a member of the Advance Australia Foundation in the early 1990s. His commitment to retail workers and the nation was total, and he was formally recognised in Australia’s bicentennial year when he was appointed an Officer of the Order of Australia, an award that I know gave him a great deal of pleasure—in his own quiet way, for Jim was never one to brag.

As I said earlier in my speech, Jim Maher has improved the lives of millions of working Australians through better wages and conditions. His contributions to the hundreds of thousands of retail workers throughout Australia cannot be understated. The fact that many of these workers would have no idea who Jim Maher is is not something that he would worry about. That is because Jim derives satisfaction from helping others. It has been his life’s work, and he has done a magnificent job.

Throughout all of these achievements Jim was loyally supported by his wife, Fran. Jim was a great example of the old saying: ‘The difficulties of life are intended to make us better, not bitter.’ As he fought for the rights of shop assistants he never sought a lighter
load but simply sought to have broader shoulders.

Finally, I am sure that Jim will discover that the trouble with retirement is that he will never get a day off and that a man’s retirement becomes a wife’s full-time job!

Australian Cement Industry

Senator BOYCE (Queensland) (11.08 pm)—I would like to speak tonight about the challenges and opportunities facing one of Australia’s most important industries—the cement industry. It is certainly not one of our glamour industries but is nevertheless one of our most important industries. I should note here that my family’s company has produced concrete products for more than 82 years, so I can say, quite honestly, that cement is a topic close to my heart.

Cement has been called the glue that holds our economy together, and its many, many uses literally build our prosperity and are a marker of our national progress. Cement is made by mixing and heating calcium, silica, aluminium and iron to produce a material known as clinker. Clinker is then mixed with gypsum and ground to a fine powder to make cement.

The Australian cement industry is made up of three major producers: Adelaide Brighton Ltd, Cement Australia and Blue Circle Southern Cement. These companies have operations around Australia, including 15 manufacturing sites, 10 mines and 74 distribution terminals. Very importantly, these cement plants are generally located in regional centres and in small rural communities, making them significant regional employers. The industry employs about 1,850 people, produces more than nine million tonnes of product a year and has an annual turnover in excess of $1.79 billion.

Cement is used to bind aggregates together and form concrete, one of the key construction materials, which has in fact been in use since the time of the Romans. According to the Cement Industry Federation of Australia, concrete is second only to water as the most consumed material on earth. Every year in the world we use three tonnes of concrete for every human being. Twice as much concrete is used in construction worldwide as all other building materials combined. Construction of a typical family home in Australia requires 14 tonnes of cement, and a kilometre of freeway contains as much as 2,500 tonnes.

The premixed concrete industry consumes the greatest volume of cement, using it in applications such as concrete slabs and foundations for buildings, roads, and bridges; precast panels, blocks, and roofing tiles; fence posts, reservoirs and railway sleepers; and plumbing and drainage products. Cement is also used in bulk quantities in other diverse applications, including stabilisation of roads and unstable rocky surfaces; as backfill for mining operations and casings in oil and gas wells; as well as for the more familiar renders, mortars and fibreboard.

But what I want to speak about in detail tonight are the major challenges facing the industry in Australia. As the Senate would be aware, there has been a serious downturn in the Australian construction industry. The Australian Industry Group and Housing Industry Association’s Performance of Construction Index, referred to as the Australian PCI, noted a massive decline in construction in Australia during the September quarter 2008, principally on the back of a decline in commercial and apartment building activity.

On top of this dramatic downturn in demand, associated with the current economic conditions, the most serious strategic challenge faced by the industry in the mid to long term is its response to environmental concerns. The cement industry is a major greenhouse gas emitter, and the Australian manu-
facturers are the first to acknowledge this. The carbon dioxide emissions associated with producing cement, both directly and indirectly, far outstrip the CO2 emissions from other Australian manufacturing industries, including metal products and chemical, food and beverage production. The CO2 emissions from the production of cement are greater than those from the production of petroleum and coal. All up, the industry directly contributes about one per cent of Australia’s greenhouse gas emissions signature.

But—and this is a big ‘but’—the industry has embraced change. For more than 18 years the industry has participated in major efforts to reduce emissions and to mitigate the industry’s climate change effect. Since 1990 the industry has achieved a 20 per cent reduction in carbon emissions per tonne of cement production. The industry has been a member of the Australian government’s Greenhouse Challenge Plus program since its inception in 1997 and recommitted in 2005 to new reduction targets for 2012.

