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SITTING DAYS—2009

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FORTY-SECOND PARLIAMENT
FIRST SESSION—SIXTH 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 Opposition Business in the Senate*—Senator Stephen Shane Parry

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 Fiona Nash

*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

*Chief Government Whip*—Senator Kerry Williams Kelso O’Brien

*Deputy Government Whips*—Senators Donald Edward Farrell and Anne McEwen

*Chief Opposition Whip*—Senator Stephen Shane Parry

*Deputy Opposition Whips*—Senators Judith Anne Adams and David Christopher Bushby

*The Nationals Whip*—Senator John Reginald Williams

*Australian Greens Whip*—Senator Rachel Mary Siewert

*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) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Christopher Martin Ellison, resigned.
(4) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.

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

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

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<tr>
<td>Prime Minister</td>
<td>Hon. Kevin Rudd, MP</td>
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<td>Deputy Prime Minister, Minister for Education, Minister for Employment</td>
<td>Hon. Julia Gillard, MP</td>
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<tr>
<td>and Workplace Relations and Minister for Social Inclusion</td>
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<tr>
<td>Treasurer</td>
<td>Hon. Wayne Swan MP</td>
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<tr>
<td>Minister for Immigration and Citizenship and Leader of the Government in</td>
<td>Senator Hon. Chris Evans</td>
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<tr>
<td>Minister for Defence and Vice President of the Executive Council</td>
<td>Senator Hon. John Faulkner</td>
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<td>Minister for Trade</td>
<td>Hon. Simon Crean MP</td>
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<tr>
<td>Minister for Foreign Affairs and Deputy Leader of the House</td>
<td>Hon. Stephen Smith MP</td>
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<tr>
<td>Minister for Health and Ageing</td>
<td>Hon. Nicola Roxon MP</td>
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<tr>
<td>Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>Hon. Jenny Macklin MP</td>
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<td>Minister for Finance and Deregulation</td>
<td>Hon. Lindsay Tanner MP</td>
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<td>Hon. Anthony Albanese MP</td>
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<td>Government and Leader of the House</td>
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<td>Senator Hon. Stephen Conroy</td>
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<td>Leader of the Government in the Senate</td>
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<td>Minister for Innovation, Industry, Science and Research</td>
<td>Senator Hon. Kim Carr</td>
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<tr>
<td>Minister for Climate Change and Water</td>
<td>Senator Hon. Penny Wong</td>
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<tr>
<td>Minister for the Environment, Heritage and the Arts</td>
<td>Hon. Peter Garrett AM, MP</td>
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<tr>
<td>Attorney-General</td>
<td>Hon. Robert McClelland MP</td>
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<tr>
<td>Cabinet Secretary, Special Minister of State and Manager of Government</td>
<td>Senator Hon. Joe Ludwig</td>
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<td>Business in the Senate</td>
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<td>Minister for Agriculture, Fisheries and Forestry</td>
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<tr>
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<td>Hon. Martin Ferguson AM, MP</td>
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<tr>
<td>Minister for Financial Services, Superannuation and Corporate Law and</td>
<td>Hon. Chris Bowen, MP</td>
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[The above ministers constitute the cabinet]
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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 Home Affairs</td>
<td>Hon. Brendan O’Connor MP</td>
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<td>Hon. Warren Snowdon MP</td>
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<td>Hon. Dr Craig Emerson MP</td>
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<tr>
<td>Assistant Treasurer</td>
<td>Senator Hon. Nick Sherry</td>
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<td>Minister for Ageing</td>
<td>Hon. Justine Elliot MP</td>
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<td>Hon. Kate Ellis MP</td>
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<td>Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change</td>
<td>Hon. Greg Combet AM, MP</td>
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<td>Hon. Maxine McKew MP</td>
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<tr>
<td>Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Parliamentary Secretary for Western and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
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<tr>
<td>Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction</td>
<td>Hon. Bill Shorten MP</td>
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<td>Parliamentary Secretary for International Development Assistance</td>
<td>Hon. Bob McMullan MP</td>
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<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Hon. Duncan Kerr SC, MP</td>
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<td>Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade</td>
<td>Hon. Anthony Byrne MP</td>
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<td>Hon. Laurie Ferguson MP</td>
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<td>Hon. Jason Clare MP</td>
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<td>Parliamentary Secretary for Industry and Innovation</td>
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### SHADOW MINISTRY

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<tr>
<td>Leader of the Opposition</td>
<td>The Hon. Malcolm Turnbull MP</td>
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<tr>
<td>Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition</td>
<td>The Hon. Julie Bishop MP</td>
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<tr>
<td>Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals</td>
<td>The Hon. Warren Truss MP</td>
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<tr>
<td>Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate</td>
<td>Senator the Hon. Nick Minchin</td>
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<tr>
<td>Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate</td>
<td>Senator the Hon. Eric Abetz</td>
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<tr>
<td>Shadow Treasurer</td>
<td>The Hon. Joe Hockey MP</td>
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The PRESIDENT (Senator the Hon. John Hogg) took the chair at 12.30 pm and read prayers.

PRIVILEGE

The PRESIDENT (12.31 pm)—Senator Evans, by letter dated 10 August 2009, in accordance with standing order 81, has raised a matter of privilege, and asked that I give precedence to a motion to refer the matter to the Privileges Committee.

The matter raised by Senator Evans concerns the circumstances involved in the hearing of the Economics Legislation Committee on 19 June 2009, at which witnesses were examined about the OzCar program. Senator Evans refers to the use of an email as the basis of questioning at that hearing, an email later found to be fabricated, and evidence of an agreement with the principal witness at that hearing as to the questions to be asked and the answers to be given, which Senator Evans states was for the purpose of delivering predesigned questions and answers in order to bring about a predetermined outcome. Senator Evans submits that these circumstances raise the issues of whether false or misleading evidence was given to the committee and whether the committee, the Senate and the public were misled as to the nature of the hearing.

In determining whether to give precedence to a motion to refer the matters to the Privileges Committee, I am required by the Senate’s privilege resolution No. 4 to have regard only to the following criteria:

(a) the principle that the Senate’s power to adjudge and deal with contempts should be used only where it is necessary to provide reasonable protection for the Senate and its committees and for senators against improper acts tending substantially to obstruct them in the performance of their functions, and should not be used in respect of matters which appear to be of a trivial nature or unworthy of the attention of the Senate; and

(b) the existence of any remedy other than that power for any act which may be held to be a contempt.

Past presidential determinations have indicated that matters are regarded as meeting these criteria if they are capable of being held by the Senate to conform with criterion (a), and if there is no readily available other remedy. Paragraph (12) of the Senate’s privilege resolution No. 6, setting out matters which may constitute contempts, provides:

A witness before the Senate or a committee shall not:

(c) give any evidence which the witness knows to be false or misleading in a material particular, or which the witness does not believe on reasonable grounds to be true or substantially true in every material particular.

The Senate and the Committee of Privileges have always taken extremely seriously any suggestion that misleading evidence has been given to a committee. The Privileges Committee, in its past reports, has made it clear that misleading evidence may be constituted by any evidence which leaves a committee with a misleading impression of the facts or circumstances.

I consider that the circumstances to which Senator Evans refers, if found by the Privileges Committee to have occurred, are capable of being held by the Senate to give rise to an issue of whether false or misleading evidence was given, and therefore to meet paragraph (a) of the criteria I am required to consider.

Apart from the issue of misleading evidence, Senator Evans refers to the misleading of the committee, the Senate and the public as to the nature of the hearing. In relation to this point, there could be an issue of whether there was an interference with the
committee contrary to paragraph (1) of the Senate’s privilege resolution No. 6:
A person shall not improperly interfere with the free exercise by the Senate or a committee of its authority, or with the free performance by a senator of the senator’s duties as a senator.
I have therefore determined that a motion to refer this matter to the Privileges Committee may have precedence in accordance with standing order 81.

Senator Fielding, also by letter dated 10 August 2009, has raised matters of privilege under standing order 81. The first matter concerns the pre-arrangement of questions and answers at the Economics Legislation Committee hearing on 19 June 2009 and whether this had the potential to mislead the committee and the Senate and to interfere with a Senate inquiry. It therefore involves the same issue of principle as the similar matter raised by Senator Evans.

The other matter Senator Fielding has raised concerns an incident at the Economics Committee estimates hearing on 22 October 2008, in which a minister appeared to be providing questions to a government member of the committee, who then asked the questions. Although this relates to a different occurrence, it involves the same question of principle concerning the pre-arrangement of committee hearings. The Privileges Committee could therefore consider this occurrence in conjunction with its consideration of the other events and determine whether it should be regarded in the same light.

I have therefore determined that a motion to refer these matters to the Privileges Committee may also have precedence in accordance with standing order 81.

I table the letters from Senator Evans and Senator Fielding.

Notices of motion may now be given.

Senator HEFFERNAN (New South Wales) (12.37 pm)—Mr President, can I seek an explanation about a letter I sent to you on the matter of what I think are allegations of criminal perjury raised by a Treasury official coaching the witness before he appeared at that committee. Will that be dealt with under the previous privileges matter or under my privileges matter? This is about a Treasury official, according to the Audit Office, according to the witness, making allegations that he was coached that, ‘If you change your evidence, say you forgot or you were confused if they approach this matter in the committee.’ I think that is a matter of criminal conspiracy.

The PRESIDENT (12.38 pm)—Senator Heffernan, I have referred your subsequent letter to the Privileges Committee as part of the original letter you referred to me earlier and which was referred by this chamber. In respect of how the Privileges Committee will treat these matters, that is a matter for the Privileges Committee itself. I would not dare to try to interfere or be seen to be interfering. I have given precedence to these matters but I have done no more than that. It is a matter of whether the Senate chamber will agree to these motions proceeding and being referred to the Privileges Committee. I think that is the most advantageous place for me to leave it, Senator Heffernan.

Senator Chris Evans to move on the next day of sitting:
That the following matters be referred to the Committee of Privileges for inquiry and report:
In relation to the hearing of the Economics Legislation Committee on 19 June 2009 on the OzCar program:
(a) whether there was any false or misleading evidence given, particularly by reference to a document that was later admitted to be false;
(b) whether there was any improper interference with the hearing, particularly by any collusive prearrangement of the questions

CHAMBER
to be asked and the answers to be given for an undisclosed purpose, and, if so, whether any contempt was committed in that regard.

**Senator Fielding** to move on the next day of sitting:

That the following matters be referred to the Committee of Privileges:

(a) Whether there was a manipulation of the evidence given before the Economics Legislation Committee on Friday, 19 June 2009 in relation to the scripting of a series of questions asked and answers given in evidence before that committee and, if so, whether any contempt of the Senate was committed in that regard;

(b) Whether there was a manipulation of the evidence given before the Standing Committee on Economics at its hearing on 22 October 2008 in relation to the scripting of questions asked in evidence before that committee and, if so, whether any contempt of the Senate was committed in that regard; and

(c) Whether the Senate’s Privilege Resolution No. 6 setting out matters constituting contempt needs to be reviewed, specifically, to cover matters arising from (a) and (b) above.

**STANDING ORDERS**

The **PRESIDENT** (12.40 pm)—I will now address matters that were raised in the Senate on the last day of sitting, 25 June 2009.

On 25 June 2009 three questions of order were raised for my consideration.

Just before question time Senator Bob Brown referred to the vote on the motion to refer a matter to the Privileges Committee. Senator Parry took a point of order to the effect that Senator Brown was reflecting on a vote of the Senate.

The prohibition in standing order 193(1) against reflecting on a vote of the Senate is not interpreted as preventing a senator from arguing that a decision of the Senate was wrong or mistaken and should be reconsidered. The word ‘reflect’ in the standing order means reflect within the meaning of the word used elsewhere in that standing order—that is, to use unparliamentary language with reference to a decision of the Senate. Senator Brown’s remarks were therefore not out of order.

During question time a point of order was taken in relation to a phrase used by Senator Fielding in a question he asked. Senator Fielding referred to a person accused of a criminal offence ‘still living freely in Australia, no less than two kilometres away from the family of the boy whom he bashed to death with the government’s full knowledge and consent’. A point of order was taken on the basis that Senator Fielding appeared to be making an accusation that someone was bashed to death with the government’s consent. It is clear to me that Senator Fielding meant to say that the person was still living in Australia with the government’s consent and that there was an unintended ambiguity in the way his question was worded.

After question time Senator Bob Brown referred to a statement by Senator Abetz concerning Senator Abetz’s vote on the matter of the reference to the Privileges Committee. Senator Abetz stated: ‘Given that the motion related to me personally, I thought that I should not be casting a vote and that a pair was appropriate.’ Senator Brown asked me to consider whether pairing was in effect a vote. Pairs are informal arrangements between senators and are not matters of procedure for the chair to comment on, but it is obvious that where a senator is paired the senator’s absence from a vote is cancelled out by the agreed absence of another senator. I should state, however, that there is nothing in the rules of the Senate that prevented Senator Abetz from voting on the motion concerned.

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**CHAMBER**
Senator ABETZ (Tasmania) (12.44 pm)—Mr President, I seek leave to make a statement not exceeding three minutes.

The PRESIDENT—Leave is granted for three minutes.

Senator ABETZ—I thank the Senate. A lot has been said and written about my involvement in what has now become known as the OzCar affair. I have already publicly apologised, but I wanted to take this very first opportunity in the Senate to repeat that apology and in addition apologise for any perceived reflection on the Senate. I also want to briefly deal with the three assertions made against me: that I pressured a witness; that I misled a Senate hearing; and that I scripted a witness’s evidence. All three assertions are wrong.

First, as the joint statement I made with the Leader of the Opposition on 4 August makes clear, the witness volunteered his information. When the witness approached us we listened because he was a person with direct knowledge of the matters in question.

The second assertion is that I misled the Senate on 19 June by suggesting that a journalist had told me about the now known to be fake email and its contents. The simple fact is that a journalist did tell me this. He said he had been contacted by the witness, who had shared his information including the contents of the email. The journalist then shared that information with me. As the joint statement made clear, the witness had previously shown me the email. Both statements are true; they are not mutually exclusive. Having received information from two separate sources it is quite appropriate to rely solely or partially on just one of those sources without exposing the other.

The third claim is that I scripted the evidence, coached the witness and somehow interfered with the provision of evidence to the committee. This allegation is also wrong. Again, as spelt out in the joint statement, at no stage did I script the evidence, coach the witness or suggest what his answers might be. I would point out to the Senate that talking to witnesses before they give their evidence is common practice, so is asking questions provided by a third party. Every senator knows this is true. Indeed, ministers know beforehand many of the questions they will be asked in question time. I can even recall being given notice of questions the crossbenchers proposed to ask me. It is how the parliament works.

However, improper influence of a witness is what the standing orders provide against, as they should. There was no improper influence. I repeat: I did not pressure a witness, I did not script a witness’s evidence, nor did I mislead the Senate.

Having said that, Mr President, I would like to take this opportunity to repeat my apology to the Australian people and to the Prime Minister over this matter and again apologise for any perceived reflection on the Senate. I thank the Senate.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.47 pm)—I seek leave to make a short statement.

The PRESIDENT—Leave is granted for three minutes.

Senator BOB BROWN—One thing we do need to review is the matter of senators going to committees or, indeed, appearing in here and giving the impression that we do not have foreknowledge from a witness as occurred on the occasion with Mr Grech. I think it would be much healthier for committee members to be aware that senators have spoken with such a witness when it is central to an inquiry by a committee. It puts the rest of the committee at a very clear disadvantage if it does not have that information.
While Senator Abetz is quite right to say that there are precedents for this matter, I think we all have to, quite sensibly in a committee system, think about the much better outcome there will be in committees if senators are open about contact with witnesses who are appearing before the Senate committee. It may be worth us considering the Privileges Committee considering that the right thing is for a senator to let the committee know that there has been previous contact. I think that would be a sensible outcome from this affair and that we do not leave it lie.

The second matter is about your ruling on the vote, Mr President. Clearly it does mean, and common sense dictates, that a pairing is, in effect, a vote. The question on 25 June was that Senator Abetz said that he had not cast a vote when, in fact, by being paired he did cast a vote, and that vote meant the difference between the matter in which he was centrally involved being referred to the Privileges Committee or not. The passage of events means the matter will be seen by the Privileges Committee or not. The passage of events means the matter will be seen by the Privileges Committee and I do not wish to take it further. However, I think it is important that we all understand that when we are paired we are effectively casting a vote and our vote is being used.

Senator CHRIS EVANS (Western Australia—Leader of the Government in the Senate) (12.50 pm)—I seek leave to make a very short statement.

The PRESIDENT—Leave is granted for three minutes.

Senator FIELDING (Victoria—Leader of the Family First Party) (12.51 pm)—Mr President, I seek leave to make a short statement of three minutes.

The PRESIDENT—Leave is granted for three minutes.

Senator FIELDING—I take matters of privilege extremely seriously, and before the chamber tomorrow will be two incidents that I have referred through. One is on the OzCar inquiry and the other is on the Conroy laptop inquiry. Both these incidents have been in the public realm and do, I think, undermine the integrity of the Senate in the public’s mind, and both these issues need to be referred through to the Privileges Committee.

I think that for one side of politics to support only half of the recommendation would be wrong and would be seen to be playing politics. I think that both instances, the OzCar affair and the Conroy laptop affair, should be put through to the Privileges Committee. I will be interested to know tomorrow exactly what the outcome will be, but both those instances are worthy of going through the Senate Privileges Committee,
because they go to the matter of integrity in the Senate.

**BUSINESS**

**Rearrangement**

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (12.52 pm)—I move:

That government business notice of motion no. 1, proposing the conclusion of the Select Committee on Agricultural and Related industries be postponed till 13 August 2009.

Question agreed to.

**Rearrangement**

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (12.52 pm)

—I move:

That, the order of the Senate agreed to 23 June 2009 relating to the order of business, be varied to provide that, for the remainder of this sitting week, the order of the day relating to the Carbon Pollution Reduction Scheme Bill 2009 may be considered prior to the National Greenhouse and Energy Reporting Amendment Bill 2009.

Question agreed to.

**Rearrangement**

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (12.53 pm)—by leave—I move:

That, on Tuesday, 11 August 2009:

(a) the hours of meeting shall be 12.30 pm to 6.30 pm, and 7 pm to 10.40 pm;

(b) the routine of business from 7 pm shall be government business order of the day no. 1 (Carbon Pollution Reduction Scheme Bill 2009 and related bills)—second reading speeches only;

(c) if a division is called for after 7 pm, the matter before the Senate shall be adjourned until the next day of sitting at a time fixed by the Senate; and

(d) the question for the adjournment of the Senate shall be proposed at 10 pm.

Question agreed to.

**CARBON POLLUTION REDUCTION SCHEME BILL 2009**

**CARBON POLLUTION REDUCTION SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2009**

**AUSTRALIAN CLIMATE CHANGE REGULATORY AUTHORITY BILL 2009**

**CARBON POLLUTION REDUCTION SCHEME (CHARGES-CUSTOMS) BILL 2009**

**CARBON POLLUTION REDUCTION SCHEME (CHARGES-EXCISE) BILL 2009**

**CARBON POLLUTION REDUCTION SCHEME (CHARGES-GENERAL) BILL 2009**

**CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) BILL 2009**

**CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) (CONSEQUENTIAL AMENDMENTS) BILL 2009**

**EXCISE TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009**

**CUSTOMS TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009**

**CARBON POLLUTION REDUCTION SCHEME AMENDMENT (HOUSEHOLD ASSISTANCE) BILL 2009**

Second Reading

Debate resumed from 23 June, on motion by Senator Faulkner:

That these bills be now read a second time, upon which Senator Milne moved by way of amendment:

At the end of the motion, add “provided that the Government first commits to entering the climate treaty negotiations at the end of 2009 with an
unconditional commitment to reduce emissions by at least 25 per cent below 1990 levels by 2020 and a willingness to reduce emissions by 40 per cent below 1990 levels by 2020 in the context of a global treaty”.

Senator WILLIAMS (New South Wales) (12.54 pm)—I continue my speech about the Carbon Pollution Reduction Scheme and what is proposed to this chamber. As I said when last speaking on this, Bayswater power station in the Hunter Valley in New South Wales produces 40 per cent of the electricity for New South Wales. The cost of their coal under the proposed emissions trading scheme, as they have reported to me, will rise from $350 million a year to a massive $950 million a year.

What cost will this put on business and what cost will this put on households? Sure, the government is saying that there will be rebates. There will be rebates until the government runs out of the money, and at the rate the debt is building that will not be long. I want to give you one example. Bindaree Beef, the abattoirs that I am so proud of for the way they carry out their business in Inverell, the town I live at, employs 600 people. Bindaree Beef pays around $160,000 a month for their electricity bill. If that is going to rise by 50 or 60 per cent, as the models have said electricity prices may well rise, that is going to be an extra $1 million a year for that abattoir just to pay the electricity bill.

But of course under the Waxman Markey bill proposed in America there are no such costs on the abattoirs in America. How does a value-adding business like Bindaree Beef compete and retain markets into places such as Japan and Korea when their overseas competitors do not have these extra costs lumped on them? This is a crazy situation we are facing. We are going to close down industries and increase unemployment—and we ask the question: what for?

The carbon dioxide levels in the atmosphere are currently around 380 parts per million. Assuming the rest of the world remains at balance on that, considering that places like China, India and Indonesia are most unlikely to make reductions, Australia could be billed for as much as $200 billion by the year 2020. That will have the effect of reducing the carbon dioxide levels in the atmosphere from 380 parts per million to 379 parts per million, which is a reduction of one part per million. As you would be well aware, if you have a big tub in front of you with one million dollar coins in it and you took one coin out, then the change would be miniscule, minute—call it what you like—it would be nothing. And it would be at the cost of some $200 billion to the Australian industry and the Australian people.

I just want to highlight the way that countries all round the world that are talking about cap and trade systems have excluded agriculture. But not in Australia—we will make a decision on that in the year 2013 and perhaps agriculture may be excluded or included in the emissions trading scheme and the CPRS. This is a crazy situation, however. Farmers, the very people who feed this nation, will be living in limbo until 2013. How do they plan their future, their cash flow, their borrowings, their investments, their expansions, when they do not know what their costs are going to be? Yet the Kyoto agreement does not recognise carbon in the soil, and it is one of the great things that our farmers can do. So farmers are going to face the bills, more than likely, but not receive the credits. As I said in my first speech to this place in September last year, do not take the supply of food in this nation for granted. Our farmers work hard against all sorts of odds and deliver high-quality, cheaply priced food.

In conclusion, what have we seen? We have seen politics introduced into this policy.
We have heard Senator Wong say that we must act straightaway, that it is important we act straightaway to save the globe. So what do we do? We delay the introduction for 12 months because it is no longer really important. What is important is that we have an election before we actually start the program so that those industries that are moved overseas, those industries that are shut down, those people that are going to lose their jobs, will have to vote before it happens. Unfortunately, this is a politically driven scheme which is unrealistic, and we will certainly not support it. Thank you.

Senator FEENEY (Victoria) (12.59 pm)—It is a great pleasure to rise to speak today on the Carbon Pollution Reduction Scheme Bill 2009 and related bills. This is one of the most important pieces of legislation to ever come before this parliament. I want to give an overview of why I believe the Senate finds itself in the position it is now in, apparently poised to reject a bill which the overwhelming majority of Australian people want to see passed.

Let us begin by remembering that those opposite were in office for 11 years. In those 11 years they did nothing whatsoever about climate change, despite years of warnings from scientists and economists both in Australia and overseas. Inaction was their only action. Despite statements of good intentions from successive ministers, including the current Leader of the Opposition, Mr Turnbull, this subject was ultimately just too hard for the Howard government. It was just too hard for a cabinet who apparently believed that the Arctic icecap was melting for no apparent reason, or that it was being caused by sunspots. It was a cabinet enthralled perhaps by Andrew Bolt’s blog. It was a cabinet who failed to take action on climate change and, in part, it was a cabinet no doubt motivated by the fact that there was too much resistance from the National Party. The National Party appear to believe that climate change will disappear as long as they resolutely keep imagining that it is not happening.

Those opposite were well aware of the mounting tide of evidence that dangerous global climate change was caused by human activity and that it was posing an increasingly dire threat to Australia’s economy, to Australia’s environment, to the Australian way of life and, in particular, to the future of Australians who live in rural and regional areas—regions which are of course most dependent on rainfall, river flows and healthy landscapes. Those opposite know all these things. Year after year, they have talked about climate change. They set up committees to study it. They promised that they would do something about it soon, but they did nothing for 11 years. And so it has been left to the Rudd government to take action in this area, as in so many other areas.

It took the Rudd government to sign the Kyoto protocol, committing us finally to take action on climate change. It took the Rudd government to get to grips with the science and the economics. It took the Rudd government to design a carbon pollution reduction scheme that will cut our carbon emissions without damaging our economy or increasing unemployment. It took the Rudd government to negotiate with all the industries that would be potentially affected by this dramatic change and by this very important scheme. It took the Rudd government to produce a green paper, a white paper, an exposure draft and, finally, the bill we have before us today. It took the Rudd government to listen to the concerns of the community and to engage in the process of creating and finetuning a scheme that can meet those concerns.

I take this opportunity to pay tribute to the Minister for Climate Change, Senator Wong. As well as developing an unmatched exper-
tise in every area of this subject—something she demonstrated again and again when those opposite were brave enough to challenge her in debate—she has shown extraordinary patience and persistence in getting this bill before the parliament, in the face of very formidable obstacles—the least of which, I might say, are those opposite at the moment.

During April and May, along with my colleagues Senators Cameron, Furner and Pratt, together with Liberal, National, Green and Independent senators, had the privilege of serving as a member of the Senate Select Committee on Climate Policy. As part of the workings of that committee, we travelled all over Australia and heard evidence from hundreds of witnesses. We received thousands of submissions. I want to restate my thanks to all those who participated in that committee’s inquiry—most particularly, the committee secretariat whose work made our inquiry, our report and, indeed, our findings possible.

During those hearings and the deliberations around them, the divisions that exist amongst members of the coalition parties became extremely obvious. It was, if you will, a small vignette of the greater disturbance in the force that seems to affect those opposite. It is these divisions that are preventing Mr Turnbull from taking a firm stand one way or the other on what to do about climate change. That is why, yesterday, in order to divert attention from his many other self-inflicted wounds about which we heard earlier and to cover up the fact that the coalition parties cannot actually agree on what to do about climate change, Mr Turnbull announced his own personal climate change policy. It is well described as the ‘magic pudding policy’. Apparently, Mr Turnbull has single-handedly discovered how to cut emissions while protecting all industries and saving everyone’s job—and all for free. Of course, this is nothing more than frantic improvisation from an opposition that is today in the market for finding an excuse, not a policy.

Senator Cash argued that even the majority report of the climate policy committee did not give enough credence to climate change deniers. Senator Boswell said that he could not decide whether climate change was real or not, because scientists themselves disagreed. This assessment flies in the face of the powerful scientific consensus—a virtually unanimous consensus that climate change is real, that it is dangerous, that it is accelerating and that it is caused by human activity. It was very striking that, when the climate change deniers in this Senate were given an opportunity at our committee hearings to come up with some qualified climate scientists to challenge the views put by the Royal Society, the Stern report and many other scientific bodies, they were unable to do so in any serious manner. They put before us a retired geologist and an engineer. Neither of these witnesses had any formal qualifications in atmospheric physics or other disciplines relevant to climate science and nor had either of them ever worked as a climate scientist. The arguments they put forward were the same old stuff that had been refuted by eminent climatologists many, many times before. Their views were refuted yet again by those scientists who did appear before us.

Then we had Senator Macdonald, who says that he is not a climate change denier and that he believes climate change is real but who of course does not want to do anything about it. He spent his whole time at the hearings trying to come up with reasons why we should not proceed with the Carbon Pollution Reduction Scheme, claiming that it would be the ruin of every interest group, every industry and every region—anything he could think of. But the thing that Senator Macdonald should be encouraged to think very seriously about is that his state of
Queensland relies enormously on a tourism industry that in turn hangs upon a natural environment—the Great Barrier Reef, the forests and the coast lands. These assets of Queensland are under very grave threat. They are being devastated by climate change.

We all understand the numbers in this Senate. If a bill is opposed by the coalition senators and Senator Fielding, it will not pass. We know that Senator Fielding thinks that climate change is being caused by sunspots—and, frankly, that is pretty much all I can say on that particular subject. So it all comes down to the coalition senators. This is the time when they need to face up to the facts; put aside their anger, their disappointment, at not being in government; and put the interests of Australia, the interests of future generations of Australians, ahead of their various petty squabbles and disagreements both with us and with one another. It is not necessary that they agree with every part of the bill. We the government drafted the bill and we will be responsible if the bill turns out to be ineffective. That will be our responsibility. We are not a government that has shied from the responsibilities of government. But those opposite will be responsible if the bill is rejected and, as a result, Australia takes no action on climate change.

In December we will be attending the international climate change conference in Copenhagen. If coalition senators oppose this bill and they maintain that stand for the remainder of this year, they will put Australia in the position of going to Copenhagen with no bill passed by this parliament, with no plan in place to reduce our greenhouse gas emissions. What kind of influence do they imagine Australia will exert at Copenhagen if we get up and say, 'Australia wants to see the world take tough action on climate change but, by the way, our parliament just voted to do nothing about it'? Australia would be a laughing stock and we would exert the same amount of influence going forward as we have over the last 11 years—that is, not enough.

The Australian Greens do not support our legislation because they think we should be going further, that higher target settings for reducing greenhouse gas emissions are in order. They would apparently prefer that we do nothing at all than embark upon Labor’s plan. ‘It’s our way or the highway’ is the Greens policy.

Senator Xenophon, by contrast, thinks that the CPRS goes too far too fast and that we should be following an entirely different strategy, not a carbon pollution reduction scheme. He has apparently now formed a united front with Mr Turnbull for some variant of his scheme—although Mr Turnbull, as I understand it, has not yet convinced all of you that this is worthy of being the Liberal Party’s policy. Whether, at the end of this united front, Turnbull becomes an Independent or Nick Xenophon becomes a Liberal remains unknown.

I respect the positions held by the Greens and by Senator Xenophon but I do not accept them. I think, on the basis of the evidence the Senate Select Committee on Climate Policy heard during our weeks of evidence, that the targets embodied in this bill are the most realistic and attainable targets for Australia at this time. Our message to the Greens and others is that we are a commodity based, trade-exposed economy. Our message to the opposition is that we must take action on climate change. The CPRS is the scheme that embodies both of these important targets.

If this bill is passed, Australia will go to Copenhagen in December with a commitment to reduce our emissions by 25 per cent by 2020 if we get a commitment from other—
Senator Williams—India, China, all those places?

Senator FEENEY—good on you, Wacka!—if we get a commitment from other countries to do the same. It may be that in the period after Copenhagen a consensus will emerge that higher targets are needed if climate change is to be arrested. When and if that happens this government will of course deal with that in a responsible way, but at present the government’s view is that the targets in this bill are the most realistic and the most attainable, and I think the evidence clearly supports that view. I also think that the Carbon Pollution Reduction Scheme in this bill is the best model of the various models on offer for attaining these important targets.

As Senator Xenophon knows, I was happy to listen to a presentation of his alternative scheme—but I was not persuaded. If we were to drop the CPRS now and embark on a totally new scheme, it would entail many months, maybe years, of further delay and it would also put us out of sync with other countries that are adopting emissions trading schemes similar to the one found in this bill. What those opposite need to remember as they look at Malcolm Turnbull’s fig leaf of an input—not a policy but an input—is that it would mean that Australia would embark on a model no other nation has embarked upon and we would design a scheme incompatible with any being developed across the world. That in itself makes it a nonsense.

Ultimately, it does not matter what the Greens do; they have chosen to be spectators rather than participants in this process. It ultimately does not matter what Senator Fielding and Senator Xenophon do. The fate of this bill depends on the coalition senators. Their negative and obstructionist attitude, which their weak and indecisive leader has been unable to reverse, will seriously impede this country’s ability to play an important role at Copenhagen and to play its proper role in action on climate change. Australia did nothing about climate change while those opposite were in government, and now they are trying to ensure from opposition that Australia continues to do nothing. Every opinion poll tells us that the Australian people want this government and this parliament to take strong action against climate change. Those opposite are very keen to demand more and more modelling of every possible consequence, every possible change and every possible permutation of the CPRS.

Senator Cash—It’s called responsible government. It’s called responsible policymaking.

Senator FEENEY—It is not responsible policymaking; it is the art of delay. It is the art of delay from an opposition that are determined to find questions to hide the fact that they are opposed to there being any action on climate change. The tragic political truth is that your obstructionism has imprisoned your leader politically in an unsustainable position—and, to be honest, I do at times find that as delightful as you do, Senator Cash; I genuinely do. But the bill before this parliament has consequences which are far too important for us to play these small and irrelevant opposition games, even when they are as entertaining as this.

I have done some political modelling. I think, to be fair, the inputs into my political modelling are the same sorts of inputs that have occupied the minds of those opposite in recent days. There are some interesting findings. One of the consequences of the political modelling is that the opposition are going to crush the tiny remnant of their leader’s credibility. But those opposite do not care about that, and I suppose, in the final analysis, neither do I. But the Australian people want this bill passed, and my political mod-
elling shows that if those opposite persist in being the Dr Noes of Australian politics then there will be a reckoning. There will be a reckoning. As Tony Abbott has implored you, you must see sense, because this is simply an argument that the Australian people will punish you for prosecuting. You stand in the face of a government mandate, you stand in the face of the will of the Australian people and you stand in the face of a global determination to take action on climate change.

The political fate of those opposite is, while fascinating and at moments delightful, not the most important consequence of their causing the Senate to reject this bill. Far more important would be the fact that as a result of the Liberal and National parties having made Australia irrelevant to international climate change policy for 11 years—11 years during which carbon accounting schemes were designed that do not operate to the best effect for Australia, and we heard extensive evidence of that in our committee deliberations, and 11 years during which we failed to exert the influence we needed over this very important piece of policy—we would tragically continue to not exert the policy influence over those systems going forward.

Despite the fact that this government ratified the Kyoto protocol, the opposition remain resolved to making us irrelevant in this important debate for another 10 years. By preventing Australia putting a carbon pollution reduction scheme in place, they are putting us behind the pack in action on climate change, in transforming our economy and in taking the steps that everyone now understands need to be taken. Future generations of Australians will contemplate the damage done to our economy, to our environment, to our tourism industry, to our agricultural industries and to our international standing by the position of those opposite and my political modelling says those opposite will suffer a grim fate as a result.

We have now had months and years of debate about climate change and the best way to tackle it. We have had Senate inquiries. We have had weeks of hearings, at which everyone with an opinion, and indeed some with an uncertain opinion, have had their opportunity to have their say. We have had several reports and those reports have given rise to important public debate. The time for delay has now ended. Australia needs action, the Australian people want action and, God forbid, the climate needs action. The future of Australia depends on the action of this parliament and the action we as senators take on this bill. If the bill is rejected, we will bring it back again and we will keep bringing it back until those opposite meet their responsibilities.

I commend this historic and important bill to the Senate and I implore those opposite to act not only in the country’s interest, not only in the interests of their own fragile and tottering leader, but indeed in their own narrow political interest because for them this may very well be a question of survival.

Senator CASH (Western Australia) (1.17 pm)—I also rise to speak on the Carbon Pollution Reduction Scheme Bill 2009 and the series of cognate bills that are before the Senate. No matter how shrill those opposite are—and we have had a lot of shrieking from the other side claiming that Rudd Labor has a strategy to tackle climate change—the only strategy that Labor has is a political strategy that falls apart when subjected to closer examination by the Australian people. This has now been further confirmed with the release of the independent economic research commissioned by none other than those people who are actually serious about making policy in this country—the coalition and Senator Xenophon. This demonstrates that the Rudd
government’s emissions trading scheme ‘will unnecessarily drive up electricity prices, destroy jobs and expand the size of government in Australia’. What we have had to date from the Labor government is policy on the run. It has taken the easy, the cheap and the popular decision, but not the right decision. For goodness sake, it is those of us on this side of the chamber who have had to go and commission Frontier Economics to undertake the modelling that those on that side of the chamber refused to undertake because they knew what the results of that modelling would be. The results have proved yet again that their scheme is diabolically flawed. Those opposite have told the people of Australia that regardless of its consequences, regardless of the fact that there will be no positive benefit to the environment—in fact it has been proven that carbon leakage will be the end result—Australia must have the Rudd ETS, no matter how flawed.

These bills represent just another one of the many stepping stones that Mr Rudd is using to gain himself celebrity status on the world stage. These bills are nothing more than political convenience aimed at portraying Mr Rudd in a positive light at the expense of the Australian people. I will never agree with, and I will never be a party to, taking action at the expense of the Australian people. That is what Labor is asking us to do with this legislation—take action at the expense of the Australian people. Labor’s scheme puts at risk thousands of Australian jobs but, worse still, may have the perverse outcome that, if this scheme is implemented in Australia, it will actually lead to an increase in global CO2 emissions. That is completely contrary to the promise made by Mr Rudd prior to the 2007 election that, if elected, his party would introduce a scheme which would ‘produce deep cuts in CO2 emissions but would not disadvantage Australia’s export and import competing industries’. What a joke! The evidence now clearly proves that this government’s scheme fails to reduce carbon pollution at the lowest economic cost, fails to put in place long-term incentives for investment in clean energy and low emissions technology and, worse still, fails to contribute to a global solution to climate change.

One of the major flaws of Labor’s scheme is the stubborn rush by this government to introduce an ETS before the rest of the world. As is perfectly apparent to all serious policymakers, and we could hardly accuse Mr Rudd of being one of them, there is no unilateral solution to climate change; there is only a global solution. As a serious policymaker, I would have thought it was significant that our ally and trading partner the United States, in its draft emissions trading legislation includes very specific provisions providing 100 per cent protection to US export and import competing industries in any emissions trading scheme until 2025. But, further than that, the draft bill also provides that these industries will only see a reduction in their protection when more than 70 per cent of global output for that sector is produced or manufactured in countries that have a scheme equivalent to that operating in the United States. As I am sure senators in this chamber will appreciate, the provisions in the US draft legislation may mean that the rest of the world will never see a reduction in protection in relation to some US export and import competing industries. Unlike Mr Rudd and those on the other side, President Obama cares about his country’s competitiveness, cares about the fact that Americans need jobs and is not about to subject his country to risk through flawed emissions trading legislation. In contrast, the Labor Party is prepared to impose higher taxes and charges on Australian industry without restraint, which will result in Australians losing their jobs.
The United States is but one country, albeit an extremely significant one. We also need to understand what other countries are doing to reduce their emissions. In December this year Copenhagen will host an extremely important multilateral forum to discuss emissions trading, emissions targets and what can be done globally to reduce CO2 emissions. Until the Copenhagen conference has a chance to negotiate the many complicated issues that will arise from setting carbon abatement targets, it is sheer folly for Australia to prematurely legislate—that is, to do so before we find out what our international trading partners and competitors are doing.

With Australia’s emissions at just 1.4 per cent of global carbon emissions and declining, is it honestly likely that we are going to lead the debate in Copenhagen especially with a scheme that may or may not be compatible with what is negotiated in December? I think not. In fact, the Institute of Public Affairs gave said the following in its submission to the inquiry by the Senate Standing Committee on Economics into the exposure draft of the legislation to implement the CPRS:

With only one per cent of world GDP, we are neither prominent among world nations nor particularly influential within world councils … Accordingly, it is pure hubris for Australia to attempt to take the lead in abatement activity.

We have no way of knowing what the international community will be doing, whether or not they are going to decide to move in the same direction as Australia. But, if the international community miraculously does, you can be sure that it will be after considered discussion, not because we in Australia arrived at our position first. Unlike Mr Rudd, other world leaders see the issue of climate change as a serious global challenge and not just as an opportunity to promote themselves on the world stage. Our international trading competitors must be rubbing their hands with glee at Mr Rudd’s insistence on strutting the world stage rather than protecting Australian jobs.

Evidence that this legislation is being run to a political timetable, as opposed to one that exhibits good public policy, is reflected in Mr Rudd’s arbitrary decision to delay the start date by 12 months. I can only wonder how the Minister for Climate Change and Water, Senator Wong, the ETS vigilante, felt as she tirelessly trumpeted the government line that there would be a commencement date of 2010 but was then ambushed by the Prime Minister. That the minister can stand in this place and not laugh when she argues for the revised start date shows that consistency of argument will never ever get in the way of selling Mr Rudd’s message of the day. Minister Wong’s claims that this legislation must be passed to provide momentum to the crucial UN negotiations in Copenhagen in December are absurd. What momentum? The only momentum that Minister Wong is looking to achieve is the momentum for the Rudd spin machine to go into further over-drive.

The current Labor line is that this unseemly rush to put the legislation to a vote is all about giving business certainty. Well, let us look at comments made by the Chief Executive Officer of Anglo Coal, who said, ‘We don’t want the certainty of a bullet.’ And what about the economic cost to business of Labor’s scheme? In asking the Senate to pass this legislation before the international community has collaborated, the Rudd government has decided to impose a massive taxation burden on Australian industry. This legislation will seriously damage the competitive position of many of our industries and will see Australian jobs, investment and CO2 emissions exported to countries where no price is being imposed on carbon. Goodbye, Australia, and hello, China! Let me spell out the problem for business. The Labor gov-
ernment is imposing on Australian businesses a significant new tax, either directly or indirectly, that their competitors will not be paying. How is that good public policy? Those on the other side of the chamber seem to have forgotten that employers, business and industry create jobs and that governments do not create jobs. What governments can do, though, is create an environment which is conducive to creating jobs or, alternatively, as with the legislation before us, an environment that will inevitably result in job losses.

Let us have a look at what has been stated on the record in relation to job losses. The Minerals Council of Australia have stated that the CPRS legislation in its current form will cost over 66,000 Australian jobs in the minerals industry over the next 20 years. In my home state of Western Australia, an Access Economics report has been reported to confirm that the Labor ETS would cost 13,000 jobs in WA alone and more than 126,000 jobs nationally. Remarkably, the Access Economics report was commissioned by the state premiers, who all bar one are Labor.

Senator Cormann—Bar a good one!

Senator CASH—Bar a good one in Western Australia—thank you, Senator Cormann! It would seem that even Mr Rudd’s most senior Labor colleagues are worried about the impact of the ETS on jobs in their home states. Otherwise they would not have commissioned the modelling that was undertaken in this report. I will stand up for Western Australia, even if those opposite will sell it out to a spin-driven political timetable. I will not stand by and vote for a scheme that will destroy jobs in Western Australia and negatively impact on my state’s economy.

As a senator for Western Australia, I would now like to highlight a further flawed area of this legislation insofar as it relates to the Western Australian electricity market. The WA energy market, in which gas power is dominant, has not been distinguished from the eastern states energy market in the determination of ESAS assistance, insofar as the Treasury modelling uses the same competitive spot market assumptions for electricity sales for all states. This fails to distinguish the unique circumstances in Western Australia. The WA energy market has fixed priced contracts which do not allow the sector to pass on the increasing price of carbon, which generators will bear. This is not the case for the eastern states, where the price of electricity is based on a competitive spot market, allowing the additional cost of carbon to be passed on to consumers through the market clearing price. There have been several sensible suggestions put forward by Griffin Energy to deal with the unique circumstances that apply in Western Australia.

While I am aware that the energy sector is in talks with the government, it is patently wrong and commercially ludicrous for Western Australians that the federal Labor government should demand that the Senate vote on this legislation before the vital issues that have been raised by Griffin Energy are resolved. But in Western Australia we have not only problems with the federal government not recognising the unique circumstances that apply to the WA energy market but also concerns, as raised by Griffin Energy and by the Western Australian Department of Mines and Petroleum in a letter dated 15 June 2009 to Dr Martin Parkinson, Secretary of the Department of Climate Change. There is concern that the open-cut coal industry at Collie in Western Australia is being wrongly treated because of an apparent error in the National Greenhouse and Energy Reporting (Measurements) Determination 2008. As Mr Noel Ashcroft of Griffin Energy stated in a letter to me:
We find that in October 2008 we were allocated a default coal mine methane fugitive emissions factor in the greenhouse gas statutes (Determination) which bears no relation to the reality of the situation, that is, that WA Collie coal does not have methane, as is the case with Queensland. Nor have we any idea how it got there as there was no consultation.

In the past we were assumed to have the same default fugitive emissions factor as Victoria and South Australia but without reference to us this was changed last year to the equivalent of Qld and NSW at the last determination. It is well known that Qld and NSW have significant methane.

As this factor is to be used as the penalty emissions factor for CPRS it will cost us—

Griffin Energy—

well over $1.25 million per annum and rising as the mining increases to accommodate new projects.

As previously set out in a letter from The Griffin Group to the Department of Climate Change dated 11 May 2009, Collie coal does not have methane, a fact borne out by its absence from the WA mining and safety legislation and supported by the Geological Survey and the state Mining Engineer. Nonetheless Canberra is effectively saying we have to do very expensive research/drilling to verify that we have a low methane situation. It seems that they have adopted a position of “guilty until you prove yourself innocent” in a regime where the cost of proving what is well known is exorbitant!!

What other errors are being made in relation to Western Australia in the formulation of the CPRS and the associated bills? As a senator for Western Australia I reiterate that it is patently wrong and commercially ludicrous for Western Australians that the federal government should demand a vote on this legislation before such vital issues are resolved. Prior to the 2007 federal election the Prime Minister, as then Opposition Leader, said:

In taking the lead before an effective international agreement is in place, it is also vitally important that a domestic scheme does not undermine Australia’s competitiveness and provides mechanisms to ensure that Australian operations of energy-intensive, trade-exposed firms are not disadvantaged.

Well, it would seem that Mr Rudd was a little loose with the truth. When held up to scrutiny the Rudd Labor CPRS fails on all counts: it will cost Australians their jobs, it will kill investment in Australia and it will do very little, if anything, to reduce CO2 emissions. The only action that a government should take to reduce carbon emissions is responsible action. Action taken at the expense or to the detriment of the Australian people should not be supported. The government’s current CPRS, if agreed to in its present form, will result in action being taken at the expense of the people of Australia. But worse than that its implementation in its present form is likely to achieve the perverse outcome of Australia contributing to an increase in global emissions. As a proud Western Australian I will not be selling my state out to indulge Mr Rudd’s appetite for celebrity status on the world stage. This legislation must not be supported.

Senator BILYK (Tasmania) (1.37 pm)—I rise to speak on the Carbon Pollution Reduction Scheme Bill 2009 and related bills. By voting to support these bills, we will be able to stop the rise in carbon emissions in Australia and begin the trip along the path to a low-pollution future. This has to be done because, quite simply put, climate change threatens Australia’s way of life, the environment and ultimately the economy. Now is the time for reform and essential to that is placing a limit and price on carbon emissions.

The design principles for an emissions trading scheme have been around for a long time, and the Rudd government has held to these principles. This scheme has not been developed simply for today; we are thinking of the future of Australia. Our proposal will
change the way our economy and the market work, ensuring that economic decisions in the future factor in the climate. The Rudd government has had a clear picture of what we want to achieve in this area—that is, to significantly reduce emissions at the lowest economic cost but with the potential to drive growth, establish jobs and build up new industries. The Carbon Pollution Reduction Scheme will see the most significant environmental and economic reform in Australia's history. The CPRS aims to reduce the carbon footprint of each Australian by one-third as a minimum over a 10-year period. The Rudd government understands the effects of climate change and knows that action must be taken now for the benefit of generations to come.

The Implications of climate change for Australia's World Heritage properties report commissioned by the ANU and released recently finds that 17 of Australia’s iconic World Heritage properties are at risk from climate change. Sites such as Kakadu National Park, the Great Barrier Reef and the Tasmanian wilderness in my own home state, to name just a few, have been identified as particularly vulnerable to the effects of climate change by reduced rainfall, higher sea or land temperatures, rising sea levels or more severe storms. The collapse of our World Heritage areas would be a severe loss to both local and global communities. We need to take action now to make sure they are safe in the future. The Rudd government is committed to decisive action on climate change both at home and globally. The Rudd government recognises that building resilience to climate change is critically important. The Rudd government acted early by ratifying the Kyoto protocol, which the former Liberal government failed to do. Now we are acting by introducing the CPRS.

The Intergovernmental Panel on Climate Change, which consists of over 1,250 scientists from across the world, cites Australia’s vulnerability to the vagaries of climate change, with our water resources, coastal communities, natural ecosystems, energy security, health, agriculture and tourism all to be seriously affected if temperatures across the globe rise by three degrees Celsius or more. As we all know, Australia is a massive continent, with the majority of its population living in the coastal regions. This means that most Australians are at serious risk if the ocean level continues to rise, with homes and businesses likely to suffer. It is credible to say that the water level may rise by one metre before the turn of the century. The recent Copenhagen synthesis report found that climate change was accelerating and the risks were more serious than previously thought. Changes to Australia’s climate are already occurring over and above natural predictability, and these changes are expected to have an impact on Australia’s biological diversity. The Third assessment report of the Intergovernmental Panel on Climate Change concluded:

Australia will be vulnerable to the changes in temperature and rainfall that are projected to occur over the next 100 years.

The report also identified that natural resources and biodiversity conservation are likely to be strongly affected by climate change, as climate change is likely to add to the existing substantial pressure on these areas. There is a growing catalogue of documented changes that are consistent with climate change predictions, and there is reasonable scientific consensus on the expected types of impacts on species and the ecosystems from future climate change. A significant loss of biodiversity is expected by 2020.

Climate change is a stress to Australia’s biodiversity and ecosystems, which are already under pressure from human impact. Although our plants and animals have evolved to cope with large year-to-year cli-
mate variability, there are many species that have narrow long-term average climate ranges. These species and ecosystems could be highly vulnerable to the rapid and sustained increase in long-term average temperatures of one or two degrees Celsius, which have been projected under climate change scenarios. The reality is that climate change is with us and unless we act now it will only get worse.

Responsible management of climate change is also responsible management of the economy. The two go hand in hand. The earlier the government acts on climate change, the less expensive that action will be. The former Howard government had 12 years to act but, despite much research and many reports, failed to do so. The Rudd government is making up for lost time. Treasury modelling has shown that countries that delay action will face costs 15 per cent higher than those that act now. Such a significant saving is just another reason why we need to take action now. The Liberal Party argue for a lower deficit but will not support this opportunity to save some money in the long term. The present global financial crisis has made life tough for Australians but has not lessened the effects of climate change or the benefits that taking action will bring. In fact, the GFC has made it even more important that we act now to manage the economic challenges we are facing. At greatest risk are the agriculture and tourism industries. We need to act responsibly to ensure that these industries are protected. Failure to do so will certainly mean a significant number of jobs will be at risk or lost. One of the many positions that the Liberals has involves Mr Turnbull wanting no less assistance for Australian industry than will be offered by the United States for industry there.

From the outset, the Rudd government has committed to a cap-and-trade system. This is the only approach that can give Australia the assurance that carbon pollution will be reduced. Australia has committed to clear targets that enable us to be part of the global solution. The CPRS will best manage the economic impacts of transition to a carbon constrained economy, and the G8 summit in Italy reinforced that this is the way the world is moving. To ensure fairness and the greatest cost-effectiveness in spreading the burden of reducing carbon emissions, our scheme should have the greatest possible coverage. Our scheme will link internationally in order to enhance opportunities for Australia and to strengthen global carbon reduction efforts. And, importantly, we have committed to supporting industry’s transition to a low-pollution future and assisting households to adjust to the impact of putting a price on carbon.

According to CSIRO research, taking action against climate change now may create as many as 340,000 jobs in the transport, construction, agriculture, manufacturing and mining industries over the next 10 years. Within the agricultural industry, failure to act on climate change could see exports fall by up to 63 per cent in the next two decades. By 2050 exports may have decreased by up to 79 per cent. Under the CPRS there will be no cap—that is, no limit—on the number of free permits available to emissions-intensive trade-exposed industries. To start with, more than 25 per cent of all permits will be free and that number will automatically rise as necessary with growth in these industries. Under the CPRS, Australian emissions-intensive trade-exposed industries will receive a greater proportion of free permits than is being proposed in the US, and the US proposal is firstly to cap and then to reduce free permits. It is wrong for the Liberals to say that the Waxman-Markey proposal is more generous than the CPRS. Under the CPRS, Australian industry will have to share in the 15 per cent of free permits being allocated at the
beginning of the scheme, in Australia industries will have certainty on the number of free permits they will receive over many years.

Businesses largely recognise the unavoidability of a carbon price and last year rejected the US approach on emissions in consultations. We accept that businesses need to know, and have every right to know, how the price will be determined. In order to make investment decisions, it is critical that businesses know how the price of carbon emissions will be determined. The CPRS will make it possible to set a price through market mechanisms. This certainty is needed to protect not only jobs but the economy as a whole. The Business Council of Australia and the Australian Industry Group recognise the importance of having this certainty. Businesses want the government and the coalition working together to provide this certainty. Unfortunately, though, the coalition have been doing everything possible to hinder the passage of this legislation. They think Australia should wait and see what the United States does with regard to this issue. Deferring decisions until after this issue is resolved in America will only lead to ongoing uncertainty for Australia and Australian businesses.

The Australian government has clearly indicated what will happen and has set aside money in the Climate Change Action Fund to help make the transition smoother for all concerned. In Australia, all the money that comes from the permits will be used to help both businesses and households manage the increase in everyday living costs. In 2009-10, the government has put $200 million into the Climate Change Action Fund. Initially, the CCAF money will be used to help businesses to identify areas where efficiency can be improved and to help make those improvements a reality.

Yet another position of the Liberal Party is that they want the Productivity Commission to review the CPRS. This is pretty ridiculous, as the commission has already undertaken a review and that review contradicted the apparent views of the Liberals. So I am not quite sure why they want the commission to review the scheme again, other than as another delaying tactic. It is beyond me but, as I say, it is yet another delaying tactic.

Australia is in the leading group of nations when it comes to understanding and acting upon climate change. Australia will continue to be a world leader under the Rudd Labor government. The coalition are clearly wasting time by refusing to pass this legislation. If they really believed the government’s policy was wrong, they would offer an alternative, but they have not—or at least they have not offered a policy agreed to by the party. They are a political party in turmoil. Refusing to put the best interests of the Australian public first is reason enough to conclude that the opposition are not suitable to govern this country. Of course, there are numerous other reasons to arrive at this conclusion, but I will not go into those in the short time I have left.

The Australian public obviously agreed with this sentiment in November 2007 when they voted for the Labor Party to act on this and many other issues. The business community has been given more than adequate notice about this legislation and the impact it will have if it is given royal assent. The finance industry has said that the impact on businesses will be minimal. In their analysis, Goldman Sachs JBWere stated:

… Far from putting companies in financial trouble, the CPRS will have negligible financial impact on Australian Companies.

The government stands behind the CPRS and the research that has been used to draft the legislation, including the modelling undertaken by Treasury that shows that the CPRS
will cause major industries to see considerable increases in employment by 2020. I reiterate: The Rudd government is committed to being a world leader on climate change. The CPRS is the first step towards tackling the serious problem that is climate change. This legislation is backed by solid research and is supported by the business community. The opposition are without a doubt divided on this issue and, as I said, have not put forward any credible alternative policy. On one hand they extol the virtues of mirroring the US emissions trading scheme, but on the other hand they want us to consider the completely different approach that was put out by Mr Robb recently of an untested baseline and credit. The Liberal Party lack credibility, especially economic credibility. They lack cohesion, they lack detail and, most of all, they lack relevance. A party that cannot determine its own policy is no alternative government for the people of Australia. This is the most important environmental and economic reform in Australia’s history. Those in the Liberal Party know what they should do: they should vote for it.

In my conclusion, I would like to point out to members on the other side that yesterday a report was released that shows Australia’s carbon pollution will continue to rise if the Carbon Pollution Reduction Scheme does not become law. The Tracking to Kyoto and 2020 report shows that without the scheme in place emissions will be 20 per cent above 2000 levels by 2020. The increase in carbon pollution that will occur if we do not put this scheme into place is equal to more than doubling the numbers of cars on our roads between now and 2020. Our commitment under the Kyoto protocol to limit the growth in carbon pollution against business’s usual projections is only a first step in taking responsible action on climate change. We need to actually reduce our carbon pollution, and this will not happen unless the Carbon Pollution Reduction Scheme is put in place. I commend the bills to Senate.

Senator BERNARDI (South Australia) (1.53 pm)—Let me get straight to the point and dispel some of the myths peddled by the Labor Party and the radical green movement. I am not a climate change sceptic. Historical evidence suggests the climate of our planet has continually evolved and changed, and it always will. Thus I am 100 per cent sure that our climate is changing. Of course, that begs the question: what is driving that change? The government will have you believe that climate change is being driven by carbon dioxide—or, more specifically, that man-made CO2, which comprises less than one per cent of atmospheric carbon mass, is the culprit. Despite the plethora of evidence to the contrary, those committed to the anthropogenic climate change industry have too much of themselves invested in this new religion to admit they actually might have it wrong.

When I say there is a plethora of evidence refuting their claims, I mean there really is a tonne of the stuff. Firstly, we have the irrational claims made by the high priests of climate change themselves. Alarmist of the year Tim Flannery once stated that the seas were going to rise by 100 metres, not the one metre that Senator Bilyk just told us. He was wrong. Great video hoaxer Al Gore won a Nobel prize for producing a flawed and alarmist mockumentary that contained a litany of errors and that required a guidance note before it could be viewed by British children. For over two decades the shrill cry of the alarmists declared we only had five years to prevent a climate change catastrophe. I could go on and on. The extremist mumbo jumbo uttered by those who profit from fear, either financially or electorally—and one could call them the prophets of doom—gets louder and louder. They must raise their voices not because any of their
predictions have been realised but simply because they have not. When confronted with the very inconvenient facts that they have been demonstrably wrong again and again they simply raise the decibel of their cries and the level of the hyperbole attached to their claims. Tonight I shall leave the rebuttal of their hysteria there. Suffice to say there are many examples of attempts to scare the public by the prophets of doom.

Yet, despite these very loose advocates, I do have an open mind on the bill before the Senate today. By an open mind, I mean I am genuinely undecided. I am unsure if this bill and the associated bills are the worst or simply the dumbest pieces of legislation ever dealt with in this chamber. Either way, the bills are built on flawed science, fuelled by unsustainable hysteria and lacking in any demonstrable benefit to our great nation. After all, ask yourselves: isn’t it the primary requirement of any government to act in Australia’s best interest? Isn’t that why governments are elected? Isn’t it to defend the country and its citizens by looking after their interests? I certainly hope most senators in this place agree with that comment. But, alas, the supporters of this bill seem unconcerned with the interests of our nation. If they were committed to acting in Australia’s best interests they would not endorse a new tax that will impact on every man, woman and child in this country without any meaningful benefit. They would not champion a plan to export domestic industry, domestic jobs and domestic profits to foreign lands without any meaningful benefit.

How can I state so unequivocally that there will be no meaningful benefit? The stated aim of these bills is to address dangerous climate change. They fail to do that on several levels, and I would like to touch on just a couple. Firstly, the government’s own adviser, Mr Ross Garnaut, has given evidence that this scheme is flawed and might actually be worse than doing nothing. In response to this question by Senator Macdonald, ‘If the scheme were not modified, would it still be better than nothing?’ Professor Garnaut said:

That is a really hard question. Let me say it would be finely balanced.

It was further reported that Professor Garnaut said:

... it might be better to drop the proposed model and “have another crack at it and do a better one when the time is right.”

Secondly, the purpose of the wealth transfer scheme advocated by the leftists in charge of this is to change people’s behaviour. This scheme actually compensates a group of people in excess of the cost of the introduction of the ETS. This might seem like a generous gesture by the government, but to me it is further evidence that the scheme will not achieve what it is intended to do. Instead, this bill sets in place a bureaucracy that will have an insatiable appetite for transferring cash from industry to government.

The question for the advocates of this scheme is: why could anyone acting in the national interest actually endorse such a ridiculous proposal? Of course they will say it is to act on climate change, but it will not make any difference. Because it will not make any difference, you have got to ask, ‘What the heck are they doing it for?’ I am now reminded that Mr Rudd claimed this as the greatest moral issue of our time, where the cost of inaction is greater than the cost of action. Why, then, has the government delayed the commencement of this scheme? Has reality smacked the disingenuous Rudd government in both of its faces? If so, here is a little more reality for you to contemplate from your gilded cage: this bill will damage
our economy. It will lift taxes, it will kill jobs and it will not make a jot of difference to the climate. Under the Rudd-Wong scheme Australian industry will be taxed an extra $12 billion over five years. Many of these industries will not be able to pass on these costs. Some will simply close down or move overseas.

The already struggling and, in most cases, poorly managed state governments will also suffer, with one estimate being that they will be $1.4 billion poorer as a result of this scheme. Even the most uninformed would have to realise that this would result in higher state taxes and charges, a decline in services or possibly both. This scheme will also affect wages. Treasury secretary Dr Henry has stated:

It is my understanding that in general terms the real wages in alternative employment would probably be lower than the real wages offered in the mining sector.

In other words, this scheme will force some people out of their current jobs into lower paid jobs—hardly the outcome designed to boost prosperity in an already damaged economy. According to the minerals industry, this scheme will impose costs of $2 billion per annum and seriously damage their competitive position. The grains industry, a very low emitter, will be slugged with an annual indirect cost of more than $500 million—hardly the stuff to support their international competitiveness on an already uneven playing field.

Debate interrupted.

Distinguished Visitors

The President—I draw the attention of honourable senators to the presence in the chamber of a parliamentary delegation from New Zealand led by Mr Shane Ardern MP, Chairperson of the Primary Production Committee. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate.

Honourable senators—Hear, hear!

The President—It is New Zealand’s day, because I also draw the attention of honourable senators to the presence in the President’s Gallery of an Australian Political Exchange Council delegation from New Zealand led by Mr David Bennett MP. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate.

Honourable senators—Hear, hear!

Questions Without Notice

National Security

Senator Johnston (2.01 pm)—My question is to the Minister for Defence, Senator Faulkner. In light of the foiled alleged attempt by radical extremists to assault and kill members of our special forces at TAG East, why wasn’t the defence safe base threat level upgraded when intelligence reports received by the government made it known that a possible attack on the base was imminent?

Senator Faulkner—I thank Senator Johnston for his question. The arrests of 4 August 2009 do indicate that the threat of terrorism in Australia is real and current. While it would not be appropriate for me in the chamber today to address the specifics of the 4 August police activity as those matters are still undergoing investigation and are before the courts, I certainly can say that the national threat alert level has not been raised, and that applies to Defence establishments as it does to other arms of the government and also to the broader community. The security of Defence bases is constantly under review. Protective security responses to threats are carefully calibrated to provide necessary protection. The specifics of protective security arrangements are not made public because—and it is a very important point to make—
their effectiveness would be diminished if they were widely known. Specifically in relation to the situation at Holsworthy, after the threat became apparent— *(Time expired)*

**Senator Johnston**—Mr President, I ask a supplementary question. Minister, why is it that the bureaucrats and defence chiefs at Defence headquarters in Russell are fully guarded both inside and on the perimeter of the buildings by armed officers of the Australian Federal Police, yet our special forces and other highly trained soldiers, sailors and airmen at Defence bases are not?

**Senator Faulkner**—The situation is in relation to the Holsworthy base, which Senator Johnston specifically asked me about. In fact, the threat level after these matters became known was raised from Safe Base Bravo to Safe Base Charlie. I just complete that answer in response to his first question because it is important that the public record be full on that matter.

On the other issue that Senator Johnston raises, it is important to realise in relation to what occurred at Holsworthy that the only intrusion that occurred did not represent a real or credible threat to defence security. The response was proportionate and of course— *(Time expired)*

**Senator Johnston**—Mr President, I ask a further supplementary question. Minister, what is the current status of the review of base security? When will it be released and when will it be acted upon?

**Senator Faulkner**—The review is ongoing. On the best advice I have, I expect the first part of the review to be completed before the end of this week. I will have to make a decision, as will my NSC colleagues, about whether it is appropriate to release the review or not. The questions that Senator Johnston asks are critically important questions. It is important to note that Defence employs a range of protective security measures to protect its people and its installations, and this includes a range of physical and personnel security measures, coupled with intelligence, to provide a layered response to mitigate threats. Of course, on each and every base there has to be an assessment of the appropriateness of security measures. *(Time expired)*

**Climate Change**

**Senator McEwen** (2.06 pm)—My question is to the Minister for Climate Change and Water, Senator Wong. Can the Minister outline to the Senate the way to tackle climate change at the lowest cost to the Australian economy? Isn’t it the case—

**Senator Brandis interjecting**—

**Senator Chris Evans interjecting**—

**The President**—Order! I have got to hear the question that Senator McEwen is asking. Continue, Senator McEwen.

**Senator McEwen**—Isn’t it the case that countless reviews, including former Prime Minister Howard’s task group and the Garnaut review, have undertaken extensive work on what is the cheapest way for Australia to make serious cuts to our carbon pollution? And isn’t it the case that it has consistently been found that the cheapest way to reduce carbon pollution is to have as many sectors of the economy as possible contributing? Isn’t it also the case that if one sector is exempted from the cost of tackling climate change that cost would simply be picked up by somebody else?

**Senator Wong**—Thank you to Senator McEwen for the question. The senator is indeed correct: the cheapest or lowest-cost way to tackle climate change is with a cap-and-trade emissions trading scheme with the broadest possible coverage of the economy. Of course, that once was the Liberal Party’s policy—something I think Senator Bernardi might want to remember, because I noticed
when I came into the chamber that Senator Bernardi was saying he has an open mind. I quote from his website blog:

... I remain unconvinced about the need for an ETS given that carbon dioxide is vital for life on earth...

It is almost as good as Dr Jensen, in the other place, saying, ‘What about some sort of shadecloth put into orbit?’ This is the sort of view from the other side. Of course, one thing that Senator Bernardi should perhaps talk about is the fact that he went to the election with a commitment for an ETS. Were you lying to the Australian people, Senator Bernardi?

The reality is that the proposal brought forward yesterday by the Leader of the Opposition’s consultant, which would replicate the failed Canadian experiment on climate change, is not the cheapest way to reduce carbon pollution in Australia. It is not cheaper to increase uncertainty across the economy. It is not cheaper to undermine investment and jobs by pretending that uncertainty does not matter. It is not cheaper to throw away opportunities to reduce carbon pollution and it is not cheaper to exempt emissions intensive trade exposed industries from playing their part in the change that is needed.

There is nothing cost effective about giving electricity generators so much assistance that they net windfall gains, and there is nothing cost effective about making low- and middle-income Australia worse off by scrapping their compensation. There is nothing cost effective about increasing the risks to the budget if this poorly designed scheme that those opposite are— (Time expired)

Senator McEWEN—Mr President, I thank the minister for her answer. I have a supplementary question. Can the minister outline the greenest or most environmentally effective way of tackling climate change? Can the minister explain how the Rudd government has put Australia in a position to reduce Australia’s carbon pollution by as much as 25 per cent? Can the minister explain the environmental benefits of placing a hard limit on the amount of carbon pollution Australia will produce? Is the minister aware of any alternative proposals? And can the minister outline the implications of such proposals for the environment?

Senator WONG—I can refer to some alternative proposals which appear to have been put by the consultant paid for by those on the other side. I do not know whether it is yet their policy. It is extraordinary, isn’t it? In the week of a vote on climate change, when you have had years to deal with this, what you come forward with is a consultant’s report that you will not even adopt or you have not yet adopted as policy. Or have you adopted it as policy? I think the Australian people should know that.

The reality is that it is not greener to claim to deliver an unconditional 10 per cent reduction when the government plan delivers cuts of as much as 25 per cent by 2020. It is no surprise that those opposite do not have an environmentally credible plan on climate change, because too many of them do not even believe that climate change is happening. And the fact is that their leader is too weak to stand up to the sceptics and take real action on climate change. You would have to ask—

Senator Heffernan—Mr President, I stand on a point of order. The minister is deliberately misleading the Senate, because there is no-one in the government who can explain to Australia’s farmers whether they are going to be in or out of the scheme, nor what the questions are that have to be answered. This is totally misleading Australian farmers.
The PRESIDENT—There is no point of order, Senator Heffernan. The time for the first supplementary question has expired.