The Australian cement industry has indicated that it is prepared to face the realities of an emissions trading scheme and to face the need for a carbon trading scheme that ensures that Australia achieves cleaner and more environmentally sustainable consumption. But the one thing the industry certainly did not expect was to be hit so hard by the Rudd government’s Treasury modelling for the implementation of an emissions trading scheme. The government’s Carbon Pollution Reduction Scheme would see a six to 6.4 per cent reduction in growth of the Australian cement industry by the year 2050, depending on whether the government chooses to use a five or a 15 per cent reduction in carbon emissions. This compares with plans in the Garnaut report for a 10 per cent reduction in emissions, which would have seen a decrease of 5.9 per cent in the growth of the cement industry in Australia. Clearly, the Treasury figures place a far higher reliance on cement production as a way of reducing emissions.

Whilst the industry recognises that it needs to reduce emissions and is willing to continue to work to do so, the government must recognise that the nation’s future infrastructure needs are heavily reliant on cement. The government must recognise that its decisions here will directly affect whether Australia goes into recession. We rely on cement. This is particularly demonstrated by its use in the nation’s housing industry. If the price of cement increases, so too do the prices of new homes. If we are serious about dealing with housing affordability, a potential rise in the cost of cement must be a major concern, and the cost of all infrastructure and of commercial and industrial development will be similarly affected.

The reality of much higher cement prices is something that the government cannot ignore. Either the housing and construction industries of Australia will shrink, or clinker, the basis for cement, will be purchased in cheaper overseas markets. Both scenarios will result in the loss of jobs and impact negatively on Australia’s GDP at a time when we can least afford it. Just as concerning as this loss of Australian jobs and higher building costs is the net increase in global carbon dioxide emissions that it would cause. Asia-Pacific cement manufacturers currently have far higher emissions per tonne of cement manufactured than Australian manufacturers do.

As I stated earlier, the cement industry has been actively pursuing savings in carbon emissions for more than 18 years and has delivered a 20 per cent reduction over a period of high demand for its product during a period of high economic growth. It has been a leader on the challenges of climate change. Why on earth would the government consider policies that would drive this industry
The development of an emissions trading scheme for Australia must be more than window dressing; it must be responsible. But the current government plan for this industry is a nonsense. The negatives of the current plan are: up to 1,800 jobs gone, construction prices up and carbon dioxide emissions up. It is up to the government now to produce evidence of any positives at all from this current plan and evidence of how they will go about protecting Australia’s construction industry and the environment if they proceed with this plan.

White Ribbon Day

Senator LUNDY (Australian Capital Territory) (11.18 pm)—Today, 25 November, is White Ribbon Day, the International Day for the Elimination of Violence Against Women. The United Nations Declaration on the Elimination of Violence Against Women, adopted in 1994, stated:

For the purposes of this Declaration, the term “violence against women” means any act of gender-based violence that results in, or is likely to result in, physical, sexual or psychological harm or suffering to women, including threats of such acts, coercion or arbitrary deprivation of liberty, whether occurring in public or in private life.

In 1999, the United Nations General Assembly declared 25 November as the International Day for the Elimination of Violence Against Women. Governments, international organisations and NGOs were invited to organise activities to raise public awareness. Today is the day when men and women say no to violence against women. Our Prime Minister, Mr Kevin Rudd, has described violence against women as ‘the great silent crime of our time’.

Nearly half a million Australian women suffer violence in a one-year period. In the year 2005-06, about 70 women in Australia were killed for motives classified as domestic. In the ACT alone, police attend approximately 3,600 identified domestic violence matters per year. They report that the overwhelming majority—92 per cent—of offenders are male. In New South Wales last year there were 27,000 domestic violence related assaults, representing 30 per cent of all assaults reported to the police and about 35 per cent of all police work in that state. In the 12 months to June this year, there were 29 domestic violence related murders in New South Wales, representing a 10-year high in these statistics. We know that domestic violence is an underreported crime. When we consider the extent of the problem in Australia, together with the human costs and economic costs of this behaviour, we realise that action is long overdue.

The White Ribbon Campaign has a focus of community education for cultural change, with the ultimate aim of eliminating violence against women. To this end, male community leaders have united in becoming White Ribbon ambassadors. The patron of the White Ribbon ambassadors is Sir William Deane, widely respected former Governor-General of Australia, and vice patrons are two other former Governors-General, Sir Ninian Stephen and Sir Zelman Cowen; the Governor of Western Australia, Dr Ken Michael; and former Prime Minister Bob Hawke. Impressively, the federal Attorney-General, the Hon. Robert McClelland, and all of the state and territory attorneys-general have also become White Ribbon ambassadors. There are well over 500 ambassadors, prominent in all walks of life—academic, business, community organisations, the law, police, defence, professions, the Public Service, churches, both union and employer organisations, youth groups, sport, media, entertainment and, of course, politics.

Currently in this Senate, White Ribbon ambassadors include Senators Evans, Elli-
son, Fielding, Humphries and Ludwig. They join other distinguished ministers and members of the House of Representatives, led by our Prime Minister, Mr Kevin Rudd and including Mr Albanese, Mr Burke, Mr McMullan, Mr Garrett, Mr Arch Bevis, Mr Billson, Mr Crean, Mr Debus, Mr Dutton, Mr Dreyfus, Mr Ferguson, Mr Georganas, Mr Gray, Mr Hayes, Mr Hockey, Mr Hunt, Mr Oakeshott, Mr Neumann, Mr Pyne, and Dr Washer. They are joined by state and territory politicians including the Premier of NSW, Mr Rees, and, in the ACT, our Chief Minister, Mr Jon Stanhope, and Ministers Andrew Barr and Simon Corbell and John Hargreaves. And I would particularly like to acknowledge the hard work by former MLA Mr Mick Gentleman. I pay tribute to their commitment and congratulate all of them on their stand. I have not mentioned all of them. It is a long list and a truly commendable one.

We need to change community attitudes and, as the Prime Minister has said, we need to change the attitudes of Australian men. In terms of community role models and shaping community attitudes, those White Ribbon ambassadors prominent in sport and in the media and entertainment areas may well have a vital influence. Over 40 great achievers in different sports are ambassadors: sportmen such as Neal Bates, the Australian Rally Champion; Hazem El Masri and Benji Marshall, from the NRL; Michael Long and Gavin Wanganeen, who lead a prestigious group of AFL players; and Kostya Tszyu, in the sport of boxing. All of them are great examples of sensational role models for young men.

A report just released, An assault on our future: the impact of violence on young people and their relationships, issued by the White Ribbon Foundation, examines how violence against women affects children and young people. According to the report, one in four teenagers surveyed reported domestic violence against their mothers or stepmothers by their fathers or stepfathers. Children and young people are also victims of direct violence by adults. The education and employment prospects of children and young people are damaged as a result of domestic violence. Young men who have experienced domestic violence are more likely to perpetrate violence in their own relationships, although the majority do not. The causes of men's violence against women and girls are categorised in the report as coming under three headings: gender roles and relations, social norms and practices—violence can be seen as 'normal'—and lack of access to resources and support systems. The report endorses the focus of the White Ribbon Foundation's campaign on the positive roles that men and boys can play in combating violence against women. Although the majority of perpetrators of violence are men, the majority of men are not perpetrators. We need this majority to become less silent, and more visible, in portraying a positive role as the norm.

The report also recommends improvement in service responses for all families affected by violence, pointing out that violence against adult women is often accompanied by violence against their children. It is important also that programs and strategies for males and females should collaborate and complement each other. Particular programs need to be developed to address problems of young people specifically and to improve their perceptions of the issue. For those who seek help to break the cycle of domestic violence, programs and services are available. Mensline Australia is a 24-hour phone counselling service, and internet counselling is provided by Relationships Australia. Locally, the Canberra Men's Centre provides anger management programs, counselling and peer support. A director of the centre, Mr Greg Aldridge, sees the problem of violence
against women as one which transcends income, education and cultural boundaries.

After 11 years of relative inaction on this problem of violence against women, we have a government committed to a national strategy to combat this great silent crime. The National Council to Reduce Violence against Women and their Children, set up by the Labor government, has been working on a national plan to reduce violence against women and children. The chair of the council, Libby Lloyd, recently briefed the Standing Committee of Attorneys-General on the progress of the plan, a draft of which is expected by the end of the year. The national plan aims to enable all levels of government, and the community, to better support victims of violence, to ensure that the legal system is effective and to reduce violence for future generations.

The government has also announced that it will invest about $2 million in research into and analysis of Australian community attitudes towards violence against women. This project will be carried out in partnership with VicHealth, the Social Research Centre and the Australian Institute of Criminology. I commend the work of the National Council to Reduce Violence against Women and their Children and that of the organisations working to understand and combat this problem. I would particularly like to acknowledge all of those men who have put their hands up as White Ribbon ambassadors, and to acknowledge all in the Australian community who have worked so hard to raise this issue in the awareness of the public and to campaign against these terrible crimes.