Senator McEWEN—Mr President, I thank the minister for her answer and I have a further supplementary question. Is the minister aware that the communique of last month’s G8 summit stated:

We support flexible, economically sound market-based approaches to emissions reductions. In particular, cap and trade schemes, where implemented, have proved largely successful...

given that the critical economic powers of the G8 have already endorsed cap and trade, and given that a number of key economies have adopted cap and trade or are adopting cap and trade, can the minister outline to the Senate the smartest way for Australia to tackle climate change?

Senator WONG—Without doubt, the smartest way for this nation to tackle climate change is through cap-and-trade emissions trading, not with Malcolm’s magic pudding. It is not smart to pretend—

The PRESIDENT—Order! Senator Wong, you need to refer to people in the other place—

Senator WONG—Not with Malcolm Turnbull’s magic pudding.

The PRESIDENT—No; use his proper title.

Senator WONG—I am sorry; I apologise. Not with Mr Turnbull’s magic pudding. It is not smart to pretend that this will not leave Australia isolated. Canada does not want it, Australia does not want it, the G8 do not want it. It is the idea no-one wants from the leader too many of you do not want. It is not smarter to undermine our transition to a low-pollution future, but then again it was not smart doing nothing for a decade, it was not smart not ratifying Kyoto and it was not smart squandering the opportunities you had in government. It is still not smart arrogantly to ignore the wishes of the Australian people.

National Security

Senator TROOD (2.13 pm)—My question is also to Senator Wong, but it is in her capacity as the minister representing the Attorney-General. Does the minister agree that the deaths of three Australian citizens in the recent bombings in Jakarta, and last week’s arrests in Melbourne, are painful and alarming reminders that terrorism remains a central threat to Australia’s national interests?

Does the minister also agree that completion of the government’s long-promised counter-terrorism white paper is urgent and a critical component of our national security architecture?

Senator WONG—The good senator references a range of issues, including the counterterrorism arrests in Melbourne and also the tragic events that all Australians are too painfully aware of in Indonesia in recent times. In relation to the white paper issue, as the senator would be aware, the Prime Minister announced that a counterterrorism white paper would be developed in 2009. My recollection is that that indication was as part of the national security statement that the Prime Minister delivered. I am advised that the Prime Minister will release this white paper this year. All relevant agencies across government are working together and with the states and territories to complete this white paper in a detailed, thorough and methodical manner.

Obviously—and I am sure all in this chamber would agree—counterterrorism remains a critical government priority; the security of Australia and Australians remains a critical priority; and, as recent events in Jakarta as well as in Victoria have reminded all Australians, terrorism continues to pose a serious threat, unfortunately and regrettabley, to Australians at home and abroad. The gov-
government is keenly aware of this, and the white paper will consider and respond to this threat and articulate the government’s ongoing commitment to counter those who unfortunately continue to seek to engage in terrorism.

Senator TROOD—Mr President, I ask a supplementary question. In light of those remarks, Minister, I wonder whether you could tell the Senate: are you aware of an article that appeared in the *Australian Financial Review* on 7 August last that cited intelligence sources to the effect that the ‘writing of the counterterrorism paper’ had ‘barely begun’? Is this an accurate reflection of the situation and does it reflect the fact that Australian authorities believed the threat posed by Jemaah Islamiah was in retreat before the last Jakarta attacks?

Senator WONG—As the senator knows, certainly in relation to any questions which may go to intelligence matters, those are not matters which any minister would be putting in response to a question in this chamber. I have provided an answer to the senator in relation to the white paper.

*Senator McGauran interjecting—*

Senator WONG—I have provided an answer to the senator in relation to the preparation of the white paper. I do not recall seeing the article to which he referred. If there is anything further to add in relation to my answer I will seek advice on that issue, but, if there is any implication, as there appears to be, that counterterrorism is not an issue that the government takes seriously, I would invite the senator to reconsider the proposition being put.

Senator TROOD—Mr President, I ask a further supplementary question. I press the matter, Minister, and I ask: will you now admit that little, if any, progress has now been made on the white paper? Will the minister also admit that this long and dangerous delay is another reflection of the Rudd government’s hopelessly confused foreign policy priorities and a reflection of its abject contempt for protecting Australia’s national interests?

Senator WONG—That is really quite an offensive set of imputations, Senator Trood, and, if I may say, generally beneath the standard of the way in which you would usually approach these matters. There is no-one in this chamber on any side who diminishes or minimises in any way the importance of ensuring the security of Australians, of doing everything we can in government or in parliament to ensure the security of Australians. Frankly, the implications to the contrary are not only unfair but inappropriate in these circumstances. I have responded on the white paper issue, obviously. As I said, it is a critical and key priority of government to safeguard the security of Australia and of Australians. That is absolutely something this government is committed to, and I would suggest there would be no senator in this chamber who would not regard this as a key priority.

**Economy**

Senator HURLEY (2.19 pm)—My question is to the Assistant Treasurer, Senator Sherry. Is it the case that the recent economic data indicates that Australia continues to weather, better than all the major advanced economies, the effects of the worst global financial crisis in 75 years? Can the Assistant Treasurer update the Senate on the latest forecasts for the Australian economy? Does he agree with the growing view among economists and international observers that we have now come through the worst of the global recession? How vital is it that the government keeps delivering on its stimulus strategies, which have proved so successful, and keeps protecting the jobs of Australians?
Is the Assistant Treasurer aware of any alternative views on this issue?

Senator SHERRY—Since the Senate last met there have been a range of what I would describe as generally positive views about the Australian economy, and it is generally true that Australia is a leading performer amongst major advanced economies. Despite the worst global recession in 75 years, we are weathering the storm better than most other countries. We have the fastest growth, we have the lowest debt, we have the lowest deficit and we have the second lowest unemployment rate of all advanced economies, and Australia is the only one of 30 economies that has not gone into recession.

If we look today at the National Australia Bank’s monthly business survey and economic outlook, it shows that business confidence is at its highest level since August 2007, when the financial crisis, then the economic crisis, started to hit the world. The Dun and Bradstreet survey of business expectations also released today paints a positive picture, with all the expectation indices in positive territory. Sales and profit expectations in this survey have recorded their biggest one-quarter increase since the survey began in 1998. I think one of the most pleasing aspects of the effect of the government’s stimulus packages is that unemployment in Australia remains amongst the lowest in the world. The July figures released last week showed employment increased by 32,200 persons, with unemployment rates steady at 5.8 per cent. Contrast that to 9.4 per cent in the US, 8.6 per cent in Canada, and 7.6 per cent in the UK.

However, the effects of the global recession are still being felt in Australia and will continue to be felt for some time. We are certainly not out of the woods yet, and unemployment is forecast to grow— (Time expired)

Senator HURLEY—Mr President, I ask a supplementary question. Assistant Treasurer, is it not the case that the outlook predicted by the IMF has placed Australia as the fastest-growing advanced economy in the world? What implications does this have for our economic outlook? Have any Australian bodies further endorsed this view of Australia’s standing in the world? Assistant Treasurer, what would be the implications of not taking the swift and decisive action that the Rudd government has taken as a result of the global financial crisis?

Opposition senators interjecting—

Senator SHERRY—There are a lot of interjections from the very negative Liberal-National Party opposition—a very divided opposition, I might say. They proudly opposed the Rudd Labor government’s decisive actions to introduce two stimulus packages—two stimulus packages that we know, on all the evidence that has been published, have helped cushion the Australian economy from the worst impacts of the worst economic crisis the world has seen in some 75 years. We do know that, in Australia, unlike most comparable countries, figures on retail sales, employment, construction, housing activity—a whole raft of evidence—show the positive impact that the Rudd Labor government’s decisive actions in protecting the Australian economy from the very worst of this economic downturn have had. They have been very effective. And we know those measures were opposed by the— (Time expired)

Senator HURLEY—Mr President, I ask a further supplementary question. I thank the Assistant Treasurer for highlighting the success of the Rudd government’s swift and decisive action in the face of the global financial crisis and the recent assessments by international and Australian organisations of these strategies. But what alternative views for action have been put forward in response
to the global financial crisis? How do these compare to the Rudd government’s swift and decisive action to protect Australia’s economic future?

Opposition senators interjecting—

The PRESIDENT—Order! Those on my left. Senator Macdonald is on his feet wanting to be heard.

Senator Ian Macdonald—Mr President, on a point of order: this question has clearly been written for Senator Hurley. I wonder whether we should refer to the Privileges Committee the fact that someone has written a question for her and coached her—

The PRESIDENT—There is no point of order there. The question stands.

Senator SHERRY—Thank you, Mr President. Those opposite in the Liberal-National parties, aside from being very divided over the six weeks since we last met, are very noisy, very embarrassed, as we have seen more and more evidence of the results of the decisive action of the Rudd government in a whole raft of areas that show that the Australian economy is performing amongst the best in the world.

Opposition senators interjecting—

Senator SHERRY—And what do those opposite propose? What did the Liberal-National parties opposite propose? Do nothing!

Opposition senators interjecting—

The PRESIDENT—Order! Senator Sherry, resume your seat. We will continue when there is quiet.

Senator SHERRY—A lot of noise we are hearing from the Liberal-National parties. They have no policy. Their view, in the face of the world’s greatest economic crisis in the last 75 years, is to sit on our hands and do nothing. That was the policy development of those opposite. And now, of course, having seen the positive impact of our stimulus packages in cushioning the Australian economy, they want to withdraw it! (Time expired)

National Security

Senator BRANDIS (2.26 pm)—My question is to the Minister representing the Attorney-General, Senator Wong—

Senator Conroy—Did you write this question?

Senator BRANDIS—I did. I refer the minister to the Attorney-General’s speech to the Australian Strategic Policy Institute on 21 July, in which he announced that the government proposed to expand the scope of current anti-terrorism laws. In what particular respects does the government consider that the existing anti-terrorism laws are inadequate?

Senator WONG—I do not have any particular details on what—

Senator Abetz interjecting—

The PRESIDENT—Order! Continue, Senator Wong.

Senator WONG—Certainly. Senator Abetz, if I were to be scripted, it would not be by you! I do not have any precise details on the speech to which the senator refers. I am aware that the government has indicated—

Senator Ian Macdonald interjecting—

The PRESIDENT—Senator Wong, continue to answer. Ignore the interjections.

Senator WONG—I have been interjected upon before, but not by grunting! But Senator Macdonald can choose to grunt if he wishes. I am aware that the government has flagged a discussion paper on amendments. I do not have any information as to whether further details of that have been released. If those have been released, I will see if anything further can be provided to the senator. But, as I said, I understand that the Attorney-
General has flagged a discussion paper on amendments to national security and counterterrorism laws. If I have further information on that, I will see if it can be provided.

**Senator BRANDIS**—Mr President, I ask a supplementary question. Is the minister aware that funding of the AFP’s counterterrorism program was cut by $1.4 million, that funding of its intelligence program was cut by $3.2 million and that funding of its economic and special operations program was cut by $8.1 million in the last budget? Would not the government’s commitment to counterterrorism be taken more seriously if it stopped cutting the funding of Australia’s front-line national security agencies?

**Senator WONG**—As has previously been the case, it is the fact that this government has provided additional funding—particularly, for example, in border security. You might recall—through you, Mr President—that in the 2009-10 budget, for example, the government committed some $654 million to fund a whole-of-government strategy to combat people smuggling and border protection. We have also created the Australian Customs and Border Protection Service, to provide unified operational control.

Those opposite might want to try and play a bit of politics with this issue, but the fact is that this government has provided very substantial provision through the budget to our security agencies, including the AFP, and additional funding was announced in the 19th budget to combat people smuggling and to enhance border protection. *(Time expired)*

**Senator BRANDIS**—Mr President, I ask a further supplementary question. Wouldn’t the war on terrorism be better prosecuted by properly resourcing the national security agencies than by engaging in hairy-chested rhetoric about new laws? Isn’t this just another example of Rudd government rhetoric saying one thing but the government’s spending priorities showing the opposite?

**Senator WONG**—I again remind Senator Brandis that this government is providing some $1.3 billion over six years for non-defence national security and border protection measures and that this year’s budget included significant new funding for counterterrorism, people smuggling, border protection and surveillance, national disaster resilience, e-security, aviation and airport security, regional cooperation and international deployments, as well as the national security public information campaign. The government recognises that there is an ongoing threat from terrorism. We remain committed to Australia’s national security. We remain committed to protecting Australia’s borders. The second budget continued the strong focus on Australia’s security needs, ensuring that we continue to meet the challenges of the future.

**Climate Change**

**Senator MILNE** (2.31 pm)—My question is to the Minister for Climate Change and Water, Minister Wong, and refers to the recent Pacific Islands Forum and the Smaller Island States Group meeting which Australia hosted and for which Australia provided secretariat support. Given the consistent and outspoken calls from Pacific Island nations for a 45 per cent below 1990 level reduction in greenhouse gas emissions from developed countries by 2020, why was that not reflected in the outputs from either of these meetings held in Australia? Did you as the minister, the Prime Minister or any Australian official block the inclusion of such strong targets or any reference to a 2020 target in the Pacific Islands Forum communique or did you or any other Australian official block the release of a communique at all from the Smaller Island States Group meeting?
Senator WONG—It is unfortunate that Senator Milne does not seem to consider the enormous work and priority that the government has given to engagement with the Pacific Island nations on the issue of climate change. You may recall that the Prime Minister in his press conference in fact invited representatives, certainly from Kiribati and, from recollection, Vanuatu, to talk to the issue of climate change. Australia, as host, made climate change a significant priority in the discussion, as it should have. This is an issue which is important for Australia, because we are one of the most vulnerable developed nations. Equally, it is very important to many of our Pacific Island neighbours, many of whom, as the good senator knows, are already experiencing the impacts of climate change.

The PIF declaration was a leaders’ declaration. My recollection is that it was finalised at the leaders’ retreat. I might be wrong on the detail of that, but that is my recollection. Certainly Australia participated in that discussion and sought an outcome that could get agreement across all of the nations represented. We want to continue to add momentum.

Senator Bob Brown—So you did block it.

Senator WONG—That is not what I said, Senator Brown. It is unfortunate that you want to play politics with this issue. Given that—

Opposition senators interjecting—

The PRESIDENT—Senator Wong, address your comments through the chair. Ignore the interjections.

Senator WONG—Australia has made it a significant and important priority to engage with its Pacific Island neighbours. The declaration indicates a very strong desire for strong action.

Senator MILNE—Mr President, I ask a supplementary question. I specifically asked the minister: did Australia block through the minister or any other Australian official the inclusion of a reference to a 2020 target or a higher target? What the minister just said was that Australia wanted to get a consensus. Did New Zealand or any other Pacific Island nation block a stronger reference or did Australia block a stronger reference? Given that at that meeting the government also announced $50 million for climate change adaptation, were these countries given to understand that financial support would only flow in the absence of criticism of Australia’s weak targets?

Senator WONG—In relation to the second issue of the $50 million, absolutely not. Australia’s position on this issue was made clear at the election. We provided in our election commitment $150 million for international climate change adaptation, focused in particular on the Pacific and East Timor, although not exclusively. Senator Milne might like to look at the document that the Prime Minister released that outlined Australia’s strategy for engagement with the Pacific on these issues. We developed that after consultation and consideration. That goes through the way in which we want to engage with our Pacific neighbours on the issue of climate change. This government is serious about engaging on this issue. This funding was delivered in accordance with an election commitment. As I said, the declaration was a leaders’ declaration. (Time expired)

Senator MILNE—Mr President, I ask a further supplementary question. It is very clear from the minister’s answer that Australia did block the Pacific from being able to give a higher 2020—

The PRESIDENT—Your question, Senator Milne.
Senator MILNE—Thank you, Mr President. The government now has the weakest minimum unconditional emissions-reduction target in the Australian parliament. Given the plea from the Nepali representatives in the parliament today for Australia to commit to a 50 per cent reduction on 1990 levels by 2020 because the big melt in the Himalayas is threatening the water supply of a billion people, when will the government increase its reckless and unjust five per cent unconditional target?

Senator WONG—Again, I make the point that if you have a target you need to have a mechanism to meet it. While some in this parliament may like to think that just talking about a target ensures that you meet it, we on this side understand that this is a significant and major economic reform. We will approach it responsibly, which is how we have approached it.

In terms of Australia’s target, I again remind the senator that Australia’s target of 25 per cent below 2000 levels by 2020 represents a very substantial reduction. In fact, between the period 1990 and 2020 it is almost a halving of Australia’s per capita emissions. It means that we are doing as much or more than the European Union in terms of where we are now and to where we go.

Senator Bob Brown interjecting—

Senator WONG—I understand why Senator Bob Brown is interjecting. He is proposing to stand on the same side as Senator Joyce in the forthcoming vote, and he can explain that to the people who put him here.

Emissions Trading Scheme

Senator PAYNE (2.38 pm)—My question is to the Minister for Climate Change and Water, Senator Wong. Will the minister guarantee to the Senate that there will not be an increase in power blackouts across the country as a result of the government’s flawed emissions trading scheme failing to—in the words of the New South Wales Labor Treasurer, Mr Eric Roozendaal—‘ameliorate risk’?

Senator WONG—at the Press Club yesterday, I think it was, I made the point that in this debate there are those who have taken refuge in slogans, those who have taken refuge in stunts and those who have taken refuge in fear and negativity. It is unfortunate, Senator Payne, that you have joined the latter. I would have thought better of you. If that is the case, so be it. The fact is that we have provided very significant assistance to the electricity sector to reflect the adjustment that will be required. That was announced in the white paper. We recognise that the introduction of the CPRS could have an impact on the asset values of the most emissions-intensive generators. That is why we have provided, through the Electricity Sector Adjustment Scheme, free permits worth approximately $3.8 billion to be focused on the most emissions-intensive generators; it is because these generators are likely to experience large losses in asset value. This scheme is designed to maintain investor confidence and to support a smooth transition in the electricity sector. In addition to the ESAS, the broader design of the scheme, such as, for example, the international linking that is proposed to be in place, supports a smooth transition in the energy sector that does not risk Australia’s energy security.

Senator PAYNE—Mr President, I ask a supplementary question. Given the minister’s failure to guarantee that there will not be an increase in power blackouts and given the minister’s obvious failure to persuade Labor Treasurer Roozendaal in New South Wales of that, why won’t the government consider alternatives to the CPRS plan that will ameliorate risks, such as the cheaper, greener, smarter ETS options put forward by Frontier Economics?
Senator WONG—It is not cheaper, it is not greener and it is not smarter. That is the first point. But, Senator Payne, I am interested that a couple of days before a vote we have got the opposition asking questions about why the government will not consider something when you fail to put anything forward—not a single amendment. Let Australians understand that. This issue is of such great importance to the nation now and into the future and there is not a single proposal or amendment from the Leader of the Opposition or from that side.

Senator Brandis—If it is so important, why won’t you have a discussion with the opposition?

Senator WONG—You can shout, Senator Brandis, but the absence of policy rigour on your side is patent for all to see. You have failed to engage in this debate because you have been ruled by the sceptics and flat-earthers in your own party room. Shame on the opposition for failing to come forward with anything and then, in the week of the vote, coming forward with some modelling that they have paid for and that they do not even have the guts to adopt as policy.

Senator PAYNE—Mr President, I ask a further supplementary question. Given that Treasurer Roozendaal also warned of extreme job losses in the electricity and coal sectors as a result of the government’s flawed emissions trading scheme, why won’t the government even consider alternatives to its flawed CPRS that will save jobs, such as the cheaper, greener and smarter ETS options put forward by Frontier Economics? Why is the government so arrogant to assume that they have paid for and that they do not even have the guts to adopt as policy?

Senator WONG—I suggest that what is arrogant is going to the Australian people with a promise you will not keep. What is arrogant is going to the Australian people and telling them that you are going to have an emissions trading scheme and then walking away from them because the sceptics in your party room have you too scared to act. What is arrogant is pretending to the Australian people when you went into the last election that you wanted to take action on climate change and then refusing to do it after the election. What is arrogant is telling the Australian people that you want the government to talk to you but you are not prepared to adopt a policy and you are not prepared to put forward an amendment—you are not prepared to put anything solid forward. What is arrogant is pretending that you care about climate change and then never having the guts to stand up to the sceptics in your party room and actually deliver a result.

A New Car Plan for a Greener Future

Senator WORTLEY (2.43 pm)—My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Can the minister explain to the Senate how the government’s A New Car Plan for a Greener Future is driving the transformation of the Australian car industry? What obligations does the plan impose on automotive companies and how is the industry meeting those obligations? Can the minister apprise the Senate of any concrete evidence that car companies are adopting new technologies to produce better environmental and economic outcomes in response to the plan? What kinds of vehicle improvements can Australians expect as a result of the plan? And to what extent does the success of A New Car Plan for a Greener Future depend on close cooperation between government and industry?

Senator CARR—I thank Senator Wortley for her question. It is a very important one for South Australia and for Australia. A New Car Plan for a Greener Future throws down a serious challenge to the Australian car indus-
try. It requires automotive companies to invest in new capacity, to modernise their operations, to increase the skills of management and workers and to develop environmentally sustainable products and processes. Above all, it requires them to innovate. The industry is responding to that challenge despite the worldwide recession and the upheaval that this has caused in the global car industry.

In the past three weeks, we have seen both Ford and Holden announce new green engines for their Australian made cars. Ford Australia has convinced Detroit that the first application of the company’s ecoboost turbo-charge technology to a rear-wheel drive platform should happen in this country. This technology enables a four-cylinder engine to achieve the power and torque of a six-cylinder engine but with 20 per cent better fuel economy and 15 per cent lower CO2 emissions. It is a similar story at Holden, which is using spark-ignition direct-injection technology to create six-cylinder engines that match the economy and emissions of fours. Australia expects this latest innovation in these engines. We are demanding that of the industry.

Transmission and tyre design, increased fuel efficiency and all the rest of it lead to a situation where we will have a 13 per cent reduction in carbon dioxide emissions—as much as 14 per cent across a range of models and configurations. These are very, very significant improvements. They demonstrate just what governments and industry can achieve when they work together. (Time expired)

Senator WORTLEY—Mr President, I ask a supplementary question. I thank the minister for his answer. Can the minister update the Senate on the government’s approach to technological change in the automotive sector? Given the range of new technologies being discussed, including all-electric and hydrogen powered vehicles, what are the advantages to Australia in pursuing further improvements to the technologies we now have? Given that some of the more radical new vehicle technologies under consideration are expensive, unproven and possibly unsuitable for Australian conditions, will the government continue to support the Australian industry’s efforts to improve the affordability, safety and environmental performances of today’s vehicle platforms?

Senator CARR—What new Ford and Holden engines demonstrate is that there is still enormous scope to build cars that are cheaper to run and easier on the planet by redefining existing technologies. We all know hybrid and all-electric technologies are making serious headway. That is why the government is supporting Toyota’s plans to build a hybrid Camry in Australia. We all know hydrogen is shaping up as a long-term option, yet it will take time to achieve a widespread transition to these technologies.

Why wait when we can cut motoring costs and reduce carbon footprints right here, right now and we can do it with existing technologies improved? This is why the New Car Plan for the Greener Future is technology neutral. This is a plan to achieve both immediate benefits and long-term transformations.

Senator WORTLEY—Mr President, I ask a further supplementary question. I thank the minister for his answer. Can the minister now inform the Senate how a New Car Plan for a Greener Future is delivering improved economic outcomes? To what extent is the government’s support for the industry helping to shake loose additional private sector investment? To what extent does new investment depend on the stability of the policy environment and the strength of the government’s commitment to the industry’s future? Finally, has a New Car Plan for a
Greener Future had a particular bearing on investment decisions during the global downturn, which has hit the international automotive industry especially hard?

Senator CARR—The government’s support for the car industry is based on mutual obligation and we make no apology for that. For example, Ford Australia’s sustainable engine initiative involved $230 million worth of new investment. The Commonwealth is contributing $42 million from the Green Car Innovation Fund. The certainty and the support we have provided is enabling the Australian industry to attract new investment even in these very, very tough times. It has ensured that Holden remains on the A-list and as part of the new General Motors.

The last thing we need now is gratuitous meddling that will undermine confidence and call Australia’s support for the car industry into question. The last thing we need now is political point scoring that will put tens of thousands of jobs at risk. I would have thought, after the fiasco of the OzCar email, the Liberals would have learned to stay away from their petty meddling in this industry.

Budget

Senator JOYCE (2.50 pm)—My question is to the Minister representing the Minister for Finance and Deregulation, Senator Conroy. What is the face value, in a dollar figure, of total Commonwealth government securities outstanding as of 10 August 2009?

Senator CONROY—I thank Senator Joyce for that question. On a question as detailed as ‘What is the face value today?’—or even ‘yesterday’—I will have to take it on notice and come back to you. I will seek the answer and give you whatever information.

Senator JOYCE—Mr President, I ask a supplementary question. It seems interesting, seeing what Senator Wong has already alluded to—

The PRESIDENT—Your question?

Senator JOYCE—It is with regard to policy rigour and not owning your portfolio. Apparently it is $106.9 billion if we can get that—and you do not know it. How does this deliver any sense—

Senator Ludwig—Mr President, I rise on a point of order. What we have heard is complete commentary before an attempt to even ask a question in relation to this. Senator Conroy provided the answer that he would take the question on notice. What we then experienced was a commentary on the question that was asked. I ask, Mr President, that you review the tape and have a look at whether that part of the question should not be encouraged so the opposition do not provide commentary in relation to a question.

The PRESIDENT—I have made comments previously about statements being made prior to a question, and they should not. I have deliberately tried to pull up a number of people on both sides today who have been making statements. Senator Joyce, continue with your question.

Senator JOYCE—Thank you very much, Mr President. It does refer to the money this nation owes and you would think that the person representing the Minister for Finance and Deregulation would actually know about that.

The PRESIDENT—The question?

Senator JOYCE—How does the fact that you do not know it deliver any sense of confidence to the Australian people over your government’s statement that you have an exit strategy that we will be in zero debt by 2022?

Senator CONROY—Senator Joyce, that question once again demonstrates the opposition’s complete chaos when it comes to fiscal management in this country. On one hand, you want to argue against the stimulus pack-
age and then, when we outline an exit strategy with a two per cent future increase, you start asking, ‘Where’s your exit strategy?’ Then you complain you do not see one. Well, Senator Joyce, this government has been engaged in prudent fiscal management. We have delivered this economic outcome because of the decisive and swift action that we took, which you opposed at every step. The chickens are coming home to roost for you, Senator Joyce—through you, Mr President—and the chickens are coming home to roost for those opposite. (Time expired)

Senator JOYCE—Mr President, I ask a further supplementary question. If the government is so decisive—

The PRESIDENT—The question?

Senator JOYCE—and if it is so much across policy rigour—

The PRESIDENT—The question, Senator Joyce?

Senator JOYCE—can the minister please allude to where the documentation is that shows this nation the exit plan of how we get ourselves out of this mountain of debt?

Senator CONROY—Let us just look around the world and see that Australia has become the envy of it because of what we have been able to achieve. It is not over yet. There are many pitfalls that could come our way. But let us be clear: international—

Honourable senators interjecting—

The PRESIDENT—Senator Conroy, resume your seat. When we have quiet we will proceed.

Senator CONROY—Let us be clear: we are not out of all the difficulties potentially at this stage. But international credit rating agencies have reaffirmed Australia’s AAA credit rating and they say that we have one of the strongest balance sheets in the advanced world. Standard & Poor’s say:

We believe the deficits and associated borrowings do not alter the sound profile of the country’s public finances.

Senator Joyce—Mr President, I rise on a point of order. I refer you to standing order 194, which goes to relevance. We have asked for a decisive answer—and you always use the adjective ‘decisive’, Senator Conroy—that takes us to where your exit plan is. Where is the exit plan, not the prattle?

Senator Ludwig—On the point of order, Mr President: Senator Conroy has been answering the question in a decisive way, unlike Senator Joyce in his question, where he did appear to be a little rambling at the beginning. So I humbly submit that there is no point of order and that Senator Conroy has been entirely relevant to the question that was asked.

The PRESIDENT—Senator Conroy, you have 14 seconds remaining in which to answer the question of Senator Joyce.

Senator CONROY—Thank you, Mr President. I could quote Standard & Poor’s, I could quote the IMF article No. 4 staff report, I could quote 21 Australian economists or I could quote the Reserve Bank Governor, where he says public finances remain in very sound shape—(Time expired)

Broadband

Senator POLLEY (2.57 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Can the minister update the Senate on recent developments in relation to the National Broadband Network? In particular, what progress has the government made in Tasmania, which has been prioritised in the rollout of the National Broadband Network? Can the minister explain why the government chose to start the National Broadband Network in Tasmania?

Senator CONROY—I thank Senator Polley for her ongoing interest in this issue on
behalf of all Tasmanians. On 8 April the Prime Minister, the Premier and I announced that Tasmania would be the first state to receive the National Broadband Network. This decision was based on the advice of the government’s independent panel of experts. The Australian government readily accepted that advice because of all the states and territories Tasmania has the lowest proportion of households with broadband, at just 39 per cent, compared with the Australian average of 52 per cent.

Senator Sherry—A legacy of the Liberals.

Senator CONROY—That is right, Senator Sherry. What a shameful legacy for all those opposite, particularly those from the state of Tasmania.

Opposition senators interjecting—

Senator CONROY—Shameful, Senator Barnett!

The PRESIDENT—Senator Conroy, address your comments to the chair.

Senator CONROY—My apologies, Mr President. On 16 July this year I announced with the Premier of Tasmania that we will establish a new company, TNBNco, to roll out and operate the National Broadband Network in Tasmania. TNBNco will be a subsidiary of NBNCo and will be jointly owned by NBNCo and Aurora Energy. On 25 July the Prime Minister announced Mr Doug Campbell would chair TNBNco. Mr Campbell has a wealth of experience in the telecommunications sector and I am very pleased he has agreed to take on this exciting challenge. The first stage rollout in Tasmania has already commenced. Aurora is conducting an open, competitive tender for fibre-optic cable. On 25 July the Prime Minister announced that nearly 5,000 premises in Smithton, Scottsdale and Midway Point would be the first to receive optical fibre broadband connections. Physical work will begin shortly. We will start digging trenches. (Time expired)

Senator POLLEY—Mr President, I ask a supplementary question. Is the minister aware of any commentary from experts on the importance of high-speed broadband for Tasmania and more broadly for Australia? In particular, what sorts of benefits can be expected to flow from areas where high-speed broadband has not been available, particularly in rural and regional Tasmania?

Senator CONROY—This is a very exciting development for Tasmania that will transform the state. I note the comments of Professor Larry Smarr, one of the fathers of the internet and an adviser to President Obama on the development of a US broadband plan. He said yesterday:

It is so fun to come over … from the United States and see an advanced country thinking strategically about its future and building a nation-building ... platform like the NBN.

He went on to say:

I think the United States is frankly going to be learning a great deal from Australia in the days to come about what it is like to be a 21st-century country.

Opposition senators interjecting—

The PRESIDENT—Order! Senator Conroy, resume your seat. When there is silence we will proceed.

Senator CONROY—I note that the Tasmanian government’s and our government’s decision to begin building in Tasmania concurs with the views of many of those opposite, Mr President, which may surprise you. (Time expired)

Senator POLLEY—Mr President, I ask a further supplementary question. I do note that Tasmania is going to lead the way.

The PRESIDENT—The question, Senator Polley.
Senator POLLEY—Can the minister confirm that following the announcement of the National Broadband Network the Liberal opposition leader in Tasmania, Mr Will Hodgman, expressed support for this investment in Tasmania, stating:

... I’m worried about the best interests of Tasmanians and we are supportive of the federal government investment.

To the minister’s knowledge, is this view widely held?

Senator CONROY—I note that the government’s decision to begin building in Tasmania concurs with the views of some opposition members. The shadow minister for broadband, Mr Bruce Billson, said:

I am calling on Senator Conroy to guarantee the people of Tasmania that they will be among the first in the nation to gain affordable new broadband services ...

And of course we have Senator Guy Barnett. He stated on 30 April:

The opposition welcomes Tasmania being the first state to access the network.

Government senators interjecting—

The PRESIDENT—Order on my right!

Senator CONROY—So let me be clear about this: we will start digging new trenches come October, we will start connecting the first homes come the end of the year and our objective is to turn on these new services come July next year. This rollout is the start of a— (Time expired)

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Hospitals

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (3.03 pm)—I want to take the opportunity to correct the record of a contribution I made on Thursday, 25 June 2009, in responding to a question from Senator Humphries. The transcript shows that I said the Rudd government was providing $750 billion to state and territory emergency departments. Clearly my Queensland accent substituted a ‘b’ for an ‘m’. The figure is of course $750 million, which will assist with blockages in our emergency departments. To clarify: I also referred in the same answer to a $10 million contribution by the Rudd government to the ACT to provide for elective surgery. This $10 million is to be provided under the government’s emergency department funding. The ACT government has received a total of $9.1 million under the first two stages of the Rudd government’s elective surgery strategy. I ask that the record reflects these corrections.

ANSWERS TO QUESTIONS ON NOTICE

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.04 pm)—Mr Deputy President, I draw the Senate’s attention to a series of questions to the Minister representing the Minister for Agriculture, Fisheries and Forestry which have not been answered within 30 days. I would ask that the minister provide an explanation or the answers within the next 24 hours.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

National Security

Senator JOHNSTON (Western Australia) (3.04 pm)—I move:

That the Senate take note of the answers given by the Minister for Defence (Senator Faulkner) and the Minister for Climate Change and Water (Senator Wong) to questions without notice asked by senators today.

Recent events have indicated that there is no higher responsibility upon the government of the day than national security. Sadly, this government has disclosed a clear attitude and
policy direction that is very soft on border protection. It has also disclosed a preponderance of softness on illegal immigration. What we have seen with respect to defence bases indicates that the government is also very soft on security at ADF bases around Australia.

The minister answered my question by highlighting that safe base threat levels went from Bravo to Charlie with respect to the matters arising in Melbourne, giving rise to the arrest and charging of several men related to alleged terrorist activities. What does moving from Bravo to Charlie actually mean? It simply means that the personnel at the gate of bases, particularly TAG/East, which is Holsworthy, began to conduct random vehicle checks and some random identity checks. I have to say that that causes me some considerable concern and I believe it causes all Australians some considerable concern. It follows that we are more than concerned—that is, we are very, very alarmed—that two journalists, following the publication of this material, simply wandered into Holsworthy and began, I think, to take photographs. It causes me some considerable alarm, that, notwithstanding the media publication of what was going on, we still did not respond to tighten up security.