Human Rights

Senator PAYNE (New South Wales) (11.27 pm)—I want to speak this evening on this year’s UNFPA State of World Population report 2008, which focuses on the relationship between human rights, culture and gender, and is entitled *Reaching common ground: culture, gender and human rights*. Culture is, after all, a fundamental part of people’s lives, and it needs to be integrated into development policy and programming if those policies and programs are to work. And in this year, the 60th anniversary of the Universal Declaration of Human Rights, it is also important to recognise that human rights reflect universal values. Responding to that complexity, the report calls for culturally sensitive approaches to development, essential to achieve advances in human rights in general and, in particular, in women’s rights.

Despite many international agreements that seek to raise the status of women throughout the world—for example, the Millennium Development Goals—gender inequality is widespread and deeply rooted in many cultures. Of the world’s one billion poorest people, three-fifths are women and girls. Of the 960 million adults in the world who cannot read, two-thirds are women. Seventy per cent of the 130 million children who are out of school are girls. With notable exceptions, such as Rwanda and the Nordic countries, women are conspicuously absent from parliaments, making up, on average, only 16 per cent of parliamentarians worldwide. Across the world, women typically earn less than men, both because they are concentrated in low-paying jobs and because they are paid less for the same work. Although women spend about 70 per cent of their unpaid time caring for family members, that contribution to the global economy remains invisible.

Up to half of all adult women have experienced violence at the hands of their intimate partners. I acknowledge Senator Lundy’s remarks this evening in relation to White Ribbon Day—timely in the context of this discussion as well. Systematic sexual violence against women has characterised almost all recent armed conflicts and is used
as a tool of terror and ethnic cleansing. In sub-Saharan Africa, 57 per cent of those liv-
ing with HIV are women, and young women aged 15 to 24 years are at least three times more likely to be infected than men of the same age. Each year, half a million women die and 10 to 15 million suffer chronic dis-
ability from preventable complications of pregnancy and childbirth. This is not an at-
tractive picture of the state of women in 2008 across the world. Cultural norms and tradi-
tions can perpetuate these conditions, and advances in gender equality that chal-
lenge these norms have never come without cultural struggle.

This year’s UNFPA report advocates inte-
grating work towards human rights and gen-
der equality with cultural sensitivity and en-
courages change from within. The report ex-
amines how development policies should nego-
piate culture in the context of: building sup-
port for human rights, including through de-
veloping local cultural legitimacy for uni-
versal human rights norms; promoting gen-
der equality and empowering women, in-
cluding combating harmful practices such as
child marriage, female genital mutilation and
domestic violence; and encouraging repro-
ductive health and reproductive rights. Ad-
dressing fertility can lead to lower poverty
through improving health care, increasing
education and improving access to repro-
ductive health and family planning services.
There is also the very complex relationship
between poverty, inequality and population,
including the impact of unequal development
and migration, as well as increased threats to
gender equality and reproductive health in
conflict situations, particularly including
rape as a weapon of war.

Importantly, this report calls for ‘cultural
fluency’—familiarity with how cultures
work and how to work with them—in order
to combat harmful practices and to promote
human rights. The foundation of all this work
is that international human rights norms are
universal. Working from this foundation, the
UNFPA report examines how these universal
norms can most effectively be recognised
and accepted in local cultures so as to pro-
mote the rights of women and ultimately
improve the quality of life for all people. I
courage senators to obtain a copy of the
report. It makes compelling, disturbing and, I
think, very important reading.

On 10 December, the world will remem-
ber the extraordinary accomplishment 60
years earlier when, after two years of nego-
tiations, the United National General As-
sembly unanimously adopted, with eight absten-
tions, the Universal Declaration of Human
Rights. Since that day, 10 December has
been celebrated annually worldwide as Hu-
man Rights Day, a day to reflect on the tri-
umph in 1948, when diverse and conflicting
political regimes, religious systems and cul-
tural traditions came together to agree on the
universal human rights that lie at the heart of
all our societies.

It is important to remember what the dec-
laration says. Article 1 of the declaration
reads:
All human beings are born free and equal in dig-
nity and rights. They are endowed with reason
and conscience and should act towards one an-
other in a spirit of brotherhood.