The most important thing is when I and other members of parliament in the opposition receive emails and correspondence from soldiers saying that security at bases is substandard and that they are concerned. That is very, very important. Everybody now knows that security at Australian Defence Force bases is of concern. It is substandard. It is not adequate. Everybody except the Minister for Defence knows that.

Senator Jacinta Collins—That is absolute rubbish! You are such a hypocrite.

The DEPUTY PRESIDENT—Order! You will get your chance later.

Senator JOHNSTON—Holsworthy is not just any base; it is the home of TAG/East, the SAS equivalent on the east coast of our counterterrorist assault troops. If we cannot provide adequate security for that base, where are we? We are at a level of great concern with respect to what is happening here. This base contains a childcare centre. This entire story indicates a grievous problem with respect to understanding what is required to provide adequate security for military bases. I seriously hope the minister will engage in the debate regarding security at bases and will release the review being conducted.

Can I also say how concerned I am that al-Shabaab has not been put on the list of terrorist groups. Why the government has not proscribed this group absolutely worries me greatly. There must be some explanation for that. This group clearly is a problem. The United States says it has distinct links to al-Qaeda. The group was recently involved in kidnapping two French intelligence officers in Somalia. Why this group, having clear links and a nexus to these persons and the evidence giving rise to these arrests in Melbourne, has not been proscribed is an unanswered question that must cause everybody concern. What is going on? We have seen cutbacks in Customs, we have seen cutbacks in Australian Federal Police counterterrorism and we have seen a movement away from strict immigration policies. This government says the right things but does nothing. (Time expired)

Senator MARK BISHOP (Western Australia) (3.10 pm)—This government has a number of clear and major successes on the table resulting from its hard work over the
last 18 months, since it was elected in late 2007. In no particular order I refer to pension fairness, economic management, successive stimulus packages and education grants. There is work in progress going on in critical areas that were deliberately ignored by the previous government in the area of broadband and climate change. Those matters are all well known, and they are all on the public record and open to public discussion and debate. One area where this government can claim a great deal of credit—and it really is unsung—is its attention to the area of national security, defence and military procurement. In those areas, generally under the heading of ‘national security’, this government has gone quietly and effectively under a range of ministers and parliamentary secretaries to reform the dog’s breakfast that had been created and sustained by the previous government over a period of some 10 or 12 years.

Senator Johnston referred to matters relating to national security and pinpricked one or two matters that have been in the press in more recent times. What he did not address, what he did not discuss, was this government’s commitment to military spending, to defence reform, and the publication of the defence white paper some two months ago to almost unanimous approval amongst those people who take part in debates around defence, national security and military matters.

Senator Johnston referred to national security and some minor cuts in defence outlays, border protection and immigration. What are the facts that need to go on the record on Australia’s national security and the protection of Australia’s borders? What does this government say, what funds does it allocate and what are its areas of priority in protecting and advancing Australia’s national security and protecting our borders? Firstly, we say without equivocation that protecting Australia’s national security and the integrity of our borders is the highest responsibility of the national government, without exception. Even in a global recession the government have continued to invest in protecting our borders and strengthening our national security. As the Prime Minister said in his national security statement to the House of Representatives last year, the Rudd government have a long-term national security reform agenda and have been clear in our national security policy framework now and into the future.

What are those elements of our national security plan and national security policy framework? They go to defence matters, particularly the white paper, and remedying the huge problems we have in procurement. We were paying tens and tens of millions of dollars for items one after another that were delivered late, not on time or without the capability that government had contracted for and expected. Secondly, in the area of defence reform, we have paid an enormous amount of attention to remedying the black hole of people choosing not to join the armed forces. In Army and in Air Force, particularly, recruitment and retention rates have gone through the ceiling and we are hitting all of our targets. Navy is significantly improving as well. In the area of national security and border protection, the government provided more than $1.3 billion over six years for non-defence national security, border protection and anti-people-smuggling measures in the 2009-10 budget. This included—listen to it—$654 million for a whole-of-government strategy to combat people-smuggling and strengthen border security, the precise matters that Senator Johnston criticised. (Time expired)

Senator TROOD (Queensland) (3.15 pm)—There is one point in his contribution to this debate on which Senator Bishop and I might agree, and that is that the highest responsibility of government is protecting its
citizens from danger and from threat. That is the responsibility of government. In the area of national security, the manifest threat, Senator Bishop, has for a long while been—and remains so, as we have seen from recent events—that of international terrorism. In your contribution to this debate today, you barely could mention the word. Senator Wong, the Minister representing the Attorney-General, came into the chamber this afternoon for question time and she clearly was not prepared for the questions which were likely to be raised with regard to counterterrorism. She struggled to answer the questions that were put to her from this side of the chamber. She had absolutely no idea about the issues that needed to be addressed.

What a contrast with the way in which the former government addressed this problem. There was a comprehensive counterterrorism policy for almost the whole period that the Howard government was in office. There was increased expenditure on counterterrorism activities. In 2004 the government released a counterterrorism statement to make its position clear. There was active work with our neighbours through bilateral engagement on counterterrorism activities, including a very successful program of building the capability of the Filipinos and the Indonesians to deal with this need. We worked with our neighbours diligently and conscientiously on this problem. Of course, as Senator Brandis mentioned in his question to the minister today, there was a comprehensive revision of the antiterrorism laws in this country so that in the domestic arena we were prepared to deal with the challenge which now confronts us. We were dedicated to what might be called a clear and present threat.

What a change occurred on 24 November 2007. That date is significant because that is the date on which the Rudd government won office. From that date there was a fundamental change in the government’s attitude towards the danger of terrorism. It essentially became an issue of almost no importance to this government. There was a conscious movement of priorities. Mr Rudd, who sets the agenda on foreign policy, national security and just about everything else that the government does in this arena, decided that the priorities were elsewhere. He decided that the government ought not to be focusing on the issues that threatened the lives of Australia’s citizens—as, sadly, we recently witnessed in Jakarta. He decided that our foreign policy agenda should focus on pretty well everything else. He decided we should focus on gaining a seat on the United Nations Security Council. We ought to focus on an Asia-Pacific community. We ought to put forward $9 million for an international commission on disarmament and arms control. We ought to focus on rejigging the international financial framework through the G20. Apparently the government’s real focus ought to be on spending $13 million on opening a new embassy in Rome for the Holy See. That is where this government’s priorities have been. They have been nowhere near what is widely recognised as the main threat that faces this country and its citizens—the threat of global terrorism.

Senator Bishop mentioned the white paper. What a good idea that was. In 200 pages, there was half a page devoted to the issue of terrorism and no funding and no commitment to deal with it. Now, as a result of these recent events, we arrive at a situation where the government has been caught short. It has failed to deal with this issue. (Time expired)

Senator JACINTA COLLINS (Victoria) (3.20 pm)—I appreciate this opportunity to follow that tripe presented to the Senate by Senator Trood. What has been discussed today by members of the opposition amounts to nothing more than scaremongering to divert attention from the critical issues of the day. We saw in the questions asked during
question time that the scaremongering from this opposition, which is trying to divert attention from the debate around the CPRS and from its problems in other areas such as the OzCar scandal, is aimed at an area we should not be politicising at all.

Defence based security should not become an area for a cheap political point-scoring. I was brought up on Defence Force bases and I can tell you that the cheap point-scoring I heard today about security of and access to Defence Force bases is outrageous. It was suggested that there were emails coming to the opposition about the quality of that security, when every Defence Force officer knows these are not issues for public debate. They understand that security is compromised if details such as those raised by Senator Johnston about random searches or the method of operating security become matters of public debate. Defence Force personnel understand the issues that the opposition clearly does not in this area.

Let us look at the credentials of what they have put forward today. The defence security committee visited Holsworthy shortly before the current incident. On entering Holsworthy on 5 June, we did not hear concerns from Mr Baldwin about the problems and the issues he believes should be addressed. No, we only hear them now, opportunistically raised after the recent incident. What is worse is the suggestion that the opposition is receiving emails from people highlighting these problems—but of course no clear substance at all is presented.

What the public also does not know is that the opposition cannot reach a consensus in its views about the issues associated with Defence Force base security. We had the opposition defence, science and personnel spokesperson, Mr Baldwin, quoted in the *Australian* on 5 August saying:

> Now is the time to be proactive. Events overnight have shown that now is the time to introduce armed defence personnel to guard our bases.

But then we have the shadow defence minister, Senator Johnston, saying to Ten News on the same day, ‘I don’t want to see defence personnel running boom gates.’ The shadow defence minister and the shadow defence personnel minister clearly need to get their act together, and they need to get their act together before they try and politicise this issue in the way they have in the chamber today. It is clearly cheap political point-scoring in an area it is critically important we do not politicise. National security and dealing with terrorism are indeed areas that we cannot afford to politicise in the way this opposition is seeking to do.

Let me deal with the substance of the matters about defence base security. Defence has acted appropriately and initiated an immediate review into defence base security, which will report quickly and identify whether any changes need to be made. It was the case that soldiers used to man the gates of our bases. This changed during the period of the Howard government. The view reached then was that our soldiers could be better used doing the work of soldiers, not opening and closing entry gates. Defence started contracting out base security from 1997 to 1999. The move stemmed from the Defence Reform Program initiated in 1997 to implement the recommendations of the Defence Efficiency Review, which investigated market testing and outsourcing as one means to increase the proportion of military personnel employed in the sharp end of combat and combat related positions. The Commercial Support Program proposed the contracting out of support functions where this was operationally feasible, practical and cost-effective. Let us remember that we have 1,200 contractors guarding our military establishments, freeing up defence personnel to train and deploy; in contrast,
Australia currently has just over 1,300 troops in Afghanistan. Those troops deserve our support. They do not deserve cheap politicising of issues around defence base security, and this is what this opposition has been doing.

Senator KROGER (Victoria) (3.25 pm)—I would like to agree, for once, with Senator Collins and suggest that our troops do need our support. They need our support in every way possible. I would firstly like to go back to some comments that Senator Bishop made assuring us of the government’s attention to national security and defence and about the development of the white paper and the government’s commitment to military spending and reform. I applaud Senator Bishop’s personal and genuine interest and commitment in this area, but I would have to suggest when he says that they also have an ongoing commitment to border protection he is erring on the side of farce. Since this government has been in place, we have had some 24 boats holding some 1,155 illegal entries enter the waters surrounding Australia. So I would suggest that facts actually speak louder than words.

So it is today in relation to the Holsworthy barracks. This was no mere security concern. This was a significant imminent terrorist threat on our own ground, in our backyard, here in Canberra. We were all horrified when we woke up and heard on the radio what had happened and who had been working in our midst—terrorist cells in our midst in Victoria and in New South Wales. So I ask you to just for a moment imagine the horror of those service personnel at the Holsworthy barracks when they turned on their radios and heard about an imminent threat to their base. These are men and women who have chosen the most honourable, laudable career: to serve this country and protect the rights, freedoms and liberties that we all enjoy. How doubly appalled would the mothers and fathers amongst them have been when they woke up to hear that news. Many of these people have chosen to place their children in child care on that base. It would be reasonable for them to presume that this would be the safest and most secure place their loved ones could be cared for.

At the Little Diggers Child Care Centre at the Holsworthy barracks there are some 49 little ones who are cared for, from 6.45 in the morning to six o’clock at night. Some of them are babies—19 of them are between a few weeks and three years of age—and the 20 others are between the ages of three and five. How horrified those parents would have been that this childcare centre, which is in the heart of this base, that is caring for their young ones, was also at threat. Amongst the different bases, there are close to 500 children. I raise this because these bases are not only looking after and delivering intensive training for our specialist forces but also caring for the young ones of these families that are dedicating their lives to protecting our rights. Across the bases—and there are some nine bases across the ACT, New South Wales and Victoria—there are close to 500 young children who we have to keep in mind, whose futures and lives are in our hands.

So it is not politicising it, as Senator Collins just said, to question what the security arrangements are on these bases. It is not politicising it to follow up on what Senator Johnston questioned, which was the upgrading of the threat level from Bravo to Charlie. It is not politicising it; it is what these people deserve and should expect. It is what we should be doing, and we should be doing it to protect our own families and our serving men and women. Senator Collins said that there was no evidence that there was anybody within the armed forces who had raised concerns. I would like to direct her to comments to the national president of—  
(Time expired)

CHAMBER
Question agreed to.

Climate Change

Senator MILNE (Tasmania) (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 Milne today relating to the Pacific Islands Forum and climate change.

I think this is a critical issue that all Australians need to understand and observe because when you see how Australia bullied the Pacific island nations at the Pacific Islands Forum held in Australia recently you will understand where Australia is going in Copenhagen. I have made it very clear that, once Australia adopts very weak targets, it will go to Copenhagen and it will undermine the rest of the world seeking higher and more ambitious targets. That is precisely what happened with the Pacific Islands Forum.

The small island nations of the Pacific have been saying for some time that they are drowning in their own backyards. We have seen sea level incursion into their freshwater systems. We have seen internal migration. We have seen the loss of their ability to grow taro. For example, at the moment on the Cartier Islands half their land area has been wiped out. We have got crises from extreme weather events and we have countries like Tuvalu saying they can no longer stay and they have to find somewhere for their people. You have the Marshall Islands, Kiribati and Niue. All of them were in Australia at the Small Islands States group meeting and the Pacific Islands Forum. They were saying that they expect developed countries like Australia to adopt a 45 per cent reduction on 1990 levels by 2020. But what came out of the Small Islands States meeting? No communiqué. They always put out a communiqué. Why didn’t they put out one here? Because Australia was the secretariat and Australia obviously bullied those countries.

The Pacific Islands Forum was then held. Australia was a participant and the Prime Minister was the host. The minister today acknowledged that at the leader’s meeting, where they worked out the communiqué, Australia’s role was to try and get consensus across the groups. We know that all of the Pacific island nations want much stronger targets and they all want 350 parts per million as an atmospheric concentration, so how is it that in the communiqué from the Pacific Islands Forum we did not get a reference to a 45 per cent reduction from developed countries by 2020? There was no reference to 2020 and—what a surprise!—they came out with a bland statement that happened to coincide with Australia’s targets. The minister today says they were seeking a consensus. That only means either Australia or New Zealand—or both—blocked consensus on getting higher targets.

Look at what will happen in Copenhagen. We will see precisely the same. Australia will be there chairing the umbrella group, undermining the rest of the world getting higher targets. If we legislate for these weak targets, they will argue that they have a mandate from the parliament of Australia and cannot go any higher than 25 per cent—and even that is so conditional that I do not believe that is even on the table. And all those people who are sitting at home saying, ‘Oh well, something is better than nothing,’ should look at what Australia did to the Pacific islands in the last fortnight and understand that is what Australia will be doing.

Today in the parliament we had the Sherpa who has the record for the fastest climb of Mount Everest saying that already in Nepal they have massive ice melt from the glaciers. What is happening is that small glacial lakes are forming and they are bursting, going
straight down the valleys and wiping out villages, causing major mudslides and so on. They are saying they want a 50 per cent reduction from developed countries by 2020 because their lives are on the line. They are also pointing out that one billion people in Asia depend on the ice melt—when the snow captures freshwater and melts over the course of the year. Without it, you will see water shortages in the major rivers of Asia affecting a billion people. We are talking about the Ganges, the Yellow and the Brahmaputra. We are talking about a massive loss of food and water security. And last weekend we had reports from South America about the glacial retreat there.

We are burying our head in the sand if we think that Australia can get away with insulting the rest of the developing world by saying, ‘We will only do five per cent, and 25 per cent conditional, and the rest of you can just do what you like. But we are not going any further.’ What that simply means is—(Time expired)

Question agreed to.

CONDOLENCES

Private Benjamin Ranaudo

Senator FAULKNER (New South Wales—Minister for Defence) (3.36 pm)—by leave—I move:

That the Senate records its deep regret at the death, on 18 July 2009, of Private Benjamin Ranaudo, while on combat operations in Afghanistan, and places on record its appreciation of his service to his country, and tenders its profound sympathy to his family in their bereavement.

I have met many men and women of the Australian Defence Force and I am always impressed with their professionalism and courage. And Private Benjamin Ranaudo, whose life and service we honour today, was himself a brave and dedicated soldier.

He joined the Army over three years ago and had previous operational experience in East Timor. Private Ranaudo was a popular and valued member of the Townsville based First Battalion Royal Australian Regiment and he was serving with the Mentoring and Reconstruction Task Force on his first tour of duty in Afghanistan at the time of his death. On 18 July this year, Private Ranaudo was killed by an antipersonnel explosive device during a cordon and search operation in the Baluchi Valley, some 25 kilometres north of Tarin Kowt. The same blast that claimed the life of this fine soldier also injured another Australian serviceman and three innocent Afghan civilians—and our thoughts are with them as they recover from their wounds.

Private Ranaudo’s career record speaks of a professional young man, very well trained, with an extraordinary array of completed courses. I have heard how highly skilled an infantryman he was—someone who always put his mates first, who was a pleasure to be around and who displayed the true qualities of an Australian soldier. All of us in this chamber know that we are, in Afghanistan, engaged with the international community in a very challenging campaign. Our troops in Afghanistan are doing a dangerous and difficult job. As we remember Benjamin Ranaudo today—the 11th member of the ADF to be killed on active duty in Afghanistan—that danger is brought home to us. Today, as we offer our sympathy to Benjamin Ranaudo’s family and friends—and of course as we offer our support to them as well—we say to the family and friends of servicemen Sergeant Andrew Russell, Trooper David ‘Poppy’ Pearce, Sergeant Matthew Locke, Private Luke Worsley, Lance Corporal Jason Marks, Signaller Sean McCarthy, Lieutenant Michael Fussell, Private Greg Sher, Corporal Mathew Hopkins and Sergeant Brett Till that we have not forgotten you, either. We have not forgotten the brave Australian soldiers whom you and we have lost in the fight against the Taliban.
For our troops in Afghanistan, danger is an everyday reality. They face it with the courage and the dedication that is the hallmark of the Australian Defence Force wherever they may be. The continued use of mines and improvised explosive devices by the Taliban is an insidious part of this insurgency. These devices, by their very nature, are designed to kill and to maim indiscriminately. IEDs are responsible for a substantial number of civilian and ISAF casualties each month in Afghanistan. And as competent, careful and professional as our soldiers are, IEDs are a constant danger.

Our hearts are very much with the family of Private Benjamin Ranaudo. I spent some time with them at the ramp ceremony and the funeral service. Both occasions were very moving and great tributes were paid to Private Ranaudo, not only by his family but also by those who served alongside him. On behalf of the government I offer my very sincere sympathy to his family—his mother Jennifer, his father Angelo and all of his brothers and sisters. It is a very sad and extraordinarily difficult time for them. I can only hope that they do find some comfort in the recognition that the Australian parliament is giving to Private Ranaudo today.

Senator MINCHIN (South Australia) (3.43 pm)—On behalf of the coalition, I rise to support the motion moved by Senator Faulkner and to join with the government in expressing our sincere condolences to the family of Private Benjamin Ranaudo, killed on operations in Afghanistan on 18 July. As Senator Faulkner has said, Private Ranaudo was killed by one of these—as he properly described them—absolutely insidious improvised explosive devices while on operations north of Tarin Kowt. And that incident also resulted in very serious injuries to another Australian soldier, Private Paul Warren, as well as, tragically, Afghan civilians. That just shows the depths to which the Taliban will go—to kill their own fellow citizens. Senator Faulkner has properly reported to the Senate on Private Ranaudo’s membership of the Mentoring and Reconstruction Task Force—a great initiative of the ADF in Afghanistan.

He was only 22 years old. I have a 23-year-old son, and it strikes you how young these soldiers are and how tragic it is that the 60-odd years of life Private Ranaudo might have otherwise had have been denied him. His parents have described him as ‘a proud soldier’ who ‘believed in what he did’, which is very, very important. Our thoughts are with his parents during what must be a dreadful time for them. The Chief of the Defence Force, Air Chief Marshall Angus Houston, has described Private Ranaudo as: ‘a professional soldier who served enthusiastically and with distinction … dedicated to his career as a soldier and committed to the profession of arms.

There could be no better statement than that. The 2nd Mentoring and Reconstruction Task Force Regimental Sergeant Major, Warrant Officer Class One Darren Murch, described Private Ranaudo as ‘a highly skilled infantryman’ who ‘always put his mates first’ and ‘displayed the true qualities of the Australian soldier’.

This reminds us, as Senator Faulkner properly said, of the enormous challenges that all coalition forces are facing in Afghanistan. Private Ranaudo was the 11th Australian soldier to die proudly fighting for what we believe in and for Australia’s interests against this dreadful terrorist threat. In fact, it is an enormous credit to the ADF that our losses are so relatively light in what is a dreadful war zone. I think we can all be proud of the ADF and what it is doing.

Private Ranaudo’s parents, very importantly, said in their statement that they prayed that Benjamin’s death and the other 10 Australian fatalities in Afghanistan will
not be in vain. I think that is very important. We join with the government in the resolve to ensure that Afghanistan does not fall back into the hands of the Taliban. We acknowledge the important role we play in ensuring that. As a member of the cabinet that first committed Australia to action in Afghanistan, I say that it is absolutely imperative that Australia not lose its nerve as a nation. The consequences of failure in Afghanistan, in my view, would be disastrous. I commend the government for its deep commitment to this cause. We respect the service of all Australian men and women in Afghanistan and the enormous sacrifice that they make.

We also send our best wishes to Private Paul Warren and his family. I gather he has returned to Australia following the very serious injuries that he suffered. We wish him all the very best for his rehabilitation. We acknowledge and thank him for his courageous service in Afghanistan, and our thoughts and prayers are with him in his rehabilitation. Of course, our thoughts and prayers are also with the family and friends of Private Ranaudo. I want to emphasise our support for all the families of defence personnel serving abroad. We appreciate that they are serving Australia with great distinction and we acknowledge the enormous dangers that they face.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (3.47 pm)—I rise to briefly concur with the remarks of Senator Faulkner and Senator Minchin and the remarks that will no doubt follow. It is terribly important that we recognise that the death of Private Benjamin Ranaudo was not in vain. At 22 years old, as Senator Minchin pointed out, his life was in front of him. He made the supreme sacrifice for his nation, but his family, Angelo and Jennifer and his sisters, should realise that we acknowledge completely that he engaged in a battle in Afghanistan so we do not have to engage in it here. The families of the people who go forward must always realise that we hold them in the highest respect for their supreme sacrifice and that we recognise that it is their sacrifice that keeps our nation safe. That supreme sacrifice shows their love for our nation. They engage in battles that would be terrifying to so many and they make the sacrifice. Every time it happens we must do our utmost to recognise that.

To his colleague Private Paul Warren, we pray for your speedy recovery and acknowledge also the impairments that you have suffered because of your sacrifice to our nation. To the three other civilians who were proximate, we obviously keep you in our thoughts as well. To his colleagues in 1RAR, we acknowledge the great work that you have done and continue to do in the 2nd Mentoring and Reconstruction Task Force. We acknowledge you all the time, and this chamber will never, ever put aside the sacrifice that all of you make, often with your lives. We will today show that in this chamber and let you know that we keep you in our thoughts and our prayers.

Senator MILNE (Tasmania) (3.50 pm)—The Australian Greens join with the government and the coalition, and the National Party as part of the coalition, and all other components of this Senate in supporting the condolence motion for Private Benjamin Ranaudo. We honour his bravery and his courage and we are humbled by his ultimate sacrifice in pursuit of global peace and security. We extend our profound sympathy to his family and his friends in their bereavement.

Senator FIELDING (Victoria—Leader of the Family First Party) (3.50 pm)—I add to the remarks of others in the condolence motion on behalf of Family First. Private Benjamin Ranaudo was a 22-year-old from Ferntree Gully in Victoria, very close to my neighbourhood. I did speak directly with his
father to share our condolences. I think it is important that the Senate and indeed Australia acknowledge and reflect upon the death of any Australian who puts their life at risk for our freedom. Private Ranaudo paid the highest price for his courage, loyalty and commitment to the ideals of freedom. We can be humbled and proud of Private Benjamin Ranaudo.

Our sincere condolences go to his parents and sisters and also his girlfriend, who would also be devastated by the loss. According to Brigadier Stuart Smith, Ben had ‘a reputation as a young man of decency and goodness with a strong regard for the feelings of others’. We stand with the family. Our thoughts and prayers are with his family and friends for the loss of Private Benjamin Ranaudo.

Senator JOHNSTON (Western Australia) (3.52 pm)—As opposition spokesman on Defence I want to support and adopt all of the words and sentiments of all senators with respect to the death of Private Benjamin Ranaudo. May I particularly adopt the words and sentiments of Senator Faulkner and my leader, Senator Minchin.

I did attend the funeral of Private Benjamin Ranaudo in Melbourne some weeks ago. This was a very fine 22-year-old private. He was an outstanding soldier. May I also go on to say he was an outstanding Australian. I extend my heartfelt condolences to Benjamin’s family and to his girlfriend, Hayley. He was on deployment in Afghanistan, a very dangerous place. He was away from family and friends yet was with his brothers in arms. He was a most honourable young man. I say to his family that his sacrifice will never, ever be forgotten.

Question agreed to, honourable senators standing in their places.

Private Edward (Ted) Kenna VC
Senator FAULKNER (New South Wales—Minister for Defence) (3.54 pm)—by leave—I move:

That the Senate records its deep regret at the death, on 8 July 2009, of Mr Edward ‘Ted’ Kenna, Australia’s last VC winner of World War II, and places on record its appreciation of his service to his country, and tenders its profound sympathy to his family in their bereavement.

Ted Kenna was a man who epitomised the values that Australians hold important. He was courageous yet modest, determined yet selfless; he was a mate and a team player. Those who knew him have spoken of how those qualities stayed with Ted Kenna throughout his life. The incident for which he won the Victoria Cross was only the most famous example.

In May 1945, the Australian 6th Division was engaged in clearing the Japanese from their defensive position south of Wewak air base on the northern coast of Papua New Guinea. The 2nd/4th Battalion, which included Ted Kenna, was ordered to clear the Japanese defenders away from the Wirui mission. The mission stood on a steep, 300-foot high grass-covered spur. By nightfall on 14 May the spur had been cleared but for machine gun bunkers on the north-west slopes. On the next morning the 2nd/4th moved against them. The Japanese resistance was fierce. Little progress had been made and several Australians had been hit. Private Kenna stood up and, at a range of only 50 yards, engaged one of the bunkers with a Bren light machine gun. Failing to subdue that bunker before emptying the magazine, he borrowed the rifle from a mate beside him, Private Rau, and silenced the enemy machine gun with four aimed shots. All the while, the Japanese machine-gunned him from very close range. Private Kenna then turned his reloaded Bren gun on to another
bunker, about 70 yards further on, and silenced it. His courage and selfless actions enabled the position to be captured without further delay. Three weeks later, unfortunately, he was badly wounded in the face. Fortunately, in the hospital he was nursed by Marjorie Rushbury, who was to become his wife of more than 60 years. After the war he returned home to Hamilton, Victoria, where he was born and where he lived with Marjorie until they moved into a nursing home in Geelong. He worked at the local council and played for the local footy team. He was active in Army reunions and has led Melbourne’s annual Anzac Day march.

With the passing of Ted Kenna VC we have lost one of the links to a part of our history, to a time when many, many Australian men, some very young, some not so young, set down the tools of their trade—in Ted Kenna’s case, it was a plumber’s wrench—and picked up rifles, becoming soldiers at the time of their country’s greatest need. They faced terrible dangers, appalling conditions and at times absolutely overwhelming odds. And they achieved remarkable things. At the end of it, those fortunate enough to survive came back to the towns and cities, the suburbs and farms of Australia and did their best to pick up the pieces of the lives they had set aside.

Ted Kenna was one of the most recognised and famous of those men. But he told those who interviewed him over the years that he wore his VC not for himself but, in the words of his daughter Marlene Day, because, he said, everyone contributes to those sorts of things. That says a great deal about the kind of man Ted Kenna was. Recognised for his individual bravery for acting to defend his mates, he wore his medal on behalf of those mates. Journalists who interviewed him quickly learnt that Ted Kenna’s own choice for the action highlight of his life was, apparently, kicking the winning point for Hamilton in the last seconds of their 1947 footy grand final. We may beg to differ on that, and we probably do. Today, as we offer our deep sympathy to his family and our gratitude for his contribution, let us also remember that Ted Kenna VC was—as well as for a few short years an extraordinary soldier—for many years a husband, a father and a mate.

Senator MINCHIN (South Australia) (4.01 pm)—I am pleased on behalf of the opposition to support the motion moved by Senator Faulkner and express our sincere condolences on the passing of Private Ted Kenna VC. As Senator Faulkner noted, he was our last surviving VC recipient from World War II. We pay tribute to his service to our nation in the armed forces and his long and successful life. The fact is that he died just two days after his 90th birthday. As a senator whose father is a RAAF World War II veteran who has just celebrated his 90th birthday, I am particularly pleased to be able to support this motion. I hope that my father lasts for a lot longer yet.

As we know, the Victoria Cross is awarded for extraordinary acts of valour and bravery. Ted was awarded the Victoria Cross for his gallant action in New Guinea in 1945 when he exposed himself to heavy fire, killing a Japanese machine-gun crew and facilitating the success of his company’s attack and capture of an enemy bunker. The citation for his VC is interesting. It states:

The result of Private Kenna’s magnificent bravery in the face of concentrated fire, was that the bunker was captured without further loss, and the company attack proceeded to a successful conclusion, many enemy being killed and numerous automatic weapons captured.

There is no doubt that the success of the company attack would have been seriously endangered and many casualties sustained but for Private Kenna’s magnificent courage and complete disregard for his own safety. His action was an
outstanding example of the highest degree of bravery.

He was a very deserved recipient of the VC.

He had, as Senator Faulkner noted, enlisted with the AIF in 1940. He was discharged in 1946 after his period in hospital where, as it was noted, he met his wife, Marjorie, whom he married in 1947. He was always described as very modest about his VC. His daughter Marlene said that he was proud to wear it but, ‘He wears it for every solider, because he says everyone contributes to these sorts of things.’ RSL historian Keith Rossi told the Geelong Advertiser:

He was one of our favourite sons. He was a good guy, we liked him as a person. He was a humble man.

Indeed, one of the remarkable characteristics of Australia’s World War II veterans—who regrettably now are much diminished in number—is their innate humility about the remarkable service that they gave our country.

Being awarded a VC is an extraordinary honour. It is very sad to lose the last, but it is great to have this opportunity to pay great tribute to Ted Kenna for his contribution to our nation. We offer our sincere condolences to his wife of 62 years, Marjorie, and their children and their families upon his passing.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.04 pm)—I concur with the remarks of Senator Faulkner and Senator Minchin. There is nothing more that can be added to what was said by those two gentlemen. I hope that the family of Ted Kenna gets some comfort from those words. The attributes that some people show on the battlefield are remarkable. But sometimes what is even more remarkable is that they come home to live an ordinary life and to love life as an ordinary person. ‘For Valour’ is the inscription that is on the Victoria Cross. Obviously, Ted proved that without any question. The engagement in Papua New Guinea saved Australians from having their homes and hearths occupied by the enemy forces. Those who fought there were a remarkable group of people. As Ted said, he wore his VC for all those who were part of the action that saved our nation from succumbing to the enemy. We recognise that at this time of his passing. We will never forget the sacrifice that was offered by Ted and which was paid by so many others. Because of their sacrifices we have the benefit of sitting in this chamber today.

Senator MILNE (Tasmania) (4.05 pm)—I rise on behalf of the Australian Greens to support this motion of condolence for the life of Private Ted Kenna. I join in expressing our gratitude for and tribute to his bravery. It is no small thing to be the recipient of the Victoria Cross and especially for fighting in the defence of our country, as fighting on the last line of defence in New Guinea was at that time. We also join parliamentary colleagues in extending our sympathy to his family in their bereavement.

Senator FIELDING (Victoria—Leader of the Family First Party) (4.06 pm)—I rise on behalf of Family First to also support this condolence motion for Private Ted Kenna. As we heard, his acts of absolute bravery during a machine-gun attack in Papua New Guinea back in 1945 did not go unnoticed. He was a Victorian resident. Our sympathies are with his wife. Three weeks after his act of bravery, he was injured. It is interesting to note that Private Ted Kenna met his wife in hospital, where she nursed him. They were married for more than 60 years. He was a Victorian resident. Our sympathies are with his wife. Three weeks after his act of bravery, he was injured. It is interesting to note that Mr Kenna’s extreme bravery and we ac-
knowledge him as the last of the World War II VC recipients.

Senator JOHNSTON (Western Australia) (4.07 pm)—May I also support and adopt all of the speakers’ comments with respect to Ted Kenna. I particularly adopt the sentiments of Senator Faulkner and my leader, Senator Minchin. Ted Kenna served in the Citizen Military Forces prior to enlisting in the AIF. He came to our service as a soldier at our most desperate of times. I think we should pause to remember that it was in the dark days of 1941-42 that men like Ted Kenna delivered us to the bounty we have today.

All Australians honour his passing. His extraordinary courage and his legacy and dedication will never be forgotten. His legacy and valour was an inspiration and continues to be an inspiration to us all. His actions while serving in New Guinea epitomise the characteristics all soldiers strive for: bravery, loyalty and determination. Our thoughts and prayers are of course with Ted’s family at this time.

Question agreed to, honourable senators standing in their places.

Mr Nathan Verity
Mr Garth McEvoy
Mr Craig Senger

Senator CHRIS EVANS (Western Australia—Leader of the Government in the Senate) (4.09 pm)—by leave—I move:

That the Senate records its deep regret at the deaths in Jakarta on 17 July 2009, of Mr Nathan Verity of Western Australia, Mr Garth McEvoy of Victoria and Mr Craig Senger of the Australian Capital Territory, and tenders its profound sympathy to their families and friends in their bereavement.