The declaration also states:
Everyone has the right to life, liberty and security
of person.
No one shall be held in slavery or servitude …
No one shall be subjected to torture or to cruel,
inhuman or degrading treatment or punishment.
All are equal before the law …
No one shall be subjected to arbitrary arrest, de-
tention or exile.
Everyone has the right to freedom of thought,
conscience and religion …
Everyone has the right to freedom of opinion and
expression …
Everyone, without any discrimination, has the right to equal pay for equal work.

Everyone has the right to take part in the government of his country …

Since these words were written 60 years ago, there have been significant advancements and achievements in the field of human rights, but I know, as we listen to each of those articles, we can all think of threats and challenges to their universality. The universal human rights as expressed in the declaration have become more than simple aspirational goals or fine ideals. They are, indeed, the framework within which countries and communities across the world shape their societies and measure the quality of their leaders. The declaration, its provisions and its spirit are just as important today as they were 60 years ago, as flagrant human rights violations and horrific abuse continue in all the corners of the globe. We, as custodians of our nation’s freedoms, must remain vigilant against these abuses, lest the achievement of six decades ago fades to a memory.

For Australia, this anniversary has its own special significance: Australia was one of just eight countries given responsibility for drafting the declaration in 1948, and Australia’s then Minister for External Affairs, Dr Evatt, was the President of the UN General Assembly and chaired the session at which the declaration was adopted. Since then, Australia has maintained an important role in the promotion and the development of human rights domestically and internationally.

In recent years, as an example within the parliament, I had the honour of chairing for some time the Human Rights Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade. I saw clear examples of Australia’s engagement in that regard, including our role at the then UN Human Rights Commission in Geneva, which I visited on one occasion. I saw the support of Australia for sponsored visitors by AusAID from the Pacific to enable their attendance and their engagement in the commission’s process.

I noted our funding for the National Committee on Human Rights Education, which provided practical education on human rights to government officials, community workers, the media and others and I participated in our bilateral human rights dialogues with China and Vietnam. I observed up close and practically the value of the technical cooperation programs instituted by the then Human Rights and Equal Opportunity Commission under the dialogues in those countries, and I saw our support for human rights programs and initiatives through our international aid program, which of course continue under the current government, and I am pleased to note that commitment.

The Human Rights Subcommittee has looked into a very diverse range of areas over the years and, in its relatively short life as a subcommittee of the joint committee, has played an important role in this parliament’s awareness of, engagement in the observation of, and—in some small way, one would hope—protection of human rights in this country and more broadly. Under its current chairmanship, the committee continues to actively follow human rights developments around the world. I note, in passing, the role in this parliament of the parliamentary group of Amnesty International in observing and protecting human rights in circumstances that are sometimes open to great debate and discussion, both within the group and more broadly. But that is the most important part. That is the best example of freedom of expression and opinion which is preserved in the universal declaration. I commend those sorts of discussions to the chamber.
I encourage all senators to mark the celebrations of the 60th anniversary of the Universal Declaration of Human Rights. We have nothing more precious.

**Senate adjourned at 11.38 pm**

**DOCUMENTS**

**Tabling**

The following government documents were tabled:

- *Australian Fisheries Management Authority*—Report for 2007-08.
- *Migration Act 1958*—Section 486O—Assessment of detention arrangements—Personal identifiers 481/08 to 491/08—Commonwealth Ombudsman’s reports.
- Government response to Commonwealth Ombudsman’s reports.

The following documents were tabled by the Clerk:

- Commissioner of Taxation—Public Rulings—
- Taxation Determinations—
  - Notice of Withdrawal—TD 34.
- Taxation Rulings (old series)—Notices of Withdrawal—IT 2593 and IT 2444.
QUESTIONS ON NOTICE
The following answers to questions were circulated:

Prime Minister and Cabinet: Departmental Staff
(Question No. 615)

Senator Minchin asked the Minister representing the Prime Minister, upon notice, on 25 August 2008:

(1) How many departmental officers are working in the office of the Minister/Parliamentary Secretary.
(2) How many of these staff are Departmental Liaison Officers.
(3) How many departmental officers, on secondment from the department, are in the office of the Minister/Parliamentary Secretary in personal staff positions.

Senator Chris Evans—The Prime Minister has provided the following answer to the honourable senator’s question:
Office of the Prime Minister:
(1) 3.
(2) 2.
(3) 2.
Office of the Cabinet Secretary:
(1) 1.
(2) 1.
(3) Nil.
Office of the Parliamentary Secretary to the Prime Minister:
(1) 1.
(2) 1.
(3) Nil.