On 17 July at around 7.45am, Jakarta time, explosions ripped through the lower floors of the JW Marriott and Ritz-Carlton hotels in Jakarta. It has become clear that the cause was two bombs exploded by terrorist suicide bombers. Nine people lost their lives as a result of the explosions. Three of them were Australians who were active in the Jakarta business community: Mr Nathan Verity, 38, who ran his own human resources business in Jakarta; Mr Garth McEvoy, 55, who was a Thiess executive based in Jakarta; and Mr Craig Senger, 36, who was an official with the Australian Trade Commission. Another Australian, Mr Scott Merrillees, was injured in the bombings. All were going about their normal business attending a regular business breakfast meeting at the JW Marriott Hotel. I am sure there are a number of people in the Senate who have addressed such meetings in Jakarta. I have certainly spoken to the business community there and I am sure members of the Howard government did as well. It is part of the normal life of Jakarta and of doing business in Jakarta. We mourn the loss of each of these three Australians.

I note that Craig Senger is the first Australian civilian official to be killed in a terrorist attack in the line of duty. Craig was a highly regarded trade commissioner at Austrade. Colleagues have spoken movingly of Craig as a man with an extraordinary spirit. In the words of Tim Harcourt at Austrade, Craig was a man who was a ‘joy to the world’. He worked tirelessly as an official to build links between Australian businesses and overseas markets. He was an Australian who made exceptional contributions to his local community, whether that was in Canberra, Sydney, Jakarta, New Delhi, Moscow or Milan. It brings home to us the full human impact of the events of 17 July and obliges us to recommit to the task of stemming the scourge of terrorism in our region.

I also acknowledge that the loss of a colleague—and a well respected one at that—was another tremendous blow to the staff of the Australian embassy in Jakarta. In recent years the Jakarta embassy has had to deal
with and endure the bombing of the embassy, the Bali bombings and the terrible plane crash that occurred in Indonesia leaving so many badly injured and killed. They have had a really rough few years while serving this country. Their strength and professionalism has been remarkable. Their commitment to the needs of Australians in Indonesia has been exemplary and among the finest traditions of the Australian Public Service. The officials in our embassy remain determined to carry out their functions and refuse to be cowered by terrorism. We are grateful and we acknowledge the strain that this places on them and on members of their families. On behalf of all senators I would like to pass on to Ambassador Farmer our support for their work and our regard for the work they have been doing. We congratulate them on the tremendous way in which they have dealt with the enormous amount of tragedy that has confronted that embassy and its staff.

The daughter of one of my senior staff members in my own department had to flee the building and suffered slight injuries when she had to leave. It really brought home to me the danger to my staff and the impact on them and their families. His daughter was just visiting at the time. It is part of what we now ask our senior Australian Public Service staff to do when serving us overseas. I think it is important that we acknowledge the impact on them and their families and give our support to them. In doing so we acknowledge the enormous loss and hurt that Craig Senger’s family are feeling.

As we grieve for our own citizens we also remember the devastating impact of the terrorist attack on our friends in Indonesia and those from other nations who were caught up in this violence. The Australian government extends its sympathy and condolences to the people and government of Indonesia and to the people and governments of New Zealand and the Netherlands, who also lost citizens in the bombings.

These terrorist attacks are attacks on us all. We are united in our efforts to counter them. Australia stands shoulder to shoulder with the Indonesian government in its struggle against those who perpetrate these outrages. In the days after the bombings the Prime Minister, Mr Rudd, spoke to President Yudhoyono to extend his personal condolences to the people of Indonesia and to offer all practical assistance in finding and bringing to justice the perpetrators of the bombings. The Minister for Foreign Affairs, Mr Smith, accompanied by the National Security Adviser and Australia’s Ambassador for Counter-Terrorism, travelled to Jakarta on 18 July and extended this offer in person to Indonesia.

Indonesia has had success in recent years in bringing terrorists to justice and we have great confidence that they can do so again. The government applauds the work of Indonesian authorities over the past weekend, which has resulted in the arrest of a number of alleged terrorists and the disruption of planned terrorist attacks.

The Prime Minister spoke to the Indonesian President over the past weekend to assure him of Australia’s continued support and to discuss the Indonesian government’s operations of recent days. The Indonesian President briefed the Prime Minister on the operations and informed him that the government of Indonesia is unable to confirm at this stage whether Noordin Top—who is believed to be behind the July 17 attacks in Jakarta as well as a range of other terrorist attacks—was the person killed in the operation in Central Java. That certainly is not clear.

The Indonesian police operations are ongoing and it is important that Indonesian authorities are given the opportunity to an-
nounce their conclusions in their own time. It is best to await the outcomes of these processes. These operations underline the valuable work being undertaken by Indonesia in countering the threat of terrorism. The Australian government will continue to support the Indonesian government’s investigations into the July 17 bombings and we will further deepen our cooperation with Indonesia on counterterrorism to prevent similar attacks from occurring.

As the Senate today reflects on the pain and destruction wrought on 17 July in Jakarta against innocent civilians, we think of the families of the three Australians who perished on that day. As a nation, we stand with them today and our thoughts and prayers go out to them in this time of great sadness and loss.

Senator MINCHIN (South Australia) (4.16 pm)—On behalf of the coalition, I rise to support the motion moved by Senator Evans and join with the government in expressing our sincere sympathies and condolences to those affected by these horrific bombings in Jakarta on 17 July and particularly to the families and friends of the three Australians killed—Garth McEvoy, Craig Senger and Nathan Verity. We were all, no doubt, deeply shocked to hear that major hotels in Jakarta—hotels frequented by westerners and, as Senator Evans said, by a number of us in this chamber—were again the target of vicious and brutal attacks last month. They are a reminder of the brutality of these terrorists and their indiscriminate and wanton violence against innocent civilians.

We extend our sympathies to the families of those killed in the attacks, not just in Australia but also, as Senator Evans mentioned, in Indonesia itself—these people kill their own citizens—and in New Zealand and the Netherlands. We wish all those injured a safe and speedy recovery.

The threat of terrorism is very, very real and we cannot be complacent, for it is our way of life that the terrorists are targeting. The values that we hold are the values they seek to destroy. It is distressing that Australians are a target offshore merely because of the principles of democracy and freedom that we all value. I think it shocks and saddens all of us that we actually have people now residing in this country who would seek to harm Australians in this country, including Australian soldiers, as has been alleged over the past week—a reminder of just how real this threat is.

Garth McEvoy, Craig Senger and Nathan Verity were simply doing their jobs in relation to Indonesia. That is why they were there and why they were in the hotels that were targeted—innocent civilians going about their normal lives. Our thoughts are with their families as they come to terms with this terrible loss, a loss that they can never have expected to occur, at the hands of these terrorists.

More pertinently for us in this parliament, one of the victims, Craig Senger, was on his first overseas posting with Austrade, working with the embassy staff at the Jakarta mission. Senator Evans most appropriately paid tribute to the extraordinary stress that the personnel in our embassy in Jakarta have suffered in recent years—it must be the toughest and most emotionally draining posting for any of our great personnel working overseas. The dreadful airline crash—not a terrorist attack, of course—was just another example of the enormous stress, pain and suffering which our embassy staff have had to cope with.

We join with the government in wishing that the perpetrators of this attack on the two hotels are brought to justice. We commend the Indonesian government for what they are doing to bring these people to justice and
hope that the work between the Australian and Indonesian authorities to disrupt these terrorist cells is effective. We commend the government and all it is doing in working with the Indonesian government to bring this about. In conclusion, I stress our sympathies for all the families of those killed in this terrorist attack.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.20 pm)—Very briefly, to concur with the remarks that have been offered by Senator Evans and Senator Minchin, it is unfortunately poignant that we are also remembering the death of Private Benjamin Ranaudo—showing a clear link to what this is all about. Our thoughts are with Craig Senger’s family, Nathan Verity’s family and Garth McEvoy’s family. I acknowledge the comments of Senator Minchin—that the people who committed this atrocity are out to destroy us and also the people of Indonesia, but all they have managed to succeed in doing is to bring Australia and Indonesia ever closer together. We can build from that platform to finally defeat them.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.21 pm)—The Australian Greens totally endorse the remarks and the motion before the Senate. We, too, give our condolences to the families, friends and associates of Nathan Verity, Garth McEvoy, Craig Senger and the other six people from Indonesia, the Netherlands and New Zealand who lost their lives. Following on what Senator Joyce had to say, through all these murderous attacks—and the people involved are murderers with no remitting excuse as far as I can see, although they may believe they have one, and the lowest form of excuse here is a religion based excuse—Indonesia and Australia have drawn closer together.

We see our neighbours as our friends. I cannot see that doing anything but growing stronger, and these attacks actually increase that bond. It is a beautiful country next door and it has friendly people. We are good neighbours and it is unfortunate that there are such awful tragedies of this variety—that is, premeditated murders. They are there to highlight the good relationships across the seas that we have with the Indonesian people. I wish them succour over yet more outrages on their soil. I hope that Noordin Top and the other people involved in this will be brought to justice swiftly. I congratulate the authorities in Indonesia and those in Australia who may be helping them on the relentless tracking down of the people behind these outrages.

Senator FIELDING (Victoria—Leader of the Family First Party) (4.23 pm)—On behalf of Family First, I join senators in support of this condolence motion and also share in the sympathies expressed for the family and friends of Garth McEvoy, Craig Senger and Nathan Verity. These were ordinary Australians going about their work. It is really outrageous that gutless and cowardly attacks by a few cause such heartache in people’s lives. These killed nine people and injured 55. Our war on terror efforts will continue. We need to stand up for common decency and freedom and stand against these cowardly and gutless people that strike in this way. Our thoughts and prayers go to the families of these three Australians that have died.

Question agreed to, honourable senators standing in their places.

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows:

Youth Allowance

To the Honourable President and Members of the Senate
This petition of families, students and friends of those who will be affected by the Government’s
The Government’s proposed budget to discontinue paying Centrelink’s Independent Status Allowances to tertiary students who have earned $18,500 between the time of finishing high school and commencing university.

We therefore ask the Senate to consider the pleas, particularly of those students who must leave their family homes to commence tertiary study at a University away from their home town; particularly those students currently working a gap year to earn the $18,500 criteria for payments of $370 per fortnight. These kids should not be deprived of the opportunities their city cousins take for granted; in acquiring a tertiary education. The Government’s new proposal of 18 months’ full time work will equate to 24 months to comply with uni starting semesters; will possibly discourage kids starting uni at 19/20 years of age with young High School Graduates. Furthermore, regarding the Government’s intention that these kids work 18 months (i.e. will actually be 2 years); where does the Government propose that each year’s High School Graduates will work when the previous year’s High School graduates are holding the positions for an extra 12 months? The Government is willing to invest more in overseas students studying at our universities. What can there be to gain from this; when surely the majority take the expertise and knowledge gained here; back to their home countries?

by Senator Boswell (from 43 citizens)

Climate Change

Petition to the honourable President and Members of the Senate in Parliament assembled:

The petition of the undersigned shows and declares that the provisions of the Federal Government’s proposed Carbon Pollution Reduction Scheme are inadequate to address the worsening climate crisis.

Your petitioners ask/request that the Senate use the influence and deliberations of the Senate towards instead achieving:

*A far greater reduction in carbon emissions than is currently planned (the minimum 5%, below 2000 levels, by 2020)

*Carbon reduction legislation that ensures that the voluntary reductions made by individuals and all communities are effective and counted as part of the national target.

by Senator Moore (from 245 citizens)

Petitions received.

NOTICES

Presentation

Senator Lundy to move on the next day of sitting:

That the Joint Standing Committee on the National Capital and External Territories be authorised to hold public meetings during the sittings of the Senate from 12.30 pm to 2 pm, to take evidence for the committee’s inquiry into the changing economic environment in the Indian Ocean Territories, on Wednesday, 19 August 2009, Wednesday, 9 September 2009 and Wednesday, 16 September 2009.

Senator O’Brien to move on the next day of sitting:

That the Joint Standing Committee on Foreign Affairs, Defence and Trade be authorised to hold a public meeting during the sitting of the Senate on Thursday, 13 August 2009, from 10 am to 11.30 am, to take evidence for the committee’s inquiry into human rights mechanisms and the Asia-Pacific.

Senator Xenophon to move on the next day of sitting:

That—

(1) The Senate considers that, in addition to the existing resolutions in relation to the declaration by senators of interests and gifts, an accountability regime with the following elements should govern the declaration by senators of gifts and interests in the nature of sponsored travel, accommodation and hospitality:

(a) that a written report of the sponsored travel undertaken by the senator be ta-
bled within 60 days of the conclusion of the travel, detailing:
(i) the cost or value of the sponsored travel, and
(ii) the purpose of the sponsored travel and information gained;
(b) that the written report be published on the Senate website within 14 days of the tabling of the report; and
(c) that in the event of the sponsored travel not being disclosed and/or a written report not being provided within 60 days of the conclusion of the travel:
(i) the senator be required to refund the actual cost of the sponsored travel (or if that cannot be ascertained the reasonable equivalent value thereof) within 30 days into general revenue, and
(ii) that the matter be referred to the Privileges Committee to determine whether any contempt was committed in that regard.
(2) The following matter be referred to the Committee of Senators’ Interests, for inquiry and report:
The development of resolutions to give effect to an accountability regime for the declaration by senators of gifts and interests in the nature of sponsored travel, accommodation and hospitality, as outlined in paragraph (1).
(3) For the purposes of the matter referred in paragraph (2):
(a) standing order 22A(2), relating to membership of the committee, be modified to provide that the committee consist of 9 senators, including 2 nominated by any minority groups or independent senators; and
(b) Senator Xenophon be appointed a member of the committee.

Senator Faulkner to move on the next day of sitting:
That the Senate—
(a) notes the 60th anniversary of the Four Geneva Conventions of 1949;
(b) congratulates the International Red Cross and Red Crescent Movement for continuously fostering the principles of international humanitarian law to limit human suffering in times of armed conflict and to prevent atrocities, especially against civilian populations, the wounded and prisoners of war;
(c) recalls Australia’s ratification of the Conventions and of the two Additional Protocols of 1977;
(d) affirms all parliamentary measures taken in support of such ratification;
(e) encourages the fullest implementation of the Conventions and Additional Protocols by the military forces and civilian organisations of all States;
(f) encourages ratification by all nations of the Conventions and Additional Protocols; and
(g) recognises the extraordinary contribution made by many individual Australians, including Australian Red Cross members, volunteers and staff, in carrying out the humanitarian ideals expressed in the Conventions and Additional Protocols.

Senator Williams to move on the next day of sitting:
That—
(1) The following matters be referred to the Environment, Communications and the Arts References Committee for inquiry and report by 26 October 2009:
(a) the potential impacts of current and projected mining operations on all environmental values in the Murray-Darling Basin and, in particular, the potential impacts upon surficial and groundwater flows and quality in the alluvial flood plains at its headwaters in the Namoi Valley and the Darling Downs catchments; and
(b) evaluation of the potential impacts in the context of the Murray-Darling Plan.
(2) In these terms of reference, ‘mining operations’ includes all minerals exploration and all minerals extraction including exploration for and extraction of gas.

**Senator Hanson-Young** to move on the next day of sitting:

That the Senate—

(a) notes that 12 August 2009 marks the ninth anniversary of the United Nations International Youth Day, with the 2009 theme ‘Sustainability: Our Challenge. Our Future.’;

(b) recognises that:

(i) in our global challenge to tackle climate change, it is our young people, especially those in developing countries and the Pacific Islands, whose future is at stake, and

(ii) we need a commitment to strong emission reduction targets to protect our future generations; and

(c) calls on the Government, on International Youth Day, to commit to targets that deliver real action on climate change, and not leave our future generations burdened with mistakes of inaction.

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

That the Senate—

(a) notes the violent unrest in Xinjiang province (East Turkistan) in China on 5 July 2009 in which, according to official reports, up to 200 people died; and

(b) calls on the Government to seek assurances from the People’s Republic of China that human and political rights are upheld, under the Chinese Constitution and international law for the Uighur people and to promote with Beijing an act of self determination for the Uighur people.

**Senator Barnett** to move on the next day of sitting:

That the following matter be referred to the Economics References Committee for inquiry and report by 26 October 2009:

The establishment, management, operation and closure of the GROCERYchoice website and, in particular:

(a) the rationale and purpose for the website as stated by the Government before the 2007 election;

(b) the business plan, modelling or plans formulated by the Government or the Australian Competition and Consumer Commission (ACCC) to establish, manage, operate and close the website;

(c) the problems and issues faced by the ACCC in establishing, managing and operating the website, as well as in handing the website over to Choice;

(d) the rationale for the ACCC ceasing to manage and operate the website;

(e) the level of usage of the website while it was managed and operated by the ACCC;

(f) the proposal Choice put to the Government to take over the website and the reasons why the Government was persuaded that taxpayers would receive value for money;

(g) the problems and issues faced by Choice in establishing, operating and relaunching the website;

(h) the contract arrangements with Choice and the various contractors involved with Choice’s and the ACCC’s management and operation of the website;

(i) the legal issues and trade practices concerns arising from the establishment, management, operation and closure of the website;

(j) the specific concerns of the major chains and independent retailers;

(k) the total cost to the taxpayer in establishing, managing, operating and closing the website; and

(l) any other matters incidental thereto.

**Senator ABETZ** (Tasmania) (4.26 pm)—

Mr President, it is a strange world when I give notice with Senator Bob Brown that on the next day of sitting we shall move:
That the Senate calls for the full retention by the Federal Court of Australia of its registry services in the State of Tasmania.

Senator Bob Brown—It is a great pleasure to be co-hosting that motion, Mr President.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.27 pm)—I also give notice that, on 13 August, I shall move:

That the Senate calls on the Rudd Government to consider the establishment of a National Anti-Corruption and Integrity Commission which has the powers of a standing Royal Commission and the purview to detect, investigate and prevent corruption across all Commonwealth departments and agencies, the activities of Federal Parliament, Federal parliamentarians and Federal law enforcement agencies.

Withdrawal

Senator HANSON-YOUNG (South Australia) (4.27 pm)—Mr President, I withdraw notice of motion No. 340 standing in my name as printed in the Notice Paper.

Postponement

The following items of business were postponed:

Business of the Senate notice of motion no. 1 standing in the name of Senator Milne for today, proposing the disallowance of the Energy Efficiency Opportunities Amendment Regulations 2009 (No. 1), postponed till 8 September 2009.

General business notice of motion no. 471 standing in the name of Senator Bernardi for today, relating to the consideration of legislation, postponed till 13 August 2009.

General business notice of motion no. 488 standing in the names of Senator Xenophon and the Leader of the Australian Greens (Senator Bob Brown) for today, proposing the introduction of the Food Standards Amendment (Truth in Labelling Laws) Bill 2009, postponed till 17 August 2009.

LEAVE OF ABSENCE

Senator McEWEN (South Australia) (4.27 pm)—by leave—I move:

That leave of absence be granted to the following senators:
(a) Senator Moore from 11 to 13 August 2009, on account of parliamentary business;
(b) Senator Sterle on 11 and 12 August 2009, for personal reasons; and
(c) Senator Forshaw from 11 to 20 August 2009, for personal reasons.
Question agreed to.

COMMITTEES

Rural and Regional Affairs and Transport References Committee

Extension of Time

Senator NASH (New South Wales) (4.28 pm)—by leave—I move:

That the time for the presentation of the report of the Rural and Regional Affairs and Transport References Committee on natural resource management and conservation challenges be extended to 18 August 2009.
Question agreed to.

Privileges Committee

Resolution of Appointment

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.29 pm)—I move:

That standing order 18 establishing the Committee of Privileges be amended by omitting paragraph (3), and substituting:
(3) The committee shall consist of 7 senators, 3 nominated by the Leader of the Government in the Senate, 3 nominated by the Leader of the Opposition in the Senate and 1 nominated by other parties and independent senators.

Senator PARRY (Tasmania—Manager of Opposition Business in the Senate) (4.30 pm)—by leave—I wish to make a short statement. The coalition will be voting against Senator Brown’s motion simply be-
cause we believe that all matters relating to procedure, such as amendments to the standing orders, should be dealt with by the correct committee, which is the Procedure Committee. While the coalition may see merit in the issue that Senator Brown is putting forward, we are not going to debate the issue, which should be discussed by the Procedure Committee. These are complex matters and we do not agree with just discussing them as a notice of motion or having them moved in the Senate in this fashion. As I have stated, we believe that the correct procedure should be followed, which is why we have the Procedure Committee in the Senate.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.31 pm)—by leave—notice was given some six weeks ago. The correct procedure for a very simple and non-complex matter is for the Senate to be able to make up its mind on whether there should be a member of the crossbench on the privileges committee. That is as about as simple as it comes, and I recommend the motion to the Senate.

Question put:
That the motion (Senator Bob Brown’s) be agreed to.

The Senate divided. [4.31 pm]
(The President—Senator the Hon. JJ Hogg)

Ayes…………… 7
Noes…………… 41
Majority………. 34

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

NOES
Adams, J.           Barnett, G.
Bilyk, C.L.         Birmingham, S.
Boswell, R.L.D.     Boyce, S.

* denotes teller

Question negatived.

MINISTERIAL STATEMENTS

Economy

Senator SHERRY (Tasmania—Assistant Treasurer) (4.38 pm)—by leave—On behalf of the Treasurer, Mr Swan, I table a ministerial statement on the operation of the guarantee scheme for large deposits and wholesale funding.

Economy

Senator SHERRY (Tasmania—Assistant Treasurer) (4.38 pm)—by leave—On behalf of the Treasurer, Mr Swan, I table a ministerial statement on the operation of the guarantee scheme for large deposits and wholesale funding.

Senator PARRY (Tasmania) (4.39 pm)—I seek leave to table a response to the ministerial statement.

Senator Bob Brown—I am happy to have that document tabled but Senator Parry should know that it is correct procedure to show such documents to other entities in the Senate before he seeks to table them.

Leave granted.
DOCUMENTS

Tabling

The ACTING DEPUTY PRESIDENT (Senator Ryan)—Pursuant to standing orders 38 and 166, I present documents as listed below, which have been presented to the President, the Deputy President and the Temporary Chairmen of Committees since the Senate last sat. In accordance with the terms of the standing orders, the publication of the documents was authorised. In accordance with the usual practice and with the concurrence of the Senate, the government responses will be incorporated in Hansard.

The list read as follows—

(a) Committee reports

1. Economics Legislation Committee—Report, together with the Hansard record of proceedings and documents presented to the committee—2009-10 Budget estimates (received 25 June 2009)

2. Select Committee on Regional and Remote Indigenous Communities—Second report, together with the Hansard record of proceedings and documents presented to the committee (received 25 June 2009)

3. Rural and Regional Affairs and Transport References Committee—Final report, together with the Hansard record of proceedings and documents presented to the committee—Matters specified in part (2) of the inquiry into the management of the Murray-Darling Basin system (received 25 June 2009)

4. Rural and Regional Affairs and Transport References Committee—Final report, together with the Hansard record of proceedings and documents presented to the committee—Import risk analysis for the importation of Cavendish bananas from the Philippines (received 25 June 2009)

5. Report on meeting of OECD parliamentary budget officials, Rome, Italy 26 and 27 February 2009 (received 25 June 2009)

6. Select Committee on Agricultural and Related Industries—Second interim report—Pricing and supply arrangements in the Australian and global fertiliser market (received 30 June 2009)

7. Rural and Regional Affairs and Transport References Committee—Final report—Meat marketing (received 30 June 2009)

8. Joint Standing Committee on Foreign Affairs, Defence and Trade—Report, together with the Hansard record of proceedings and submissions received by the committee—Australia’s relationship with India as an emerging world power (received 7 July 2009)


10. Economics Legislation Committee—Interim report—Corporations Amendment (Improving Accountability on Termination Payments) Bill 2009 (received 28 July 2009)


12. Community Affairs Legislation Committee—Report, together with the Hansard record of proceedings and submissions received by the committee—Fairer Private Health Insurance Incentives Bill 2009 and related bills [Provisions] (received 5 August 2009)

13. Community Affairs Legislation Committee—Report, together with the Hansard record of proceedings and submissions received by the committee—Health Insurance Amendment (Extended Medicare Safety Net) Bill 2009 (received 5 August 2009)

14. Community Affairs Legislation Committee—Report, together with the Hansard record of proceedings and submissions received by the committee—National registration and accreditation scheme for doctors and other health workers (received 6 August 2009)

15. Legal and Constitutional Affairs Legislation Committee—Interim report—Migration Amendment (Immigration Detention Reform) Bill 2009 (received 7 August 2009)

16. Legal and Constitutional Affairs Legislation Committee—Interim report—Personal Property
Securities Bill 2009 [Provisions] (received 7 August 2009)


18. Community Affairs Legislation Committee—Interim report—Health Legislation Amendment (Midwives and Nurse Practitioners) Bill 2009 and related bills (received 7 August 2009)

(b) Government response to parliamentary committee report

1. Parliamentary Joint Committee on Corporations and Financial Services—Report—Aspects of the regulation of proprietary companies (received 16 July 2009)


(c) Ministerial statement

Approval of exemption to guidelines on campaign advertising by Australian Government departments and agencies (received 29 June 2009)

(d) Government documents

1. National Health and Medical Research Council (NHMRC)—NHMRC Licensing Committee—Report on the operation of the Research Involving Human Embryos Act 2002 for the period 1 October 2008 to 31 March 2009 (received 30 June 2009)

2. National Health and Medical Research Council (NHMRC)—Report on the operation of the strategic plan 2007-09 (received 30 June 2009)

3. Military Superannuation and Benefits Scheme (MSBS) and Defence Force Retirement and Death Benefits Scheme (DFRDB)—Report on long-term costs carried out by the Australian Government Actuary using data to 30 June 2008 (received 30 June 2009)

4. Gene Technology Regulator—Quarterly report for the period 1 January to 31 March 2009 (received 30 June 2009)


7. Australian River Co. Limited—Report for 1 December 2007 to 30 November 2008 (received 6 August 2009)


(e) Reports of the Auditor-General

1. Report no. 48 of 2008-09—Performance audit—Planning and approval of Defence major capital equipment projects: Department of Defence (received 30 June 2009)

2. Report no. 1 of 2009-10—Performance audit—Representations to the Department of the Treasury in relation to Motor Dealer Financing Assistance: Department of the Treasury and Department of the Prime Minister and Cabinet (received 4 August 2009)

(f) Returns to order

1. Productivity Commission—Carbon Pollution Reduction Scheme (received 6 August 2009) [Note: motion of Senator Xenophon agreed to 25 June 2009.]

2. Carbon Pollution Reduction Scheme—Treasury modeling—Economics—Additional information to above entry (received 6 August 2009) [Note: motions of Senator Cormann agreed to 4 February and 11 March 2009, and Senator Xenophon agreed to 25 June 2009.]

(g) Statement of compliance and letter of advice relating to Senate orders

1. Statement of compliance relating to indexed lists of files: Commonwealth Ombudsman (received 5 August 2009)

2. Letter of advice relating to lists of contracts: Environment, Heritage, Water and the Arts portfolio agencies (received 5 August 2009)

Ordered that the committee reports be printed.
The government responses read as follows—

Commonwealth Government Response to the Parliamentary Joint Statutory Committee on Corporations and Securities

Report on Aspects of the regulation of proprietary companies

Government response to the report of the parliamentary joint Statutory committee on corporations and Securities — Aspects of the regulation of proprietary companies

Background

On 27 January 2000, the then Minister for Financial Services and Regulation, the Hon Joe Hockey MP, asked the then Parliamentary Joint Statutory Committee on Corporations and Securities (the Committee) — now known as the Parliamentary Joint Committee on Corporations and Financial Services — to examine certain matters arising from the thresholds used to differentiate between the financial reporting obligations of small and large proprietary companies (known as the ‘small/large’ test). The Committee’s report, entitled Aspects of the Regulation of Proprietary Companies, was tabled in the Parliament on 8 March 2001.

The Committee’s report contains four recommendations, the principal recommendation being the removal of the thresholds contained in section 45A of the Corporations Act 2001 (the Corporations Act) used to define a proprietary company and the reinstatement of the previous exempt and non-exempt proprietary company regime.

Under the approach recommended by the Committee, all non-exempt proprietary companies would be required to lodge audited financial statements with ASIC. The other recommendations contained in the report related to requirements for directors of proprietary companies to sign and lodge a declaration of solvency with their annual reports, the application of accounting standards and audit requirements.

The report also includes a minority report by the then Labor Party members of the Committee which contains four recommendations. These recommendations are that the existing small/large test be continued, removing the grandfathering provision or making it subject to a sunsetting

 provision, requiring each proprietary company to inform ASIC each year whether it is small or large and to require ASIC to collect statistics on the number of companies that are small or large.

The Government’s response to each of these recommendations is outlined below.

RECOMMENDATION 1

The previous distinction between exempt and non-exempt proprietary companies be reinstated, to replace section 45A of the Corporations Act.

The Government does not support this recommendation.

The current financial reporting requirements were introduced in 1995 by the Keating Government. These changes removed the distinction between non-exempt and exempt companies and replaced it with a threshold test. Since that time, the policy of successive Governments has been that financial reporting requirements should generally be based on an entity’s economic significance rather than ownership characteristics. Economically significant proprietary companies have considerable influence on the economy and community more broadly and as such should be required to prepare audited financial statements.

In 2007, the thresholds used to define a large proprietary company were increased as part of a range of amendments made to the Corporations Act by the Corporations Legislation Amendment (Simpler Regulatory System) Act 2007 (SRS Act). The amendments resulted in the monetary thresholds (revenue and assets) being increased by 150 per cent to ensure that only those companies that are of genuine economic significance continue to be required to prepare financial statements. It is estimated that this amendment reduces the number of proprietary companies with financial reporting obligations by 35 per cent.

The amendments contained in the SRS Act also allow for changes to the thresholds to be prescribed by regulation to enable the thresholds to be more readily adjusted in the future. This amendment will ensure that the thresholds continue to accurately reflect genuine economic significance during periods of sustained economic growth.
The Government supports the threshold criteria used to define large proprietary companies and determine their financial reporting obligations.

**RECOMMENDATION 2**

All directors of proprietary companies be required to sign and lodge a declaration of solvency with their annual reports.

The Government does not support this recommendation.

The Corporations Act already prohibits company directors from engaging in insolvent trading (section 588G) and there are penalties for any directors who breach these provisions.

In addition, introducing a requirement for directors of proprietary companies to sign and lodge a declaration of solvency with their annual reports would be a departure from the policy principle, underlying the reforms in the seventh phase of the Corporate Law Economic Reform Program (CLERP 7), that companies should only be required to notify ASIC when a change in details has occurred.

The CLERP 7 reforms removed the requirement for companies to lodge an annual return with ASIC. However, companies are still required to notify ASIC of changes in particulars, as they occur, within the statutory period. Companies are also required to conduct an annual review. As part of the annual review, companies are required to check the information contained on an extract of particulars issued by ASIC, ensuring they are correct and up-to-date. Again, companies are only required to notify ASIC if a change occurs.

Directors are still required to pass an annual resolution of solvency under section 346 of the Corporations Act, before the due date for payment of the annual fee. Failure by directors to resolve each year that the company is solvent is an offence. As such, the Government believes that the current requirements are sufficient without imposing any further regulatory burden on company directors to indicate the company’s solvency.

**RECOMMENDATION 3**

In preparing financial statements, reporting and non-reporting entities apply all the recognition and measurement requirements of the Accounting Standards.

The Government supports this recommendation.

In July 2005, the Australian Securities and Investments Commission (ASIC) issued a Regulatory Guide entitled Reporting Requirements for Non-Reporting Entities [RG 85] to assist non-reporting entities prepare their financial reports. The Regulatory Guide states that all non-reporting entities, which are required to prepare financial statements in accordance with Chapter 2M of the Corporations Act, should comply with the recognition and measurement requirements contained in the full suite of accounting standards. These requirements supersede ASIC’s Information Release [00/025], released in July 2000, which provided guidance on how to apply the ‘reporting entity’ test and the reporting obligations for non-reporting entities, including compliance with the recognition and measurement requirements.

In addition, the Australian Accounting Standards Board (AASB) is currently considering the potential application in Australia of a proposed International Financial Reporting Standard (IFRS) specifically developed by the International Accounting Standards Board (IASB) to meet the financial reporting needs of private entities. This work also includes an assessment of the reporting entity concept.

During 2007, the AASB released for public consultation a revised differential reporting framework for Australia. The AASB’s constituents expressed mixed views on the proposals and, in November 2007, the AASB informed the IASB that it was considering how it might use the IFRS for private entities in its differential reporting regime. The AASB indicated that the extent to which it might use an IFRS for private entities will depend on a number of domestic factors and the extent to which the final IFRS for private entities standard meets the needs of Australian constituents. The IASB is expected to issue its final standard during the fourth quarter of 2008.

**RECOMMENDATION 4**

All company financial statements, which are required to be lodged with ASIC, should be required to be audited.

The Government supports this recommendation.
The Government recognises that audits improve the reliability of financial statements. Audits represent the principal external check on the integrity of financial statements. As such, audited financial statements are an important element of effective corporate governance.

Under the Corporations Act, companies, registered schemes and disclosing entities are required to prepare financial statements which have been audited by a registered company auditor. ASIC can provide, in limited circumstances, relief to proprietary companies from this requirement if the audit imposes an unreasonable burden on the entity. The Government endorses these requirements.

GOVERNMENT’S RESPONSE TO RECOMMENDATIONS IN MINORITY REPORT BY LABOR PARTY MEMBERS OF THE COMMITTEE

RECOMMENDATION

The minority report recommended that the existing ‘small/large’ test continue for the time being.

The Government supports this recommendation.

In 1995, the basis for determining the financial reporting requirements of proprietary companies was changed from one based on the entity’s ownership characteristics to one based on its economic significance. Economically significant proprietary companies have considerable influence on the economy and community more broadly and as such should be required to prepare audited financial statements.

In 2007, the thresholds used to define a large proprietary company were increased by 150 per cent to ensure that only those companies that are of genuine economic significance continue to be required to prepare financial statements.

The Government supports the threshold criteria used to define large proprietary companies and determine their financial reporting obligations.

RECOMMENDATION

The minority report recommended that the Government examine the consequences of removing the grandfathering provisions or making it subject to a sunsetting provision.

The Government supports this recommendation.

The grandfathering provisions apply to those proprietary companies which were not required to disclose financial information under the ownership-based test that applied before the threshold test was introduced in 1995. Under these provisions, the grandfathered exempt proprietary companies are required to prepare an audited financial report but are exempt from the requirement to lodge that report.

The relief granted to grandfathered exempt proprietary companies creates an inconsistent regulatory framework for proprietary companies that potentially gives grandfathered exempt proprietary companies an unfair competitive advantage. Providing relief to these companies also conflicts with the policy of successive Governments that proprietary companies with economically significant operations should be required to lodge financial reports.

In 2006, as part of the Corporate and Financial Services Regulation Review, views of stakeholders were sought on a proposal that the relief given to grandfathered exempt proprietary companies be repealed so that these entities are subject to the same requirements as other proprietary companies. Many stakeholders were not supportive of this proposal at that time and the proposed amendment did not proceed.

The Government proposes that the consequences of either removing the grandfathering provisions or making them subject to a sunsetting requirement should be re-examined in conjunction with any future proposals to amend the financial reporting requirements of the Corporations Act.

RECOMMENDATION

That the Corporations Act be amended to require each proprietary company to report annually to ASIC that the directors have considered whether the company is large or small for its last financial year, and to state whether the company was small or large.

The Government does not support this recommendation.

Introducing a requirement for directors of proprietary companies to report annually to ASIC that they have considered whether their companies are large or small would be a departure from the policy principle, underlying the CLERP 7
reforms, that companies should only be required to notify ASIC when a change in details has occurred.

Companies are no longer required to lodge annual returns and an annual notification requirement as to whether a proprietary company is large or small would impose a new administrative requirement on approximately 1.5 million companies. ASIC has indicated that approximately 11,000 proprietary companies prepared financial reports under Chapter 2M of the Corporations Act for financial years that ended during the 12 months to 30 June 2007.

In these circumstances, the Government believes that ASIC already has reliable information about the number of large proprietary companies and that it would impose a significant regulatory burden on the corporate community to require every proprietary company to advise ASIC each year whether the company is large or small.

RECOMMENDATION
The minority report recommended that ASIC continue to collect and review, to the best of its resources, the statistics of the kind presented to it by the Committee and also, if the previous recommendation is adopted, the number of companies which state they are large or small each year.

The Government supports this recommendation. ASIC is able to estimate the number of large proprietary companies on the basis of the number of proprietary companies that lodge annual reports and the number of former exempt proprietary companies that have lodged a notice indicating that they are taking the relief from the requirement to lodge their reports.

SENATE STANDING COMMITTEE ON FINANCE AND PUBLIC ADMINISTRATION COMMITTEE REPORT
“TRANSPARENCY AND ACCOUNTABILITY OF COMMONWEALTH PUBLIC FUNDING AND EXPENDITURE”
(MARCH 2007)
Introduction
On 1 March 2007 the Senate Finance and Public Administration Committee’s (SFPAC) report on the inquiry into the Transparency and accountability of Commonwealth public funding and expenditure was tabled.

A formal government response to the report’s 19 recommendations had not been finalised by the time of the Federal election in November 2007, and the Minister for Finance and Deregulation, the Hon Lindsay Tanner MP, wrote to the Committee’s Chair (Senator Helen Polley) in April 2008, providing an interim response and noting that many of the recommendations were consistent with the Government’s Operation Sunlight reform agenda for Budget transparency and accountability that was being progressively introduced.

The interim response also noted that a final response to the SFPAC report would be provided after the Government considered a review of Budget transparency and the Operation Sunlight reform agenda by then Senator Andrew Murray, given the similar nature of the subject matter.

Mr Murray conducted his review in 2008 and after consideration the Government released Mr Murray’s report, and a formal government response to the report, on 9 December 2008. Copies of the report, the government response and a revised Operation Sunlight policy document can be found on the website of the Department of Finance and Deregulation at www.finance.gov.au.

This formal response to the SFPAC report takes into account both the report of Mr Murray and the Operation Sunlight reform agenda. The Government is supportive of the Committee’s intent to improve the disclosure of information about the use of public resources and will continue to progress its reform agenda in consultation with the Parliament.

Proliferation of Funding Sources
Recommendation 1 - The Committee recommends that the government produce and table with the annual budget documents a document that sets out the past and expected expenditure from all Special Appropriations. The data in that document should be set out against the programs that are funded from the relevant appropriation.
Government Response:
Agreed – The Government is already committed to producing data on special appropriations and introduced consolidated agency information in Budget Paper No. 4 as part of the 2008-09 Budget in line with election commitments under the Operation Sunlight reform agenda.

In addition, program level information has been included in agency Portfolio Budget Statements with effect from the 2009-10 Budget. The Statements, which are tabled in Parliament as part of the annual Budget process, include details of annual and special appropriation sources for programs for the Budget and Forward Estimates period.

Recommendation 2 - The Committee recommends that the Government implement a system of review for standing appropriations to ensure that access to the CRF is withdrawn when no longer required and to ensure that standing appropriations are subject to periodic government and parliamentary review

Government Response:
Noted - The Government agrees that Standing Appropriations should be regularly reviewed, and is considering including formal review clauses in special appropriation legislation, requiring governments to review and report to Parliament on a periodic basis on the continuing need for the legislation and whether the existing focus of the legislation remains valid.

Recommendation 3 - The Committee recommends that the government ensure that where transfers of amounts between different forms of appropriation occur, that the transfers be highlighted in the reporting documents. Because the reporting of these events in agencies’ financial statements may not occur until well after the event, these transfers should be documented and tabled as they occur. In making this recommendation the Committee is aware that there might be many such transfers and that there could therefore be practical difficulties in the timely provision of the data. The Committee therefore recommends that Finance consider the practical implications of the above recommendation and report to the Committee on this matter this financial year.

Government Response:
Agreed in part - The appropriation tables in the notes to the financial statements already require disclosure of movements of appropriation by outcome. This information has been enhanced with the introduction of the agency resource statements in Portfolio Budget Statements, Portfolio Additional Estimates, and Annual Reports from the 2008-09 reporting period. Increasing the frequency of reporting as suggested is impractical, considering this information is already provided in the resource statement at the time of Budget, Additional Estimates and in the Annual Report.

Recommendation 4 - The Committee recommends that the central role in the management of net appropriations should be returned to the Appropriation Acts so as to ensure that these significant transfers of funds are fully transparent to the Parliament. In making this recommendation the Committee is aware that the management of net appropriations is complicated and that the Department of Finance and Administration is investigating other options. If a procedure other than returning the central role to the Appropriations Acts is proposed, the Committee would expect that the Parliament and its committees would be consulted. In particular, the Committee would expect Finance to report to it on any proposed alternative approach this calendar year.

Government Response:
Agreed in principle - The Government has simplified and standardised net appropriation arrangements (now called ‘relevant agency receipts’) by making net appropriations subject to regulation rather than an Act of Parliament, prescribing the range of receipts that may be retained by agencies as increased departmental items to spend in operation of their departmental activities. This was agreed to by the Parliament in the Financial Framework Legislation Amendment Bill (No.1) 2007, which took effect on 1 July 2008. The use of regulation has been assessed as the most effective means of implementing improved arrangements and provides the Parliament with the ability to disallow the regulation if it does not agree. Agencies are required to individually report estimated amounts in their Portfolio Budget State-
ments and actual amounts in their annual financial statements.

Recommendation 5 - The Committee recommends that agencies report the amounts of their unspent appropriations and the reasons for the under spend to Finance at the end of each financial year and that the government tables in Parliament a consolidated report on the amount and reasons for the under spend within six months of the end of the relevant financial year. The Committee further recommends that unspent appropriations be returned to the CRF unless the Finance Minister determines that there is good cause for the funds to be retained.

Government Response:
Agreed in part – Agencies’ Annual Reports include information on their performance against targets and will be supplemented by the inclusion of resource statements, beginning with the 2008-09 Annual Reports, providing information on the available resources and the purposes to which they have been applied. This will be further improved from 2009-10 when Annual Reports will also include information at the program level, permitting a more visible link between planned performance and actual results. The Government currently discloses at the whole of government level estimates and actual results in the Final Budget Outcome document released within three months of the end of the financial year. The production of a separate report on the amount and reasons for under spends is therefore not supported as current publications and scheduling already provide this information to Parliament.

Access to unspent administered appropriations is revoked after the finalisation of each financial year in accordance with section 11 of the relevant Appropriation Acts. Departmental appropriations are to be more closely tied to the years in which obligations fall due as a result of the introduction of net cash funding arrangements. The first stage of these arrangements has been introduced for collecting institutions for 2009-10 with other agencies in the General Government Sector to move to the arrangements in 2010-11.

Recommendation 6 - The Committee recommends that unless the Government can propose another mechanism that would overcome the accountability and transparency issues raised in connection with the carry over of appropriations it should discontinue the appropriation of funds to agencies for the purpose of depreciation.

Government Response:
Agreed – The Government has decided to cease the funding of depreciation and other non-cash items and introduce appropriation of General Government Sector agencies on the basis of net cash requirements. This will be implemented from the 2009-10 Budget for collecting institutions, which will be provided with a collections development budget for heritage and cultural assets and from 2010-11 for other General Government Sector agencies. This will provide agencies in the General Government Sector with the funding they require within a financial year rather than providing funding for items which will not occur until a future date, sometimes for years. It will be transparent that the appropriations provided to agencies are for their use within a financial year including any carryover between years.

Tax Expenditures, AFM, GST and ordinary annual services

Recommendation 7 - The Committee recommends that the State and Territory jurisdictions provide to the Commonwealth comprehensive annual statements of the purposes and expenditures of GST revenues to enable their incorporation into Budget Paper No. 3.

Government Response:
Not agreed – The Federal Financial Relations Act 2009, which implements financial arrangements of the Intergovernmental Agreement on Federal Financial Relations, provides for all GST revenue to be distributed to the States and Territories (the States) and that this revenue can be used by the States for any purpose. Consequently, GST revenue forms part of each State’s consolidated revenue from which all state expenditures are funded.

The Australian Government cannot impose conditions on the States’ expenditure of GST revenue without gaining the States’ agreement to amend the Intergovernmental Agreement and subsequently amending the Federal Financial Relations Act 2009.
Annual state budgets provide the public with detailed estimates of how each State will allocate its expenditure. State governments are accountable to their parliaments and electorates for these budget decisions.

Recommendation 8 - The Committee recommends that the Senate continue to seek clarification from the Government as to which items the Government believes should be included in the different appropriation bills. The Senate should then form a view as to the appropriateness of the split. When any differences are resolved to the satisfaction of the Senate, the Department of Finance and Administration should be required to monitor and enforce the split.

Government Response:
Noted.

Recommendation 9 - The Committee recommends that the Standing Committee on Appropriations and Staffing should report expeditiously on its negotiations with Government in relation to the appropriate split of items of expenditure in the different appropriation bills so that the issue may be considered by the Senate.

Government Response:
Noted. The Government is considering proposals to be put to the Senate to clarify the allocation of items between the appropriation bills. It is expected that the clarification of the Compact of 1965 will address the concerns underpinning this recommendation.

Recommendation 10 - The Committee recommends that the Clerk advise the President of the Senate with respect to concerns about the matters included in periodic Appropriation bills and that the President table a statement accompanying the bills or return the bills to the House of Representatives or to the minister for clarification, elucidation or adjustment.

Government Response:
Noted. Improving transparency and specificity of budget documents

Recommendation 11 - The Committee recommends that a common approach be taken for the Portfolio Budget Statements and that estimates for three forward years be included for departmental and administered items.

Government response:
Agreed – This represents Government policy with agencies’ Portfolio Budget Statements being redesigned for the 2009-10 Budget to include financial and non-financial information on agencies’ programs across the forward estimates period.

Recommendation 12 - The Committee recommends that outcomes be expressed in clear, simple and measurable terms.

Government Response:
Agreed - This represents the Government’s existing policy in relation to agency outcome statements. The Department of Finance and Deregulation has worked with agencies to review their outcome statements in the context of ongoing reform of the financial framework and has issued revised guidance for agencies. The revised outcome statements of agencies have been included in the Appropriation Bills and Portfolio Budget Statements from the 2009-10 Budget.

Recommendation 13 - The Committee recommends that expenditure should be reported at the levels of programs in the budget documents, including in the schedules to the Appropriation Acts.

Government Response:
Agreed in part – Reporting at the level of programs was included in agencies’ Portfolio Budget Statements as part of the 2009-10 Budget, together with more comprehensive information in the Budget Papers. Agencies’ outcome statements in the Appropriation Acts have also been revised to improve the clarity of purpose for which funding is provided. The inclusion of program level information in the schedules to the Appropriation Acts is not supported, as agencies are appropriated on the basis of outcomes.

Recommendation 14 - The Committee recommends that the terms ‘administered’ and ‘departmental’ be defined in the appropriation bills or other appropriate documents.

Government Response:
Agreed – A set of principles were introduced in the Finance Minister’s Orders in 2007, providing
greater clarity in relation to the classification of appropriations as departmental or administered. This approach takes into account relevant accounting standards as well as Government’s intentions in relation to the level of agency accountability for management and control of resources and their use.

Recommendation 15 - The Committee recommends that the ongoing process being undertaken to harmonise the accounting standards should continue and should be expedited by the Government setting a deadline for its completion.

Government Response:
Agreed - Harmonised accounting standards for the whole of government and general government sectors were introduced for 2008-09 Budget and have resulted in a significant simplification of the information provided to Parliament in Budget Paper 1.

The Australian Accounting Standards Board (AASB) is the independent body responsible for the development of an approach to harmonising accounting standards at entity level, and the Government will implement the new standard in accordance with any required timeline.

The current timetable for the AASB involves consulting with jurisdictions and other stakeholders and producing a standard on harmonisation at entity level by February 2010. The date of effect for implementation is less certain, however, as reviewing and applying this standard, assuming that it is released in February 2010, will require extensive work by agencies to meet the new standard and to make necessary changes to their financial systems. Implementation of any new standard will be done in accordance with the timeframes set out in the proposed standard.

Recommendation 16 - The Committee recommends that the Government should give consideration to a system for funding depreciation whereby gross capital expenditure would be separately reported and budgeted for as required, with a sub-division of expenditures between asset replacement (i.e. the depreciation component) and asset expansion.

Government Response:
Agreed – The Government has decided to cease funding of depreciation and other non-cash items and introduce appropriation of General Government Sector agencies on the basis of net cash requirements. This has been introduced from the 2009-10 Budget for collecting institutions, who have been provided with a collections development budget for the acquisition of heritage and cultural assets and from 2010-11 for other General Government Sector agencies. This will provide agencies in the general government sector with the funding they require within a financial year rather than providing funding for items which will not be required until a future date, sometimes for years. Changes have been made in the 2009-10 Budget to broaden the range of asset information presented in agencies’ Portfolio Budget Statements and to ensure greater transparency of the appropriations provided to agencies and their use in the acquisition, maintenance, replacement and disposal of assets. Further changes will be considered during 2009 prior to the introduction of net cash arrangements for General Government Sector agencies in 2010-11.

Improving Parliamentary oversight

Recommendation 17 - The Committee recommends that the Senate Standing Legislative and General Purpose Committees report as necessary in their reports on the estimates on the format and contents of the PBS and PAES that are referred to them.

Government Response:
Noted.

Recommendation 18 - The Committee recommends that the Committee Chairs Group examine proposals made by the Auditor-General for measures to assist the Legislative and General Purpose Standing Committees in their consideration of the estimates.

Government Response:
Noted.

Recommendation 19 - The Committee recommends that the Government ensure that future appropriation bills that the Senate cannot amend under the provisions of the Constitution restore the need for any approved expen-
diture to be legally linked to and connected with a specific outcome or purpose.

**Government Response:**
Agreed – This represents a statement of current Government policy, and the link between appropriations and activities will be further improved from 2009-10 with the introduction of revised outcome statements for agencies that are more specific and measurable.

**COMMITTEES**

**Agricultural and Related Industries Committee**

**Reporting Date**

Senator McEWEN (South Australia) (4.40 pm)—by leave—At the request of the Chair of the Senate Select Committee on Agricultural and Related Industries, I move:

That the final report of the Select Committee on Agricultural and Related Industries on the pricing and supply arrangements in the Australian and global fertiliser market be presented by 20 August 2009.

Question agreed to.

**Economics Legislation Committee**

**Report**

Senator McEWEN (South Australia) (4.40 pm)—by leave—At the request of the Chair of the Senate Economics Legislation Committee, I move:

That the final reports of the Senate Economics Legislation Committee on the provisions of the Corporations Amendment (Improving Accountability on Termination Payments) Bill 2009 and the provisions of the National Consumer Credit Protection Bill 2009 and related bills be presented by 7 September 2009.

Question agreed to.

**Legal and Constitutional Affairs Legislation Committee**

**Reporting Date**

Senator McEWEN (South Australia) (4.40 pm)—by leave—At the request of the Chair of the Senate Legal and Constitutional Affairs Legislation Committee, Senator Crossin, I move:

That the final reports of the Legal and Constitutional Affairs Legislation Committee on the Migration Amendment (Immigration Detention Reform) Bill 2009 and the provisions of the Personal Property Securities Bill 2009 be presented by 17 August 2009.

Question agreed to.

**Community Affairs Legislation Committee**

**Reporting Date**

Senator McEWEN (South Australia) (4.40 pm)—by leave—At the request of the Chair of the Senate Community Affairs Legislation Committee, Senator Moore, I move:

That the final report of the Community Affairs Legislation Committee on the provisions of the Health Legislation Amendment (Midwives and Nurse Practitioners) Bill 2009 and related bills be presented by 17 August 2009.

Question agreed to.

**DOCUMENTS**

**Tabling**

The ACTING DEPUTY PRESIDENT (Senator Ryan)—I present the following documents:

Supplement to the 12th edition of Odgers’ Australian Senate Practice;

Business of the Senate for the period 1 January to 30 June 2009; and

Questions on notice summary for the period 12 February 2008 to 30 June 2009.
Responses to Senate Resolutions

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

(a) from the Ambassador of Peru (Mr Claudio De La Puente) to a resolution of the Senate of 16 June 2009 concerning the Peruvian Amazon region;

(b) from the Special Minister of State (Senator Ludwig) to a resolution of the Senate of 19 March 2009 concerning terrorism laws;

(c) from the Minister for Agriculture, Fisheries and Forestry (Mr Burke) to a resolution of the Senate of 17 June 2009 concerning mountain ash forests; and

(d) from the Minister for Infrastructure, Transport, Regional Development and Local Government (Mr Albanese) to a resolution of the Senate of 18 March 2009 concerning an oil spill in Queensland.

Mountain Ash Forests

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.42 pm)—I seek leave to take note of the response of the Minister for Agriculture, Fisheries and Forestry to the Senate resolution concerning mountain ash forests that has just been tabled.

Leave granted.

Senator BOB BROWN—I move:

That the Senate take note of the document.

This is a response to a Senate resolution regarding mountain ash, or Eucalyptus regnans, forests in Australia. It is a response from the Minister for Agriculture, Fisheries and Forestry, Mr Burke. I had sought the government’s response to the report by Professor Brendan Mackey at the Australian National University and his colleagues Dr Heather Keith, Dr Sandra Berry and Professor David Lindenmayer on the greenhouse gas release from the destruction of Australia’s tallest forests, which are indeed the mountain ash forests of Victoria and Tasmania. What we have in this response from the minister is a complete lack of information and, indeed, a revelation of extraordinary ignorance in the department and of the minister himself. You will note, Mr Acting Deputy President, that after the question of whether the report from the Australian National University has validity comes this conclusion from the government:

Neither report—because they include a further report from the Australian National University on proceedings of the National Academy of Sciences in Australia—provides sufficient detail to allow a review of the validity of the findings.

In other words, the government has no idea. Minister Burke does not have a clue about the greenhouse gas emissions from the destruction of Australia’s tall forests, primarily by the export woodchip industry. The Senate asked:

(ii) What government measures are being taken or considered to protect Eucalyptus regnans forests in Australia that are currently targeted for logging …

The minister resorted to an answer which was basically ‘none’. There are forests that are protected, but for those that are targeted for logging under the regional forest agreements—which, by the way, were established by the Howard government back in the 1990s—no change is planned. This is despite the Australian National University report showing extraordinary volumes of greenhouse gases being emitted through the destruction of these forests. In fact, it is the biggest release of greenhouse gases through terrestrial logging anywhere on the planet. Quite remarkable. Acre for acre it is much greater than, for example, the destruction of rainforests in Brazil, Indonesia or Central Africa. The minister says:
The sustainability indicators report prepared for the ten-year review of the Tasmanian Regional Forests Agreement indicates there is 68,000 hectares of predominantly *E. regnans* forest in the state, of which 18,000 hectares is reserved.

In other words, 50,000 hectares is targeted for logging. Then comes the minister’s anaemic excuse for that outrage in terms of greenhouse gas emissions:

The 50,000 hectares available for timber production—

read ‘available for woodchip export to the Japanese and Chinese markets’—

is predominately regrowth. Of this, 45,000 hectares is on public land.

These regrowth forests—and we are talking about forests seeded as far back as 1898 due to wildfires over a century ago—should be allowed to grow to their full potential, taking out of the atmosphere enormous volumes of greenhouse gases, in particular carbon dioxide. There is nothing like them for achieving the greenhouse gas emissions reductions that this nation needs, in this week in which we are discussing the government’s recipe for failure in tackling climate change. The minister says that, of the 50,000 hectares in Tasmania of *Eucalyptus regnans*, 45,000 hectares is on public land—that is, within reach of his say-so. He goes on to say that VicForests, the Victorian authority:

... report that current approved timber release plans—

that is, forest destruction plans—

exist for 2771 hectares of predominantly *E. regnans* forest in Victoria. This area is estimated to contain 363,621 cubic metres of sawlog and—

**Opposition senator interjecting**—

to the interjector on my right—

796,772 cubic metres of pulpwood—

that is, woodchip.

What we have here is a complete studied ignorance by this Rudd government. In an age of climate change, we are looking, if you accept Sir Nicholas Stern’s asseveration, at a potential price of more than $100 a tonne for the carbon stored by these forests if they are kept standing upright being released at something like $12, $14 or $16 a tonne by the Tasmanian Labor and Victorian Labor governments through the destruction of these forests. That is the royalty that will be gained from selling them into the export woodchip market. It is economically outrageous, it is environmentally outrageous, because we are talking about the destruction of prime habitat of species of Australian plants and wildlife, including rare and endangered plants and wildlife, and it is outrageous from the point of view of greenhouse gas emissions.

But then in the last paragraph comes the clincher from Minister Burke, who after two years should be on top of this portfolio but obviously does not understand it. The Senate asked:

(iv) Whether ending native forest and woodlands removal in Australia would reduce the nation’s greenhouse gas emissions by 10 to 20 per cent.

He said, in effect, ‘I have no idea.’ You will see in the document that he said that logging of native forests and woodlands, where it is measured by the government—that is, to create agricultural uses on that land—puts 77 million tonnes of carbon dioxide equivalent into the atmosphere each year. Shame on the Bligh government in particular, because it is the greatest creator of destruction of these woodlands, but shame also on the Northern Territory, Victorian, Tasmanian, South Australian, Western Australian and New South Wales governments. The minister went on to say:

According to the National Inventory Report 2007, the area of native forest available for harvest activities—

that is, for logging destruction—
sequestered and stored 36.8 million tonnes of carbon dioxide in 2007.

That is, in one year the area of forest now targeted for destruction under the indirect authority of the Minister for Agriculture, Fisheries and Forestry, Mr Burke, sequestered—that is, took out of the atmosphere—37 million tonnes of carbon dioxide two years ago. That is now stored in these forests. He—along with the Minister for the Environment, Heritage and the Arts, Peter Garrett, the Minister for Climate Change and Water, Penny Wong, and above all the Prime Minister of this country—is prepared to have these forests, which are targeted for destruction, release not only all the carbon dioxide and greenhouse gases stored over decades or centuries in the past but the 36.8 million tonnes absorbed in 2007 and end their career as a massive absorber of greenhouse gases. That is what is afoot here.

This government has legislation before the parliament that it says meets its obligations to reduce greenhouse gases. That legislation in no way deals with this outrageous dereliction of duty by the minister for forestry and the Prime Minister of this country—in sending to destruction the biggest carbon banks—that is, hedges against climate change—that we have in terrestrial Australia. This document is an affront to the Senate. It is a record of studied ignorance by the Rudd government in 2009. These forests should be protected by law to prevent the greenhouse gas damage to all our futures that will come from their studied destruction by this government and the several Labor governments at state level which are involved.

Senator COLBECK (Tasmania) (4.52 pm)—I, too, would like to make a contribution on the minister’s response to the question by the Greens. It gives me a good opportunity to briefly discuss this. I suppose I agree with Senator Brown in the context that I am not sure that the minister really is across what is going on in this portfolio with respect to sequestration of carbon in forests and timber products. I also note that Senator Brown is only prepared to tell half of the story when it comes to this issue. I have been very interested over the last few months in the conduct of the inquiry into climate change and in discussions that I have had on the measurement of carbon in forests and sequestration of carbon in solid timber products. Senator Brown, when he talks about the release of carbon dioxide from the harvesting of native forest, talks about it in the context of the current Kyoto accounting rules, where the assumption is that when you harvest a tree all of the carbon contained in that tree is emitted immediately, including the carbon in the roots. So, if you harvest a tree, the assumption for the current Kyoto accounting purposes is—

Senator Bob Brown—Who says it’s for Kyoto accounting purposes? Please show me.

Senator COLBECK—Ask your colleague, Senator Brown. Senator Milne was with me on the inquiry. There is no dispute about it, Senator Brown. If you are so far behind you do not know, that is your problem, not mine. That is the accounting process that is acknowledged internationally. But there is no acknowledgement in the current accounting processes for carbon stored in timber products. So managed forests, forests of the type Senator Brown is talking of—in fact, regrowth forests—are not accounted for. It is very good to hear Senator Brown acknowledge that you will find old-growth qualities in regrowth forests. It is a very important point that Senator Brown acknowledges. In fact, I have had it put to me by a member of the Wilderness Society in Tasmania that a 40-year-old regrowth forest is regarded as an old-growth forest, recognising the values that are being created in the regeneration of forests in Tasmania and in
other jurisdictions around the country by the quality forestry practices that operate in this country.

The Greens talk about the deconstruction. They do not talk about the high-quality regeneration forests that are occurring in Australia. They are quite happy to claim the forests after they are regenerated, down the track, as old-growth, even though they do not specifically fit the definition; but they do not recognise the carbon stored in timber products, and they are quite happy for that process to continue. There is a recognition of carbon stored in timber products over the long-term cycle. Senator Brown talks about the here and now and the harvesting of forests but does not talk about the long-term cycle, where you can, by recognising the carbon stored in solid timber products, actually store more carbon through actively managing a forest over a long term. The CSIRO told us that. There is research out of North America that tells us that. And it has been recognised in conversations that I have had in Europe over the last few weeks. You will sequester more carbon by managing forests sustainably over a long period of time when you recognise the carbon stored in solid timber products, whether they be paper, which has a shorter life, or solid timber products, which have a long-term life. Senator Brown, you are so far behind with your thinking in respect of this. This religious fervour that you do not cut down a tree is doing nothing for the timber industry. It is doing nothing to stop illegal logging in Third World countries.

If we can apply common sense to this, in my view there is a real opportunity for us to use the recognition of carbon stored in solid timber products to start directing funding back to Third World countries to get regeneration programs—which would be an absolutely positive thing—in forests that are being challenged, like tropical forests in South America. We can get funding directed back into regeneration programs and then get very genuine certification processes into our forests, which recognise and measure these factors so that there is a long-term future for forestry. Also, you can have sustainable forestry into the longer term. There is a huge opportunity for the forest industry to work with this. We know that timber sequesters carbon. We ought to be looking at making sure we are using sustainable products like timber in our construction industry. We can move away from using those products with heavy carbon footprints that use a lot of energy in their generation, and we can store that. We can look at the longer-term recycling of timber products as well so that we can maintain that carbon stock in the timber that is being stored but return some of the revenue generated to regenerating forests in Third World countries.

We talk about certification of timber out of some of these countries through what is regarded as legal logging. Very little of it has a regeneration process attached to it. So we are still seeing deforestation, which is, in the context of long-term carbon storage, not a good thing. In places like Tasmania and other Australian states we are actually planting new native forests. Using the genus that comes out of those forest coupes, there is a real opportunity for us to demonstrate that what we are doing is right and to export that technology to other places so that we can have a sustainable timber industry.

There will continue to be enormous demand for timber. We currently have a $2 billion trade deficit on timber products coming into Australia. We should be valuing the work that is being done by our forest industries and making sure that we have those long-term rotations of our native forests so that we can continue to sequester carbon over time and make sure that not only do we maintain the value that comes out of our forest industries as well as having some re-
placement for the products that are currently being imported—about 10 per cent of which are illegally logged—but also we have a sustainable timber industry in the long term and at the same time achieve the climate change objective of locking up more carbon. That is what the science says. It is not like in the old religious days of not cutting down a tree. If you have a long-term rotation of native forests, allowing them to reach a level of maturity where they have peaked in their carbon sequestration before you reharvest, you will find old-growth forest characteristics in those regrowth forests.

Those are the sorts of things that we have got to get to, and it was great to see Forestry Tasmania release a strategy last week for maintaining access to specialist Tasmanian timbers. They are doing a lot of great work—world-leading work in a lot of cases—and yet are continuously being denigrated by those who are so far behind in the science, who have no idea what is going on in this process and who are in fact actively trying to frustrate the process by not wanting to recognise the carbon stored in solid timber products, which provides a huge opportunity both to totally change the way that the forest industries work internationally and provide some solutions to what are significant problems at the moment.

Senator MILNE (Tasmania) (5.01 pm)—I rise today to make some comments in relation to Minister Burke’s response to the issue of the carbon stored in Australia’s forests, and in particular mountain ash forests. It is very interesting because all kinds of distortions are possible in a debate like this, but what is not being recognised—and I have to say that Senator Colbeck failed to recognise it right then—is that the world has realised that global greenhouse gas emissions must peak by 2015 and then come down.

When people start talking about putting in a forest now and allowing it to go to maturity in 80 or a hundred years, they are not engaging with the fact that right now we have to stop the logging of forests, stop native vegetation clearance and bring down fossil fuel emissions at the same time. It is why the world is now engaged in a vigorous discussion about reduced emissions from deforestation and degradation. It is why we are going to Copenhagen in December with a vigorous debate about what to do. The whole world is moving to try to put pressure on developing countries in particular—because the tropical forests happen to be predominantly in developing countries—to stop the logging of those forests because they emit not only the stores from the trees that are cut down but also the massive store in the soil carbon in those forests. That is our biggest problem here.

The ANU has now shown that the carbon in Tasmania’s old-growth forests and in Victoria’s mountain ash forests as well have larger amounts of carbon stored than those that exist in tropical forests. That this has occurred is a new awareness in science, and people are now recognising that the fastest way for Australia to get its greenhouse gas emissions down would be to stop the logging of native forests and the clearing of native vegetation. That would make a major difference. In the round table that we had, all the scientists were saying about biodiversity impacts and carbon that the first thing you should do is protect your existing forest stores and protect your existing carbon stores.

Not only is this letter adding insult to injury but it fails to point out that the federal government, together with the Tasmanian government, is currently allowing the logging of these native stores to go to woodchips. It is recognised that they are for pulp wood—the minister himself recognises that a large volume is for pulp wood. At the mo-
ment, you cannot sell that pulp wood to the Japanese. The woodchip mills are closed in Tasmania two or three days a week because the bottom has dropped out of the market. We are logging precious stores to stockpile woodchips, so now we have hit upon the great scheme of burning those forests in furnaces and selling that energy as renewable energy. The federal government’s renewable energy target is going to allow biomass as an energy source to go into the renewable energy target.

Gunns pulp mill in northern Tasmania—contrary to the view that they have imported machinery to start the pulp mill—have imported machinery for the forest furnace, so that, regardless of whether the pulp mill goes ahead or not, their furnace is there and they will keep logging and chipping those forests, putting them through the furnace and selling them as green energy. In other parts of the country this is known as ‘dead koala credits’. In Tasmania we do not have koalas, but we are nevertheless going to see those woodchips burnt and sold under the renewable energy target. That is something that the Prime Minister, Minister Wong and Minister Garrett—the whole lot of them—endorse. I am going to be moving, in the renewable energy target debate, to delete the biomass from the renewable energy target because it will lead to the burning of Tasmania’s forests to go into so-called green energy.

But let me get back to Kyoto accounting—this is where Senator Colbeck did not represent it as it currently is. The fact of the matter is that, under the Kyoto protocol, the logging of a native forest—providing it is replanted or resown in some way, whether by plantation or regeneration techniques—is deemed to be carbon neutral. That is on the basis that over a rotation, whatever that might be, it is deemed to be carbon neutral. That is wrong. That is based on a European perception of plantations and not on an assessment of the carbon in an Australian forest. That is why we have got such a distortion in the carbon accounting.

The worst aspect of this, with the CPRS, is that, if the government allows opt-in of plantations, we will get those plantations planted under MIS schemes being opted in to try and get some value returned from them. That will drive the logging deeper into our native forests, which is the worst-case outcome for climate change and the worst-case outcome for wood production, because those plantations were planted for wood production and that is why people got tax breaks in order to do it.

What Minister Burke has shown is that he is not across the science. Recently we have had in Australia Dr Rachel Warren from the Tyndall Centre, who is absolutely shocked that Australia would be allowing the logging and burning of native forest to generate energy under a renewable energy target. She is certainly conveying that idea through academia in Australia. For the Australian government to go to Copenhagen bragging about an arrangement with Indonesia—saying that we are going to put $200 million into stopping logging in Indonesia—while we are subsidising the logging of even-more-carbon-rich forests in Australia, will send the rest of the world into shock, because they will not be able to believe the level of hypocrisy from Australia, especially when they find out that it was the Australian government who pressured the Indonesians to overturn Forestry Law 41.

Indonesia actually stopped mining in protected forest areas, and along came BHP Billiton and a whole lot of other mining companies who had got their permits under previous corrupt regimes. They put pressure on the Indonesian government through the Australian embassy in Jakarta and forced them—threatened to take them to international arbi-
tration to get compensation for these permits granted under previous corrupt regimes—to overturn the law so that those areas could be logged, clear-felled, so that the miners could move into those areas in Indonesia. So for Australia to now turn around and say, ‘We’ll give you $200 million to stop logging,’ after we forced the Indonesians to log vast areas on behalf of the mining industry, which had those permits, just makes the developing world sit there and wonder at the hypocrisy of Australia. And this is on top of what I mentioned earlier this afternoon, where Australia blocked the Pacific island countries from including a stronger target than Australia was prepared to have in the communiqué from the Pacific Islands Forum.

So this is Australia bullying—bullying the rest of the world. And now we are going to get it on reduced emissions from deforestation and degradation. And the one thing the environment movement and the Greens will be doing in Copenhagen is pointing out to the rest of the world this hypocrisy in Australia: lecturing the rest of the developing world about not logging tropical forests while subsidising the logging of temperate forests—the most carbon-rich forests in the world. There will be peer reviewed papers coming out in all kinds of scientific media before Copenhagen and they will show that very clearly. It is no use trying to pretend that wood products out of an old-growth forest store a more significant part or a large part of the carbon. That is nonsense. Less than 10 per cent of the stored carbon ends up in anything durable. The rest is going to the atmosphere and is lost as a carbon store.

But I come back to the carbon budget that we have. What this parliament does not seem to realise is that we have run out of time. If we are going to constrain global warming to less than two degrees we cannot log carbon-rich forests in Australia or anywhere else anymore. And we need to stop doing that at the same time as we bring down our fossil fuel emissions. The idea of trade-offs is no longer feasible. We need to do both at the same time. If you are intent on logging forests you will absolutely have to stop fossil fuel emissions immediately and much more deeply than you are prepared to do. To continue to do both is to guarantee catastrophic climate change, and that is precisely what both sides of this parliament are intent on doing at the moment—no more so than Minister Burke.

Senator IAN MACDONALD (Queensland) (5.11 pm)—There is not a lot of time left, as I understand it, for my contribution. I just wanted again to point out the hypocrisy of the Greens political party in dealing with this and any issues relating to forestry. The number of trees that were burnt in the Victorian bushfires because people like the Greens refused to allow fuel to be removed from the forest is just unbelievable. I do have a little more time to develop this issue.

Senator Colbeck—It was measured in the Green carbon report.

Senator IAN MACDONALD—Indeed, Senator Colbeck! We have a magnificent resource in Australia—the most renewable and sustainable form of building material—and yet 30 years ago the Greens embarked upon a campaign to destroy the jobs of Australian workers and the Australian timber industry. And for all their pious comments, as they wring their hands during debates like the one we are having today, they do not understand that in the time when these forests were actually harvested sustainably there were people there managing those native forests and removing the fuel loads. People—that is, the forestry workers—were there and able to deal with bushfires when they broke out, but the Greens succeeded in shutting down most of the native timber forest industry in Australia and that has meant
that these forests remain unprotected. For all
the hand-wringing there were more trees de-
stroyed in the Australian bushfires of earlier
this year than all of the logging that has gone
on in Australia since Australia was started.
And do you hear the Greens complain about
that? Do you hear the Greens asking for re-
moval of fuel loads? You do not. It just
shows the hypocrisy of the Greens political
party on these issues.

Question agreed to.

Queensland Oil Spill

Senator IAN MACDONALD (Queens-
land) (5.14 pm)—I seek leave to take note
of the response of the Minister for Infrastruc-
ture, Transport, Regional Development and
Local Government to a resolution of the
Senate of 18 March 2009 concerning an oil
spill in Queensland.

Leave granted.

Senator IAN MACDONALD—I move:

That the Senate take note of the document.

The response from Mr Albanese is nothing
short of a disgrace and continues to show the
arrogance of this government in dealing with
motions adopted by the Senate. A motion
was moved calling upon the government to:

… establish a Royal Commission to investigate
all aspects of the oil spill and loss of containers
containing ammonium nitrate from the vessel
Pacific Adventurer on the morning of Wednesday,
11 March 2009.

The Senate motion called for a royal com-
mmission to look at, amongst other things:

(a) the response of the Queensland government
and its agencies;
(b) the response of the Federal Government and
its agencies;
(c) the operation of the ‘National Marine Oil Spill
Contingency Plan’;
(d) the apparent delay in activation of the plan;
(e) the apparent delay in other remedial action; and

(f) possible recommendations for a change …

That was a serious motion of this Senate
calling for the establishment of a royal com-
mmission into what was one of the worst ma-
rine oil spill disasters in our nation’s history.

The oil spill should not have happened. There
are a lot of questions about whether
the ship containing the oil containers should
have left the port, whether the cargo was
properly loaded and harnessed, what hap-
pened when the incident occurred, and how
long it took the Australian government to try
and find these containers—which, senators
will recall, were lost for weeks at a time.
There were also a lot of complaints about the
inactivity of the Queensland government and
how, whilst the Brisbane City Council mobi-
Iised resources to try and address the oil spill
on the islands of Moreton Bay, the Queens-
land government did nothing for several
days—until a lot of the damage had been
done. All of these complaints, concerns and
issues should have been seriously looked at.
That is why a clear majority of the Senate—
perhaps the Labor Party did not support the
motion—called upon the government to es-

tablish a royal commission.

In response to that request from the Sen-
ate, we got a letter, apparently dated 3 Au-
gust, from Mr Albanese. He says that there
are a number of independent examinations of
the major aspects of this ship incident. He
says the Australian Transport Safety Bureau
have been looking at the issue, have issued a
preliminary report and are going to issue a
further report, which, he says, is expected to
be released in the next few months. He also
says in his response that, under the Inter-
Governmental Agreement on the National
Plan to Combat Pollution of the Sea by Oil
and other Noxious and Hazardous Sub-
stances, there was an independent and com-
prehensive analysis of the oil spill response
in relation to the incident which was com-
menced in April 2009 and which aims to be completed by the end of July 2009. Obviously, at the date of Mr Albanese’s letter, 3 August, that had not been done, and one wonders when that is going to be issued. Mr Albanese then goes on to say that the Australian Maritime Safety Bureau and the Commonwealth DPP are investigating potential offences of the marine pollution laws and that there may be prosecutions there and also prosecutions against the ship’s master. That is all very interesting, but it does not address the real concern of the Senate expressed in the Senate motion calling for a royal commission into all aspects of this oil spill. There are many, many questions still to be answered.

I notice the Queensland Premier and the minister issued a media release just a couple of days ago lauding some agreement that had been reached with the owners of the Pacific Adventurer on the cost of the oil spill. Under international law, apparently, the company that owns the vessel is responsible for $17½ million. They agreed to voluntarily pay $25 million. The Queensland Premier and Mr Albanese laud this as a great result. It is not that at all. The cost of the oil spill clean-up was far in excess of the $25 million which was recovered. But, typical of the spin that you get from Labor governments both in Queensland and federally, they will now push that aside and say, ‘Well, we’ve got $25 million; that’s the end of the whole issue.’

There are serious questions to be answered which have not yet been addressed—questions like why it took the Queensland government so long to get motivated, to get activated, to address this oil spill. There has been, and I mentioned this at the time, a litany of mistakes and incompetence by the Queensland government in the way that they dealt with that oil spill. Those things really need to be looked at, and not just to lay blame in what was clearly an incompetent operation at the time—hopefully there will not be a similar oil spill in the future, but, if there is, we need to make sure that we get on to it before there is the amount of damage that occurred on this occasion.

The Brisbane City Council, to their great credit, mobilised forces, mobilised people and material, immediately to address the more urgent aspects of the oil spill. But they were left there twiddling their thumbs as the Queensland government agencies simply could not get operational; they did not know what they were doing. It is all of these issues that need to be addressed.

So, having called for the royal commission, the Senate gets this bland letter back from the Labor government simply saying, ‘Oh, there are a couple of investigations, by the ATSB and other agencies, and that should be it.’ If this Senate did not think that it was important to conduct a royal commission into this oil spill, it would not have passed the motion. But the motion was passed by this Senate—and it deserves a better response than we got from the Labor government. It is quite clear from the response that the Labor governments, both the Commonwealth and in Queensland, are really not too concerned about the environmental damage, about the lack of immediate action, about the weeks that it took to find these dangerous containers that were floating around the Pacific Ocean, just off Brisbane and the Gold Coast. Those sorts of things could have initiated an even worse tragedy than did occur. We need to get to the bottom of this and understand why it happened, how it happened; and make sure it does not happen again. That is why the Senate called for a royal commission, and it is disappointing and arrogant in the extreme that the federal Labor government has just ignored the calls of the Senate and given this bland response that we have before us today.
Question agreed to.

PARLIAMENTARY ZONE
Proposal for Works

The ACTING DEPUTY PRESIDENT (Senator Bernardi) (5.24 pm)—In accordance with the provisions of the Parliament Act 1974, I present a proposal by the Department of Parliamentary Services for works within the Parliamentary Zone, together with supporting documentation, relating to the Parliament Drive one-way road project.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.24 pm)—I seek leave to give a notice of motion in relation to the proposal.

Leave granted.

Senator CARR—I give notice that, on 13 August 2009, I shall move:

That, in accordance with section 5, of the Parliament Act 1974, the Senate approves the proposal by the Department of Parliamentary Services relating to the Parliament Drive one-way road project.

ILLEGAL TIMBER IMPORTS
EMPLOYMENT SERVICES
CONTRACT 2009-12

Returns to Order


COMMITTEES

Economics Legislation Committee
Additional Information

Senator FARRELL (South Australia) (5.25 pm)—On behalf of the chair of the Economics Legislation Committee, Senator Hurley, I present additional information received by the committee on its inquiry into the provisions of the Carbon Pollution Reduction Scheme Bill 2009 and related bills.

DISABILITY DISCRIMINATION AND OTHER HUMAN RIGHTS LEGISLATION AMENDMENT BILL 2008

Returned from the House of Representatives

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

MIGRATION AMENDMENT (ABOLISHING DETENTION DEBT) BILL 2009 [No. 2]

First Reading

Bill received from the House of Representatives.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.26 pm)—I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.27 pm)—I move:

That this bill be now read a second time.

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

Leave granted.
The speech read as follows—

The Migration Amendment (Abolishing Detention Debt) Bill 2009 [No. 2] amends the Migration Act 1958 (the “Act”) to remove the liability for detention and related costs for certain persons, and liable third parties, and extinguishes all outstanding immigration detention debts.

The Rudd Government is committed to establishing a fairer and more humane and effective system of immigration detention. This Bill represents the first legislative step in the Government’s reform of immigration detention. Further reforms, to give legislative effect to the Government’s New Directions in Detention policy announced in July last year, will be introduced shortly.

The Government considers that fair and effective immigration detention policies and strong border security measures are not incompatible.

This Bill reflects that conviction: striking an appropriate balance by abolishing an ineffective system that penalises former detainees with enormous debt burdens, while ensuring that liability for detention costs remains a deterrent in relation to convicted illegal foreign fishers and people smugglers.

This Bill contains four key measures to reform the system of detention debt.

The Bill will, firstly, repeal provisions in Division 10 of Part 2 of the Act in relation to the liability of a non-citizen who is detained in immigration detention, and third parties in certain circumstances to pay the Commonwealth the costs of a detainee’s transport between a place where the non-citizen is detained and another place within Australia as well as the daily maintenance amount for each day of the non-citizen’s detention. Liability for costs associated with the removal or deportation of unlawful non-citizens under Division 10 of Part 2 to the Act will remain unchanged.

Secondly, this Bill will retain and clarify provisions in Division 14 of Part 2 of the Act which relate to the liability of convicted illegal foreign fishers and convicted people smugglers for detention and transport costs. These provisions are being retained in response to the serious nature of the offences covered by section 262 and in recognition of the need for a significant deterrent to apply to these offences.

Together, these amendments will mean that the detention debt regime will be prospectively abolished for all classes of detainees other than convicted illegal foreign fishers and convicted people smugglers.

Thirdly, the Bill will provide for the extinguishment of all outstanding detention debt for non-citizens who are in immigration detention, or persons who have been in immigration detention, and liable third parties at the time of commencement of the legislation.

Finally, the Bill will make consequential amendments to:

- clarify in Subdivision B and C of Division 4 of Part 2 to the Act (that relate to Criminal Justice Certificates) that the cost of keeping a non-citizen in Australia under these provisions does not include the cost of immigration detention; and
- ensure that the regulations can no longer prescribe sponsorship undertakings or obligations that include paying the Commonwealth an amount relating to the cost of a person’s immigration detention. The Bill also ensures that the element of undertakings or obligations made by a sponsor prior to commencement of this Bill that relate to paying detention costs of a visa holder sponsored by the sponsor will cease to have effect.

As the House may be aware the Government introduced this Bill in identical form in the Senate on 18 March 2009. We have taken the unusual step of re-introducing the same Bill in the House today to try and progress the Bill’s passage through the Parliament in this sitting fortnight.

I would like to emphasise, however, that it is exactly the same Bill as was introduced in the Senate on 18 March 2009.

In pursuing these amendments the Government has considered the findings and recommendations of three recent reviews of the detention debt regime under Division 10 of Part 2 of the Act.

In 2006 the Senate Legal and Constitutional Affairs Committee, in its report Administration and Operation of the Migration Act 1958, noted that “The evidence clearly indicates that the imposition of detention costs is an extremely harsh policy and one that is likely to cause significant
hardship to a large number of people. The imposition of a blanket policy without regard to individual circumstances is inherently unreasonable and may be so punitive in some cases as to effectively amount to a fine.” The Committee agreed that it was a serious injustice to charge people for the cost of detention.

In an own motion report published in April 2008, the Commonwealth Ombudsman examined the Department of Immigration and Citizenship’s administrative processes and procedures in relation to the detention debt policy.

The report, Department of Immigration and Citizenship: Administration of Detention Debt Waiver and Write-Off, noted that while the Department was administering the debt waiver and write-off of detention debt according to legislative and policy requirements, there was scope for improvement. In particular, the Ombudsman noted that the Department could improve the information it provides to people, timeliness and prioritisation in processing cases, and the consistency and reasonableness of decisions on debt waiver and write off.

Although the Ombudsman’s report focused on the administration of the policy, the report also commented upon the burden of detention debt, noting that “Complaints to the Ombudsman’s office indicate that the size of some debts cause stress, anxiety and financial hardship to many individuals who are now living lawfully in the Australian community, as well as for those who have left Australia.”

In introducing this legislation the Government has accepted the unanimous recommendation of the Joint Standing Committee on Migration (JSCM) that the Australian Government, as a priority, introduce legislation to repeal the liability for immigration detention costs, and immediately waive all existing detention debts for all current and former detainees.

In the first of three reports in its current inquiry, Immigration Detention in Australia: a new beginning, released in December last year, the JSCM commented on the administrative inefficiencies of the policy.

Noting that less than 2.5 per cent of the detention debt invoiced since 2004-05 had been recovered, with the vast majority of debts incurred under this system waived or written off, the JSCM concluded that: “The practice of applying detention charges would not appear to provide any substantial revenue or contribute in any way to offsetting the costs of the detention policy. Further, it is likely that the administrative costs outweigh or are approximately equal to debts recovered.”

The JSCM focused on the adverse impact of detention debt on those who either remained in Australia or had connections to the country, citing concerns about “the burden on mental wellbeing, the ability to repay the debt, and the restrictions a debt could place on options for returning to Australia on a substantive visa.”

Like the Commonwealth Ombudsman, the JSCM noted concerns raised with the Committee that “detention debts are a source of substantial anxiety to ex-detainees, and may impede the capacity of the ex-detainees to establish a productive life, either in Australia or elsewhere.”

The JSCM’s report made particular reference to the adverse impact detention debt often had on the mental health of former detainees, noting that the imposition of a significant debt often prolonged or exacerbated mental health problems relating to immigration detention, particularly where there was a history of torture and trauma.

The JSCM referred to the limited earning capacity of many people on their release from detention, and the financial hardship that substantial debts caused. The Committee also acknowledged the detrimental flow-on effect for families and dependants in these situations.

Turning to each of the measures in this Bill.

Part 1 of Schedule 1 to the Bill will provide for the general amendments to the Act. Part 1 will repeal provisions in Division 10 of Part 2 of the Act in relation to the liability of detainees and third parties for the cost of detention and the costs of transporting a detainee between places of detention.

As demonstrated most recently by the JSCM, the original objective behind the detention debt policy – to minimise the costs to the Australian community of the detention, maintenance and removal or deportation of unlawful non-citizens by ensuring all unlawful non-citizens bore pri-
mary responsibility for these costs – is simply not being met.

While the cost of immigration detention is significant, debt recovery under the existing system is so low as to be virtually ineffective. The majority of those persons with an immigration detention debt have their debts written off as uneconomical to pursue, while persons without an accurate forwarding address or with ongoing non-response are also not pursued by DIAC for practical and administrative reasons. A small proportion of debts are waived, where special circumstances are established and the Commonwealth considers that it has a moral, rather than a legal, obligation to extinguish the debt.

Recent figures provide an apt demonstration of the ineffectiveness of this policy. During 2006-2007 and 2007-2008 immigration detention debt raised was $54.3 million of which $1.8 million (or 3.3 per cent) was recovered. $48.2 million was written off by the Department as uneconomical to pursue and $4 million was waived. For the 2006-07 and 2007-08 financial years the balance of $0.3 million is under active debt management.

Making immigration detainees primarily responsible for the costs associated with their detention, has not, in any significant way, contributed to minimising costs to the Australian community. And in the meantime, the Department is required to meet the high cost of administering a debt that it is largely unable to collect.

These debts are not insignificant. The current daily maintenance amount of $125.40 can see a person in immigration detention for a year incur a debt of more than $45,000.

As the JSCM report detailed, detention debts in the hundreds of thousands of dollars are not uncommon.

These debt have little effect on those with sufficient funds to repay, and no effect on those (the majority) who cannot readily be contacted. It is only the minority with a genuine desire to seek legal stay in Australia who are directly affected. Departmental operational policy provides that detainees, once repatriated, must repay their debt in full or make satisfactory arrangements for repayment, before they can meet eligibility criteria for a visa. This requirement can act as a barrier to a person returning to Australia (even when partners or family members are Australian citizens), impede the transition from a temporary to permanent visa (as in the case of spouses), and prevent former detainees from sponsoring and being reunited with their family members (even, on occasions, when the former detainee has been found to be a refugee). As such, this requirement iniquitably affects those who seek to remain and settle in Australia, while the majority of people released from immigration detention are removed from Australia and are therefore under no obligation to repay their debts to the Commonwealth.

It is significant that no other country with immigration detention facilities holds people liable for their detention costs.

In terminating the detention debt regime under Division 10, this Bill not only prospectively abolishes a harsh and inequitable system which adversely impacts on the ability of former detainees to settle in Australia, but also brings to an end a system that has been demonstrated to be ineffective and inefficient. For many seeking to start a new life in Australia, this Bill removes an onerous burden of debt that is selectively harsh in its effects on the most vulnerable.

It is important to note that liability for costs associated with the removal or deportation of unlawful non-citizens under Division 10 of Part 2 of the Act will remain unchanged. People deported or removed from Australia will continue to be subject to the costs incurred. This Government recognises that the policy in relation to removal costs provides a deterrent against non-citizens electing to be removed from Australia to avoid payment of travel costs. The Government has no intention of encouraging visitors to this country to become destitute and then rely on the Australian Government – and Australian taxpayers – to pay for their return.

Part 1 of Schedule 1 to the Bill will also clarify the operation of provisions under Division 14 of Part 2 of the Act.

The Australian Government recognises that there are cases where the deterrent effect of detention debt is appropriate: persons convicted of illegal foreign fishing or of people smuggling offences under the Act.
The Australian Government remains very concerned with illegal, unreported and unregulated fishing in our northern waters and the abhorrent and despicable trade of people smuggling. Unlike many people who enter Australia, convicted illegal foreign fishers and people smugglers have no interest or intent to live in or contribute to Australian society. In fact, the actions resulting in their convictions are in direct conflict with the interests of the Australian community.

The nature of these offences calls for a significant deterrent. While the Government maintains rigorous ongoing surveillance and enforcement measures to tackle illegal foreign fishers and people smugglers, we recognise that we must use all measures available to preserve the integrity and security of our borders.

For these reasons this Bill will retain and clarify the provisions in Division 14 of Part 2 of the Act, to continue the liability of convicted illegal foreign fishers and convicted people smugglers for the costs of their detention.

The retention of detention debt liabilities for persons convicted of illegal foreign fishing and people smuggling will act as an adjunct to penalties already in place, strengthen the Government’s operational and national security response to illegal foreign fishing and people smuggling, and support the integrity of Australia’s border security regime.

Section 262 in Division 14 of Part 2 of the Act will be amended to enable the Minister to make a legislative instrument determining the daily amount for keeping and maintaining a person in immigration detention at a specified place in a specified period. This measure will ensure that the detention costs payable by convicted illegal foreign fishers and convicted people smugglers and liable third parties are clearly specified.

A new system for the management of detention debts incurred by convicted illegal foreign fishers and convicted people smugglers under amended Division 14 of Part 2 of the Act will be established by DIAC to ensure that it operates as intended.

Part 1 of Schedule 1 to the Bill will also provide for the extinguishment of all outstanding debt for non-citizens who are in immigration detention, or persons who have been in immigration detention, and liable third parties, in relation to the costs of detention payable at the time of commencement of the Bill.

The Bill extinguishes all existing debts incurred under the detention debt regime. The amendment to extinguish all outstanding immigration detention debt is necessary to provide a one-off blanket removal of a whole class of debts. After discussions with the Department of Finance and De-regulation it was determined that the extinguishment mechanism was more appropriate to use than either a waiver or a write off of existing debts. A waiver approach (as recommended by the JSCM) would require that consideration should be given to the individual circumstances of each debt, which would be administratively cumbersome; while a write-off approach is not appropriate because even when a debt is written off, it may be reinstated and pursued at a later date.

The total of the detention debt to be extinguished by this Bill is the amount owed to the Commonwealth at the time of commencement including amounts written off and debts under active debt management. Given that such debt arrangements have been in place for many years, the unavailability of comprehensive records over that time and payment of debt by some persons, a precise total figure is not available. However, based on the annual financial statements the estimated total of the debt to be extinguished is in order of $350 million of which, less than 5 percent is recoverable and the majority has been written off.

The extinguishment is not retrospective and therefore will only apply to debts that exist at the commencement of the legislation. There will be no refunds of any debts that have been paid in part or full before the commencement of the legislation. It is recognised that such payments were made in the discharge of a legal liability existing at the time of payment.

However, existing frameworks will continue to be available to allow for the recovery by an individual of an amount paid to the Commonwealth where there has been a mistake or illegality involved. For example, if it is found that a person was unlawfully detained, any immigration detention debt paid in relation to the unlawful detention
may be recoverable through legal action, settlement, the Compensation for Detriment caused by Defective Administration Scheme or act of grace payments through section 33 of the Financial Management and Accountability Act 1997. This may also extend to third parties who were liable and previously paid for the costs in relation to immigration detention.

All former detainees currently under active debt management will be notified of the changes through individual letters to their last known address. General information about the extinguishment will also be provided to community groups and placed on the department’s website.

By extinguishing existing debt for all detainees, this Bill will allow people to move on in their lives without the weight of detention debt holding them back.

Parts 2 and 3 of Schedule 1 to this Bill amend the Act to ensure that regulations made for the purposes of subsection 140H(1) of the Act cannot prescribe a sponsorship undertaking, or if the Migration Legislation Amendment (Worker Protection) Act 2008 has commenced, cannot prescribe a sponsorship obligation to pay the cost of a person’s immigration detention. These Parts further provide that an undertaking prescribed by the Migration Regulations 1994 (the “Regulations”) made for the purposes of subsection 140H(1) of the Act (that relates to paying the Commonwealth an amount relating to the cost of a person’s immigration detention), will cease to have effect on the commencement of this Bill.

As I noted earlier, in introducing this legislation the Government took into account the unanimous recommendation of the Joint Standing Committee on Migration that the Australian Government, as a priority, introduce legislation to repeal the liability of immigration detention costs, and immediately waive all existing detention debts for all current and former detainees.

The committee members at the time of the December report included a number of members opposite. Dana Vale MP (Member for Hughes), Petro Georgio MP (Member for Kooyong), Senator Alan Eggleston, and – most notably – the Shadow Minister for Immigration and Citizenship Dr Sharman Stone MP (Member for Murray).

I note that on releasing the report, the Deputy Chair of the Committee Dana Vale MP (Member for Hughes), stated that the committee found the policy “harsh and without reasonable rationale”.

So it is now surprising and disappointing that the Opposition has signalled that it is intending to oppose this Bill.

There can be no other rationale explanation for the Liberal Party’s back flip other than political opportunism. The members opposite would rather stand ready with dog whistles to support the continuation of a policy that is clearly not achieving its objectives than acknowledge that this is a sensible policy change.

A sensible policy change that abolishes a system which adversely impacts on the ability of former detainees to lawfully settle in Australia and brings to an end a system that has been demonstrated to be inefficient and has no deterrent effect.

So what we now have is the Liberal Party – the self professed champions of economic management - supporting a policy where the administrative costs outweigh the debts recovered.

For the 2008/09 financial year my Department have estimated that the cost of administering detention debts will be approximately $709,000. Year to date receipts to 30 April 2009, from repayment of detention debts for the 2008-09 financial year, is $477,613. If this figure is extrapolated to the full year, it appears that the Department this year will recover approximately $573,000 in detention debt.

Not only do these recent figures demonstrate what an inefficient policy this is, but also highlights what a ridiculous position the Opposition is adopting after the Shadow Minister and her colleagues wholeheartedly endorsed the abolition of detention debt just six months ago.

In conclusion can I reiterate that the Government expects that people who come to Australia enter and leave in accordance with their visa conditions. Immigration detention will continue to be used as an appropriate tool to manage compliance and the prompt removal of those who have no legal right to remain in Australia.

In short, immigration detention will continue to support the orderly processing of migration to our country.
However, the Government considers that fair and effective immigration detention policies and strong border security measures are not incompatible. This legislation will strike an appropriate balance. This Bill marks an important change in the treatment of persons who have been subject to immigration detention. I hope it will have the support of Members, most particularly those Opposition members of the JSCM who were part of the unanimous recommendation that we abolish this system.

I commend the Bill to the chamber.

Debate (on motion by Senator Carr) adjourned.

RURAL ADJUSTMENT AMENDMENT BILL 2009
FAIR WORK (STATE REFERRAL AND CONSEQUENTIAL AND OTHER AMENDMENTS) BILL 2009
FAIR WORK (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2009
NATION BUILDING PROGRAM (NATIONAL LAND TRANSPORT) AMENDMENT BILL 2009
INTERNATIONAL MONETARY AGREEMENTS AMENDMENT (FINANCIAL ASSISTANCE) BILL 2009
SOCIAL SECURITY LEGISLATION AMENDMENT (DIGITAL TELEVISION SWITCH-OVER) BILL 2009
TRADE PRACTICES AMENDMENT (CARTEL CONDUCT AND OTHER MEASURES) BILL 2009
SOCIAL SECURITY AND OTHER LEGISLATION AMENDMENT (PENSION REFORM AND OTHER 2009 BUDGET MEASURES) BILL 2009
GUARANTEE OF STATE AND TERRITORY BORROWING APPROPRIATION BILL 2009
TAX LAWS AMENDMENT (2009 MEASURES No. 1) BILL 2009
APPROPRIATION BILL (No. 1) 2009-2010
APPROPRIATION BILL (No. 2) 2009-2010
APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2009-2010
PRIVATE HEALTH INSURANCE LEGISLATION AMENDMENT BILL 2009
CAR DEALERSHIP FINANCING GUARANTEE APPROPRIATION BILL 2009
COORDINATOR-GENERAL FOR REMOTE INDIGENOUS SERVICES BILL 2009
MIGRATION AMENDMENT (PROTECTION OF IDENTIFYING INFORMATION) BILL 2009
DISABILITY DISCRIMINATION AND OTHER HUMAN RIGHTS LEGISLATION AMENDMENT BILL 2009
NATIONAL HEALTH AMENDMENT (PHARMACEUTICAL AND OTHER BENEFITS—COST RECOVERY) BILL 2009
HEALTH WORKFORCE AUSTRALIA BILL 2009
Assent

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

CARBON POLLUTION REDUCTION SCHEME BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2009
AUSTRALIAN CLIMATE CHANGE REGULATORY AUTHORITY BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CHARGES-CUSTUMS) BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CHARGES-EXCISE) BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CHARGES-GENERAL) BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) (CONSEQUENTIAL AMENDMENTS) BILL 2009
EXCISE TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009
CUSTOMS TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009
CARBON POLLUTION REDUCTION SCHEME AMENDMENT (HOUSEHOLD ASSISTANCE) BILL 2009

Second Reading

Debate resumed.

Senator BERNARDI (South Australia) (5.28 pm)—Before I was interrupted by question time I was commenting on the cost to industry of the CPRS. I make the note that dollars and cents are one thing. To this government they are simply entries on a balance sheet, with no thought of the impact of their spendthrift and damaging policies. But, in the end, this should not just be about numbers; it has to be about jobs. A few brave companies have been prepared to go public with the impact on their workers of this CPRS. The Minerals Council has found that over 66,000 jobs will be lost or forgone as a result of the CPRS. Rio Tinto has stated that ‘the CPRS as proposed will cost jobs—now and in the future’. Xstrata predicts that between 5,000 and 10,000 jobs nationally will be lost. Alcoa has concerns about 1,800 jobs at risk in Geelong and Portland. Exxon predicts the loss of 350 jobs at their Altona refinery. Hundreds of jobs will or could be lost at BlueScope and OneSteel. The aluminium smelting industry would cancel their expansion plans, with a loss of 3,000 permanent jobs and up to 15,000 construction jobs.

Even the clean energy projects at ZeroGen and Envirosol could see 1,000 jobs go begging as a result of this CPRS. The list of jobs lost or foregone could go on and on. Hundreds of thousands of jobs could disappear under this scheme that—just as a reminder—will not make a jot of difference to the climate. Research commissioned by the New South Wales government found that regional centres across Australia would shrink by 20 per cent under the government’s scheme. In some one-factory towns, the loss of industry would effectively shut the community down. This scheme is just another stake through the heart of regional Australia.

As I mentioned earlier, the government will be offering financial support for low- and middle-income families to help cope with the increased costs caused by this scheme. Why, then, are the government burdening all Australians with higher costs when the CPRS will make no meaningful difference to the world’s climate? Put simply, the price of emission intensive goods will increase, the cost of electricity will increase by up to 50 per cent, the cost of gas and other household fuels will increase for every household and food prices will increase. I ask once again: why are Labor trying to place this burden on Australian families? Why are Labor threatening their jobs, their prosperity and their lifestyle when the action that Labor are proposing will have no impact on global climate change? The only reason is
that Labor have turned their backs on Australia’s interests in an ill-fated attempt to ingratiate themselves among the leaders on the world stage.

Frankly, the national price alone is too high for me to support this bill. While, by virtue of our position in the national parliament, we must consider our county’s interests, I am a senator for South Australia and I will and must consider the interests of my state. You see, when talking about job losses and increased cost, it is easy to think that it will not happen in an area near you. This scheme will affect everyone. But some, of course, will be much worse off than others. South Australia, for example, relies on agriculture, manufacturing, mining and other energy intensive industries that will all be disadvantaged by the introduction of Labor’s CPRS. It is estimated that the South Australian government will experience a net additional cost of $99 million. This will place a significant burden on other areas of state government expenditure, such as health care, just to cover the costs of this scheme.

The town of Whyalla, where I was last week, currently facing such a promising future, would once again be plunged into uncertainty as a result of this scheme. Nyrstar, a metals processing and recycling company operating in Port Pirie, estimate that a CPRS could make their smelter unviable. This would cost up to 1,700 jobs, around 30 per cent of Port Pirie’s working population. Imagine that: one third of a large town’s population out of work as a result of a scheme that will not and cannot achieve its stated aim. It fills me with dread, and it should fill every South Australian senator with dread, too.

South Australia’s future is reliant on the very industries that the rabid greenies consider unfriendly to the environment. We have to accept, though, that industry is needed to continue the growth of our state. We need to see the development. We need to see the development of our mining industry. We need to see the development of new power stations, including the proposed $350 million, 450-megawatt, gas fired power station planned near Mallala—a project the viability of which is threatened by Labor’s irrational CPRS. In the south-east of my state, the Kimberley Clark pulp and paper mill at Millicent will suffer under the CPRS, threatening the future of its 630 employees. Every single job lost will have a flow-on impact, not only for Millicent but for the neighbouring townships and the south-east region of my wonderful state.

South Australia is reliant on more than mining and industry for its prosperity. We also have a big agricultural presence that contributes a large amount to our state economy. The proposed CPRS could take up to 22 per cent of a farmer’s income to—remind the Senate once again—achieve no meaningful benefit for the environment. Beef eaters will pay more and beef producers will make less under this scheme. Input costs will rise and profits will fall for all farmers. The inevitable result will be more farmers leaving the land, placing further pressure on regional communities. I do not have time to further extrapolate on the danger this bill represents to the national interest and the interest of South Australia.

Local industries will be forced to close, only to reopen elsewhere, effectively exporting Australian jobs and profits to other countries. Every Australian—every Australian family—will bear the cost of this scheme in the form of higher food and energy prices, through loss of jobs, through the decline in real wages and through the closure of communities.

This CPRS is like a wish list of anti-Western, ultra-green ideology. It places hy-
pothermal environmental benefits above the interests of every Australian. The economy, employment and families are ignored in favour of Al Gore’s alarmist and discredited apocalyptic future of the world. And for what? It will have no meaningful effect on reducing global greenhouse gas levels. No matter how extreme our own approach to reducing carbon emissions, Australia can achieve nothing alone. In the absence of a global agreement including India and China, Australia will simply be a loser by being an observant climate change disciple. We cannot and should not pursue causes, no matter how well-meaning they might be, if they will have no positive impact on the global environment and yet threaten the very future prosperity of our country. Accordingly, I will be acting in the national interest and the interest of South Australia by voting against this bill and by flagging my objection to any future incarnation that does not serve the interests of my state and my country. I ask that every South Australian senator, and in fact every senator in this place, makes that same commitment. To do anything less is abrogating their responsibility under our constitution.

Senator FURNER (Queensland) (5.36 pm)—I rise today to talk about something that is close to my heart: the environment. Today we are facing one of the biggest problems of our lifetime: climate change. Climate change is affecting everyone and it is time we step up to the mark and fix what we as humans have broken before it is too late. I was privileged, like other senators, to be part of the Senate Economics Legislation Committee’s inquiry into the Carbon Pollution Reduction Scheme Bill 2009 and related bills, a member of the Senate Select Committee on Climate Policy and a participating member to the Senate Select Committee on Fuel and Energy at its Gladstone hearing.

The experiences were an opportunity to hear from copious witnesses from renewable energy technology areas, environmental conservation groups, a variety of all types of businesses, scientists and action groups. I take this opportunity to thank the secretariat and my fellow senators, particularly Senators Cameron, Feeney and Pratt, for their commitments in dealing with possibly the most crucial piece of legislation this century and with over 8,000 submissions.

Senator Ian Macdonald—What about me!

Senator FURNER—I mentioned ‘all senators’! Overwhelmingly, evidence among climate scientists both in Australia and internationally is that climate change caused by human activity is posing a major and rapidly escalating threat to the earth’s physical environment, to the economies of every country and, ultimately, to the sustainability of human life on this planet. Australia is one of the hottest and driest countries in the world and will be hit by the brunt of climate change if we do not act. The state of Queensland, which I represent, is one of the states that will be greatly affected by climate change. We have been exposed to drought, floods, cyclones and fires. With a population of more than four million people we cannot afford to sit back and watch sea level rises potentially cause floods. We cannot risk carbon dioxide levels doubling. We cannot risk temperatures rising further and nor can we just sit and watch the destruction of the Great Barrier Reef or the demise of our agricultural industries. All of these would have huge implications on our state, not just our health but our businesses and our livelihoods for many generations to come. If we sit here and do nothing there will be nothing left for our children or our children’s children. I am not prepared to tell my great-grandchildren that we sat here and did nothing to stop it.
I believe in tackling tomorrow’s issues today and that is also what the Australian Labor Party believes in. The Rudd Labor government’s Carbon Pollution Reduction Scheme will do just that. The strategy is based on reducing Australia’s greenhouse gas emissions, adopting a climate change strategy that we cannot avoid and helping to shape a global solution. The government’s commitments are targets of an unconditional commitment to reduce carbon pollution by five per cent from 2000 emissions levels by 2020 and a new ambitious 25 per cent target by 2020 if the world agrees to an ambitious global deal to stabilise levels of CO2 equivalent at 450 parts per million or lower.

The way Australia will achieve this goal is through a cap-and-trade scheme, which will see companies and individuals pay for their carbon emissions. For every tonne of carbon dioxide equivalent emitted into the atmosphere, one emissions permit must be surrendered. The way the cap-and-trade scheme will work is by auctioning off the permits. Those who need the permits the most will pay more for them. There will be a limited number of permits issued, pushing the prices up higher. With the price of the permits being too high for some emitters, they will be motivated to find more environmentally friendly ways to conduct their business as it would be cheaper to just reduce emissions. Users will also be able to trade these permits. The cap-and-trade scheme is an effective way to reach our targets by 2020. The cap will help us reach the target of reducing carbon pollution and it will give carbon a price. Trading will enable emissions to be reduced at the lowest possible cost. The quantity of emissions will be monitored, reported and audited and those who do not comply will be penalised.

The scheme will affect about 1,000 Australian companies that produce more than 25,000 tonnes of carbon pollution each year. This is just one per cent of the number of registered businesses in Australia. The sale of these pollution permits will help us all to adjust to this scheme and to become a more environmentally friendly country. While the government understands that this will be a very big task, we are doing everything in our power to ease the transition to becoming a greener Australia.

The Rudd Labor government will cut fuel taxes on a cent-for-cent basis to offset the price impact on fuel by the Carbon Pollution Reduction Scheme. This will be assessed periodically and a review will be held after three years. The government has decided to delay the start of the Carbon Pollution Reduction Scheme by one year in order to help Australian companies manage the impacts of the global recession. We in the Labor Party do not accept the view that Australia should wait until there is an international agreement on climate change before taking action. We also reject the view that Australia will be alone in taking such action. A global agreement to cut greenhouse gas emissions is the most desirable way to proceed. Nevertheless, other countries are acting in advance of such an agreement, and so should we.

Australian businesses are currently dealing with the worst global financial crisis since the Great Depression. In this environment, the government has decided to act to further support jobs and assist businesses during these difficult economic times through the following measures: a new global recession buffer, which will be provided as part of the assistance package for emissions-intensive trade exposed industries; a one-year fixed price phase will apply, with the transition to full market trading from 1 July 2012, and during this fixed price phase each carbon pollution permit will cost $10; and funding for eligible businesses and community organisations to undertake energy efficiency measures in 2009-10 as part
of a $200 million tranche of the Climate Change Action Fund.

To encourage carbon pollution reductions before the scheme starts, reafforestation will be eligible to voluntarily generate permits for carbon stored from 1 July 2010, creating economic opportunities in regional Australia. The expanded Renewable Energy Target will also be in place as planned from 2010 to drive investment in Australia’s vast renewable energy resources.

The Carbon Pollution Reduction Scheme represents one of the most significant reforms ever of the Australian economy. Unfortunately, there is no cost-free way to transition to the low pollution economy of the future. That is why the government has set out a comprehensive package of financial assistance for Australian households. Through the household compensation package pensioners, seniors and carers will receive additional support, above indexation, to fully meet the expected overall cost of living flowing from the scheme. Other low-income households will receive additional support, above indexation, to fully meet the expected overall increase in the cost of living flowing from the scheme. Around 90 per cent of low-income households—or 2.9 million households—will receive assistance equal to 120 per cent or more of their cost-of-living increase. Middle-income households will receive additional support, above indexation, to help meet the expected overall increase in the cost of living flowing from the scheme, and for middle-income families receiving family tax benefit part A the government will provide assistance to meet at least half of these costs. And motorists will be protected from higher fuel costs from the scheme by cent-for-cent reductions in fuel tax for the first three years.

Already the government has acted decisively in introducing the Appropriation (Nation Building and Jobs) Bill. Energy Efficient Homes program, which not only provides environmental investments for householders by reductions in energy use and savings on energy bills but also generates thousands of jobs in this global financial crisis. The legislation will support jobs and sets Australia up for a low-carbon future in installing free ceiling insulation in around 29 million Australian homes. In addition, under the Energy Efficient Homes investment, the solar hot water rebate has increased from $1,000 to $1,600. The Energy Efficient Homes package will modernise Australia’s homes and will enable almost all Australian homes to be operating at a minimum two-star energy rating by 2011. It is up to us to ensure something is done to slow down climate change so that there is something left for our future generations. That is why it is important that Australia steps up on the international arena with its own scheme.

By implementing the Carbon Pollution Reduction Scheme we will put ourselves in the company of other developed nations who are fighting climate change and trying to reduce their carbon emissions. There are schemes already operating in 27 European countries. Twenty-eight states and provinces in the United States of America and Canada, as well as New Zealand, have introduced emissions trading schemes and Japan is considering its own scheme. By joining other countries taking action on climate change, we are putting ourselves in a better position at the international negotiating table. It will be better for us economically and will enhance opportunities of becoming a low-carbon-emitting country.
Taking action earlier rather than later will enable us to have a smooth transition to becoming a more environmentally friendly nation. According to Kyoto accounting provisions, Australia’s net greenhouse gas emissions were 576 million tonnes of carbon dioxide equivalent. Our biggest contributor is the energy sector, which emitted 400.9 tonnes. The second highest contributor is the agricultural sector and then transport.

The Carbon Pollution Reduction Scheme will have broad coverage to ensure prices are kept lower for consumers. These sectors include stationary energy, transport, fugitive emissions, industrial processes, waste and forestry sectors, as well as all six greenhouse gases counted under the Kyoto protocol. The scheme will be managed by giving direct obligations to facilities with large emissions and obligations on upstream fuel suppliers to offset the emissions produced from the combustion of fuel. Forest landholders will be given the opportunity to opt in and agriculture emissions will not be included at the commencement of the program. Instead the government believes it needs more consultation with industry to determine the best way to include the agricultural sector and to reduce emissions.

As well as helping Australians become more energy efficient, assistance will be provided to businesses via the Climate Change Action Fund. This will help businesses transition by providing a range of activities through partnership funding, including investment in innovative, new, low-emissions processes, industrial energy efficient projects with long payback periods and dissemination of the best and innovative practice among small- to medium-sized enterprises. Transition assistance will also be provided to emissions-intensive trade-exposed industries. Companies may find it difficult to compete in the international market if they are competing against countries that do not have an emissions trading scheme.

Evidence provided during the inquiries from high-emitting industries claimed that they may look at moving overseas, which would be no benefit to the environment. This is called carbon leakage. To prevent carbon leakage, the government will be assisting EITEs by providing a share of free permits. This will only be applicable to businesses that are at high risk of carbon leakage. The opposition were quite vocal on their concern with the cost of this scheme. If we sit here and do nothing, the cost will be even greater to our future generations. This is explained in *Australia’s low pollution future: the economics of climate change mitigation*.

According to the comprehensive report and overwhelming evidence provided during the inquiries, early global action is less expensive than later action; a market based approach allows robust economic growth into the future, even as emissions fall; and many of Australia’s industries will maintain or improve their competitiveness under an international agreement to combat climate change. This was supported by many businesses and credible financial institutions who provided evidence throughout the inquiries.

The Treasury’s modelling even states that Australia and the world will continue to prosper while reducing carbon emissions. It also demonstrates that Australia will have advantages by taking early action on climate change. If emission pricing expands gradually across the world, economies that defer action will face higher long-term costs as global investment is redirected to early movers.

I must also stress that consultation has been an imperative part of the CPRS process. We have ensured that everyone has been given the opportunity to have a say when it comes to this important scheme. When the
Carbon Pollution Reduction Scheme green paper was released last year, the government received about 1,000 submissions. We also conducted a number of industry and non-government organisation roundtables. The Garnaut review, which consulted extensively, was also established. The Minister for Climate Change and Water and other ministers held meetings with stakeholders. The Department of Climate Change ran regional and city based forums after the green paper was released and again held capital city based forums after the white paper was released. The exposure draft of the legislation was released and referred to the Senate select committee inquiry, which took submissions and has delivered its report. From that list of consultation processes, it is evident that the government is committed to giving everyone a chance to have their say on this important piece of legislation.

Keeping people employed is important to the government. At a Senate Economics Committee meeting in Canberra on Wednesday, 25 March 2009, Dr Heinz Schandl, Senior Research Leader, CSIRO Sustainable Ecosystems, said a greener economy would see an extra 2.5 million to 3.3 million jobs for Australians, with 230,000 to 340,000 high-impact environmental jobs in the energy, transport, agriculture and construction sectors. Dr Schandl said, ‘We conclude, therefore, that achieving the transition to a low-carbon economy will require a massive mobilisation of skills and training both for existing workers and new workers.’ By reducing our carbon emissions and becoming a greener economy, not only will we be providing a better future for our children but also we will be putting more jobs on the table.

As a senator from Queensland I believe it is important that we take action to protect the environment and make sure that we have something left for our children and their children to inherit. A carbon pollution reduction scheme is the best way forward in tackling climate change. By reducing our carbon emissions we can reduce the effects of climate change. If we do nothing, the sea levels will keep rising, temperatures will soar, we will see more and more tropical diseases such as dengue fever and malaria and we will lose ecological wonders like the Great Barrier Reef.

The Queensland government put forward a submission to the Carbon Pollution Reduction Scheme green paper. I will read into the Hansard an extract, in part, of that submission. It said:

Scientific modelling indicates that Queensland is particularly vulnerable to the physical impacts of climate change, with two of the six IPCC ‘hot spots’ being Queensland’s wet tropics (including the Great Barrier Reef) and south-east Queensland. Major vulnerabilities include extinction of species, deterioration of coral reefs, loss of buildings from increased flooding and storm surges and reduced availability of surface water.

... Queensland is the most heavily affected of the States compared to a business as usual scenario. Australia had a decade of denial, delay, reviews and neglect under the past government. The world will meet in December this year to nut out a global agreement. Passing the CPRS will ensure we play our part at Copenhagen and sign up to do our bit. Failing to legislate the CPRS will give other countries an excuse not to act.

In the 2007 election both major parties promised to introduce an emissions trading scheme to reduce Australia’s carbon pollution. Mr Turnbull, who was then the Minister for the Environment and Water Resources in the Howard government, supported an emissions trading scheme. He told the National Press Club in May 2008 that ‘the emissions trading scheme is the central mechanism to decarbonise our economy’. He also indicated
that the coalition would back the government’s target range of five to 25 per cent at global negotiations at Copenhagen in December this year.

Since then there has been a steady retreat from this position, apparently under pressure from climate change sceptics—or should I refer to them as the ‘crazy uncles’?—in his own party and in the National Party. It is important to reflect on the words of the member for Wentworth in the Hansard of 26 March 2007. As the Minister for the Environment and Water Resources he said:

The Australian government is working closely with industry and with the community on practical programs that will ensure that Australia continues to lead in its climate change strategy.

… … …

The Australian government is committed, and has been committed for many years, to dealing with the challenge of climate change. We are dealing with it with practical, workable measures that have results.

There have been no results, no change and no position—nothing but empty statements coming from an opposition that would not do anything for climate change during their time in government. They do not seem to have the credentials in this chamber. In June this year they deferred until now the debate on this particularly important piece of legislation. They certainly did nothing on climate change while they were in government for 11½ years, and now in opposition they wish to drag it out even further. Just like their recent disgraceful and misleading attacks on the Prime Minister over fabricated emails, the opposition have shown who they are. How can the public trust them on climate change? In fact recent research indicates that 78 per cent of voters want the Liberal Party to back the CPRS laws. (Time expired)

Senator BIRMINGHAM (South Australia) (5.56 pm)—I rise to speak on this package of bills related to the government’s emissions trading scheme. At the outset I think it is important to look at the underlying motives and reasons for this package of bills, as many senators have done.

Do I know for sure that man-made actions are influencing global warming and climate change? No, I do not. I am no expert, nor do I believe that, either in this chamber or in the other place, this parliament has terribly many experts in this field. Many of us have tried to gather information. Many of us have tried to ensure that we are as informed as possible. But none of us, that I am aware, has the expert scientific knowledge to lay claim to being people who know exactly what is occurring to the planet. Indeed it is possible that nobody knows exactly what is occurring to the planet. But what I do know is that, outside of this parliament, throughout the world there are many people who put themselves forward as experts, there are many people who have the level of scientific training that perhaps, hopefully, means that they do understand what is happening to our planet and the potential impact of climate change.

It seems that the balance of the scientific opinion out there suggests that man-made actions are having an impact. I recognise and I respect the views of those who believe they are not. I hope those people are correct. Indeed it would be a far better future if those
people who argue that climate change is not real were correct. However, I believe that the majority opinion in the scientific community, and it appears to still be a significant majority of those with expertise in this field, needs to be given the benefit of the doubt. It needs to be recognised as the consensus opinion. We do need to give, as our leader and others have said, the planet the benefit of the doubt when considering this issue.

Before I came to this place to give this speech today I looked back at my maiden speech. In that first address to the Senate I said:

You do not need to be Einstein to work out that continued growth using current resources will ultimately be unsustainable. You should not even need to be 100 per cent convinced of the science behind global warming to know that the environmental footprint of man across this planet must have its limitations.

Reflecting back on those remarks at that stage, to this day I still hold the view that the continuous exponential rise of emissions of CO2 and other greenhouse gases into the atmosphere—or of any other chemical compound—cannot go on forever without having some impact. I do not know what that impact will always be but I am conscious that every action we perform on this earth has some small repercussion. Whether it is a repercussion with very insignificant consequences on what is happening around us or whether it is cumulative—as it has been over the last 100 years, where we have gone from being a populace on this earth of about one billion people to being a populace closer to six billion people, and still growing—we have an impact.

So I come to the view that climate change is an issue that should be considered and taken seriously because of two clear reasons: as I said, we have some level of natural limitations and we have the balance of scientific opinion. Throughout the last couple of decades this has been an ongoing subject of discourse in this place, throughout the community and throughout the world. We have actually taken great steps on climate change awareness and action. Some of those steps and some of the work undertaken are all too easily forgotten in the discussions and debates that we have in this place.

The previous Howard government did set itself out from the rest of the world when it established the Australian Greenhouse Office back in 1996. It took action from day one in government to recognise that Australia needed to position itself for its place in this debate in the world and needed to prepare itself for whatever transitions to its economy and its industry were going to be required. It backed up that establishment of the Australian Greenhouse Office with a mix of measures, including the Australian greenhouse challenge, a voluntary industry measure. In my time working at the Australian Hotels Association, I assisted many of Australia’s major hotel chains to implement measures that reduced their energy consumption as part of the voluntary package of the Australian greenhouse challenge. Under the previous government we put in place programs that sought to help the transition. Indeed, we have seen many industry sectors already pick off what might be described as the low-hanging fruit—the easy gains in how you improve your energy efficiency and reduce your carbon footprint.

We introduced the first mandatory renewable energy target. It was another major step by the Howard government to position Australia for the future; to provide some market incentive for growth in the renewable energy sector. It mandated a five per cent limit and established a system where the growth of renewable energy had some value to it through the trading of the renewable energy certificates. We put in place the initial report-
ing frameworks for a potential carbon trading scheme as well.

So we put in place the framework to step Australia onto the pathway of having a broader carbon trading framework. Through all of these actions we actually set Australia up to be one of the very few countries in the world who will, by the conclusion of the time frame of the Kyoto agreement, have actually met its targets. Australia will have met its agreed targets under Kyoto, or will come extremely close to having met them, at the end of its time frame. It is no credit to the current government or those sitting opposite that Australia will have met those targets because all the hard yards—as it is with so many areas of the management of Australia—were done by the previous government. That is when the trajectory for success on Kyoto was put in place.

Internationally, Australia helped set up the AP6 group—the group of six Asia-Pacific countries to help develop and transfer low-emissions technologies. Setting up an international group may not sound like much except for the fact there was one major piece of significance around this group: that is, that it was—and still is to date—the only international agreement on climate change that actually brought together China, India and the United States. It put those three countries around the one table to discuss climate change matters—those three countries that are so integral to having any chance of tackling this issue.

So Australia had some great runs on the board as we come to this debate today. Did we always get it right? No. There were definitely some negatives. There were negatives particularly surrounding the symbolic. The new government has been very good both in opposition and in government at actually capturing and making hay out of the symbolism; and in particular, the symbolism in this issue of the ratification and signing of Kyoto. It was a tragedy in the end that Australia had not signed Kyoto because it was used with such great political success by the now Prime Minister in the last election campaign. Full marks to him for his political skills in turning an issue against us—where we had actually been succeeding as a country in meeting our targets and obligations—purely over a piece of symbolism. It is very clear that a political mistake was made by the previous government in not signing Kyoto.

Those negatives of perception of course have been played out by the Prime Minister and Minister Wong and others throughout this debate and exploited in a particularly ruthless way. In doing so, they have sadly politicised the debate around climate change to such an extent that it is hard to see a clear pathway forward for Australia now. As they have played politics with climate change they have managed to manifest a position of black and white. This is not a debate of black and white. As I said in my introductory remarks, from the very genesis of the science around climate change, there are shades of grey and those shades of grey are now very clear in the policy position we take going forward.

It is not a matter of their ETS being the only option—far from it. Their ETS is probably a terrible option. It has many flaws to it, many of which have been outlined by numerous colleagues of mine. Their ETS unfortunately will do little to help the environment in the way they are pursuing the policy, but at the same time it manages to pose a significant risk to Australia. It will do little to help the environment because they have forgotten that global warming is known as global warming for a good reason—because it is a global problem. It is not an Australian problem; it is a global problem. It is one thing taking Australia with you, but you actually have to take the world with you.
too, and that is where the Rudd government is failing to deliver on its climate change policy.

They were elected on a promise of introducing this emissions trading scheme by 2010. That is actually next year. It is not that far away. That was the initial promise. That was part of the politics of the debate. Why was it part of the politics? Because the Howard government had a sensible time frame in place to introduce some type of emissions trading regime. The Howard government had committed to do so, but to do it in a sensible and timely manner. But no, to win the election, Mr Rudd had to say: ‘We will do it sooner. We will rush it in.’ That was their commitment. It was a bit of political one-upmanship. It was all about posturing for the campaign.

Eventually, after much haranguing and free advice from this side of the chamber, they saw the light and delayed the introduction date. Yet now, still in a game of politics, they choose to try to push and rush this legislative package through—rush it through now even though it is not required for legislative purposes until next year and for operational purposes, beyond that. But no, they want to rush it through despite the fact that the world will come together later this year in Copenhagen to discuss the global approach to climate change. That is where the government should be applying its focus: working towards a good outcome at Copenhagen, one that builds on the work of the Howard government in bringing China and India and the United States to the table together to actually achieve a global agreement that will make some difference. Australia’s one per cent of global emissions, no matter what we do here, is not going to make a jot of difference. No matter how much I think we need to do the responsible thing and take action in Australia, it will not matter. We could shut the whole place down tonight, pass through some emergency legislation and shut the whole country down, and it still will not make a jot of difference, because the rest of the world will keep powering on and the growth we see in China and India, in particular, demonstrates how important it is for us to have them on board for any action at all to be meaningful.

So we have this ridiculous timing approach, trying to jump ahead of Copenhagen and the potential of a global agreement just because the government want to play politics. They want to wedge the opposition. They want to create a double dissolution trigger. They want to do whatever it is on a political front and they do not care about the correct policy footing.

In the United States we have the discussion around the Waxman-Markey bill that is progressing through congress. It has passed through the House of Representatives but not yet through the Senate. The US Senate will, I have no doubt, take its time, as it usually does, and give careful consideration to the proposal. It may well decide to wait until after Copenhagen before final passage of the legislation. But, notably, it is a system that is markedly different from the one proposed here by the Rudd government. It provides much clearer protection for their trade-exposed industries and ensures that they are not selling out their industries before the rest of the world is clearly on board. In fact as well as providing significant protection up till 2025 for their industries, it even then still has a trigger requiring that some 70 per cent of global output for any manufacturing sector is covered by some type of emissions trading regime before that manufacturing sector or industry in the United States faces its emissions trading scheme. So there is a protective mechanism in there for the long term, not just for a fixed date but actually to ensure that there is majority coverage of the globe in a particular industry sector.
So we see a markedly different approach. In Australia trade-exposed emissions-intensive industries have largely been sold out. Yes, you hear lots of numbers thrown around about free permits and what proportion of permits they might get for free, but the truth is that those permits and the value of those permits diminish over time under this government’s ETS and by diminishing they will increase year upon year the pressure on those industry sectors. And if the rest of the world is not on board or the major competitors and the major trade competitors of China and India are not on board, then those industries will move offshore.

Senator Furner before me mentioned carbon leakage. He mentioned it, but his government has failed to comprehensively address the potential threat of carbon leakage, of our going through all this economic pain in Australia and of the job losses that Senator Bernardi spoke about earlier, only to see these industries move offshore to less efficient countries where we may well end up seeing higher emissions outputs in net global terms. And this, I come back to, is a global issue we are meant to be tackling.

We also see some specific, detailed problems in this legislative package. The capacity of industry to pass through costs is an issue that none other than the Queensland Premier, Anna Bligh, has raised with the Rudd government. It is about the capacity of mining companies and those who have international trade agreements, signed and in place, to pass through their industry costs at either a domestic or a trade level of doing business. Santos, a major South Australian company, has made strong representations to the government about the need for the package to be changed in this area. But each time it has done so, it has been greeted by a door being shut in its face. When Premier Bligh cannot get changes, you have to wonder at the recalcitrance of this government. They are clearly unwilling to listen to the concerns of stakeholders in this sector.

This is a bad package, but there are no lack of alternatives. Yesterday Mr Turnbull released one alternative suite of packages. It is well modelled. It is does not churn as much funding as the government’s scheme does from selling permits through the economy. It provides for higher targets. It is a cleaner, greener, smarter model of emissions trading—one that could give us more bang for our buck. Better still, we could and we should take the time over the next few months—past Copenhagen—to consider the model provided by Mr Turnbull. We could come back here in January or February next year to have this debate. We should have this debate when we know what direction the rest of the world is going in and when we have given full consideration to the much better policies that the Liberal Party have outlined, as we have historically always done in this key policy area.

Senator EGGLESTON (Western Australia) (6.17 pm)—I believe climate change is real. I come from the south-west of Western Australia. I grew up in Busselton, down on Geographe Bay. When I was a little boy, there were very wet winters in the south-west. During the wintertime, I would go to sleep at night listening to the patter of rain on the tin roof of my parents’ house. It rained every night for months and months. But the south-west of Western Australia is an area where the evidence of climate change is now very real, because the rainfall in the south-west has dropped by about 25 per cent over the last 30 years. I have a brother who lives in Germany. He is very fond of skiing, but he could not go skiing last winter because there was no snow on the Bavarian Alps. And now we are hearing stories about icebergs off Auckland.
I think there is a change in the world’s climate, but the issue is: what is its cause? Some scientists point to increased levels of carbon dioxide in the atmosphere as being the only cause. Others point to the geological record which shows that cyclical climate change has occurred over many, many thousands of years—over the millennia. Greenland is called Greenland because 400 years ago it was a green land. It is now covered in ice. I have read that 1,000 years ago there were vineyards in Sweden. People quite often refer to the fact that sea levels are rising, especially in the Pacific. But sea levels have risen and fallen over the centuries. The Pilbara, for example, was once a seabed. That great mining area has all the characteristics of an old seabed, including having seashells there. There was clearly once a land link between Indonesia and Australia. One only has to look at the dingo and then visit Indonesia to find that Indonesian dogs look remarkably like dingoes. They obviously walked across that land bridge centuries ago and became wild dogs in Australia.

There is no doubt at all that since the industrial revolution levels of carbon dioxide have risen in the world, but whether or not this is the sole cause or just a contributor to climate change is, I think, an unanswered question. The coalition have said that we should give the earth a chance; we should give it the benefit of the doubt. However, in this atmosphere of uncertainty, I believe the proposed Rudd-Wong emissions trading scheme is totally out of proportion to Australia’s position in the world as a country which contributes only 1.4 per cent of global emissions and which has a GNP representing just one per cent of the global economy. As I said, this scheme is totally out of proportion to whatever contribution we make to carbon dioxide emissions in the world and can only be described as grandiose. If implemented, this scheme will impose enormous costs on Australian industry, decrease Australia’s international competitiveness, result in the loss of investment in new projects and see existing plants relocated to other countries. All of this will contribute to a massive loss of jobs and increase the cost of living for many Australians.

It may be that there is a need for Australia to play a role in reducing global carbon emissions but this proposal is out of proportion, as I have said, to what might be regarded as a reasonable contribution to this objective by a small country such as Australia. I think, as the coalition in general does, that the Carbon Pollution Reduction Scheme Bill 2009, the Rudd-Wong CPRS, should be reconsidered. Coalition senators believe a seriously flawed scheme will be worse for this country than no scheme at all, and it has to be said that is also the view of Professor Garnaut.

Mr Rudd promised before the election to introduce an ETS which would produce deep cuts in carbon dioxide emissions but would not disadvantage Australia’s export- and import-competing industries. However, it is quite obvious that this immensely complex ETS will damage our export- and import-competing industries, it will cost thousands of jobs and it will stifle investment; yet it will not produce any meaningful reductions in carbon dioxide emissions around the world. In fact, emissions from high-emission domestic industries will not be diminished at all because instead of reducing their emissions these industries will be able to trade them off—for example, by buying a rainforest in Indonesia. How does that benefit Australia, you might ask, and how does that benefit the world? I really cannot see any benefit at all in a scheme like that if it does not actually reduce emissions in this country.

In the opinion of the coalition, the rush to introduce this scheme without knowing the
outcome of the December 2009 global climate change summit in Copenhagen, without knowing what President Obama will do and without knowing the impact of the global financial meltdown on our real economy is a big step and should be reconsidered.

There were serious flaws in the process of developing the CPRS. For example, the Treasury was not permitted to model any alternative scenarios or methods. Instead of considering possible alternative models—of which there are many, as has been presented in evidence to the various Senate committees which have looked into the CPRS—and the appropriateness of these various models to Australian conditions, the government simply put in place a predetermined CPRS model. We had to take it or leave it; that was it. Nothing else was considered.

The design of the Rudd government scheme assumes, among other things, that our major competitors will move to put in place a major new tax on carbon emissions in their economies. However, again, evidence given to the four Senate inquiries into the CPRS was that it is considered extremely unlikely by very reputable observers that our major trading partners will in fact introduce ETS at all. For example, Dr Alan Moran of the Institute of Public Affairs, in his submission to the Senate Economics Legislation Committee inquiry into the CPRS bills, said that he thought it was highly unlikely that China, Japan or Korea would introduce ETSs, and the idea that India will have an emissions trading scheme is just not taken seriously by anybody of any repute.

The Rudd scheme involves generating permit revenue of nearly $13 billion a year, which is in effect a massive increase in taxation and will be a huge burden to the Australian economy. This will see a huge administration set up to churn these billions of dollars back through the economy, with the government picking who gets compensation and who does not.

One of the alternatives to the Rudd-Wong CPRS is a carbon tax, which commentators such as Robert Gottlieb and Geoff Carmody, both renowned economists, feel would be more appropriate to Australia’s needs and could be administered through the existing taxation bureaucracy. It would not involve the creation of the huge bureaucracy to administer the proposed permit and trading system that will be necessary under the CPRS. A carbon tax, many people feel, is a much simpler, more effective and more cost-effective way of Australia contributing in a real way to reducing carbon emissions around the world: by starting at home.

Providing certainty to business is one of the government’s most repeated reasons for this legislation needing to be passed. However, businesses have said they do not want the certainty of not being able to compete—because Australian industry will not be able to compete if this scheme is introduced. They want a scheme which preserves their international competitive position in a competitive world, but that will be compromised if none of our trading partners, such as China, Japan, India and Korea, establish emissions trading schemes so that trading can in fact occur. The only thing that will happen is that Australian industry will be saddled with a new, very high tax.

The government’s argument that its emissions trading scheme needs to be rushed through parliament prior to the Copenhagen conference has been undermined by the Executive Secretary of the United Nations Framework Convention on Climate Change, Yvo de Boer, who has stated that the UN does not require countries to have legislation in place before the conference—which leads to the question: why is the Rudd government attempting to rush this legislation through
the parliament before full consideration has been given to its impact?

One of the comments being made by Labor Party spokespersons is that the Howard government proposed an emissions trading scheme some years ago. That is true; it did. But the level of knowledge which the community now has about the implications of emissions trading compared to that at the time the Howard government proposed an ETS is substantially different, and I think one needs to consider the ETS in terms of contemporary knowledge, not what was known or thought to be known 10 years ago. Surely it is more important to have the right scheme in place rather than just any scheme for the sake of being able to claim to have a scheme.

The changes announced by the Rudd government on 4 May to vary the CPRS were no more than tinkering around the edges. There is still no credible demonstration that the government’s scheme is the most cost-efficient way or effective way to reduce carbon emissions; there is still no forecast of the near-term, real impact of an ETS on jobs and economic growth; and Australia’s trade-exposed industries will remain at a disadvantage compared to their competitors.

My colleague Mr Don Randall, the member for Canning, speaking in the House of Representatives on 3 June, referred to the impact the CPRS would have on the alumina industry, which employs nearly 2,000 people in and around Wagerup and Pinjarra in his electorate. He said that Alcoa had informed him that the cost of buying permits for refining is $25 million and the cost to Alcoa for all its operations, with the introduction of the CPRS, could be up to $95 million. That is a cost Alcoa will have to bear in full, making them less competitive in the international market. The cost cannot be passed on because the price is set by the London Metal Exchange.

In the Australian Financial Review of 5 May, Mr Don Voelte, CEO of Woodside, was reported as saying:

Even as amended, the CPRS risks halving the size of the export natural gas industry than it would otherwise be by 2030. This is because fewer new developments would occur in the north of Western Australia. We have to remember that Australia has many competitors for investment in resources and resource projects. While the fact that Australia is a politically stable country with a reliable legal system gives us a competitive advantage, that advantage will not be so great if the cost of operating resource projects in Australia becomes too high. The developers will not hesitate to go elsewhere—the bottom line is what counts to industry.

In response to my question during the Carbon Pollution Reduction Scheme hearings on the impact the CPRS would have on investment in Australia, Mr Mitch Hooke, the CEO of the Minerals Council of Australia replied:

What Australia is doing, wittingly or unwittingly, is increasing the sovereign risk associated with those investment decisions. If we impose a tax or a price on carbon that, in effect, becomes a tax, because we do not have the technologies to adjust …

It means our competitors who are not facing the same kinds of costs will inevitably have an advantage over us. The implication of this comment by Mr Hooke is clearly that Australian based operations will become uncompetitive and many will move offshore or close.
down, meaning in either case the loss of jobs for Australian workers.

I recently attended a presentation in Parliament House put on by the Friends of Mining, by an oil company, at which we were told the impact of the additional costs arising from the CPRS would mean that it would no longer be profitable to continue oil refining in Australia and that instead it would be cheaper to simply import oil from Singapore. In WA, this could mean the closure of the Kwinana oil refinery, with consequent losses of jobs in Medina and Rockingham. Other emissions intensive industries in the Kwinana industrial strip, such as fertiliser plants, could also close down due to the additional costs imposed by the Rudd-Wong CPRS making them relatively less profitable than importing products from Indonesia or other Asian countries. Cement production is another industry where this would be the case. It is anticipated that the introduction of the CPRS could result in the cessation of cement production in Australia, requiring the importation of our cement from China.

According to the Australian Chamber of Commerce and Industry, CPRS induced increases in energy and transport costs will impact directly on the profitability of small- to medium-sized enterprises, resulting in lower employment across Australia in this sector. The government, of course, argues that any job losses will be compensated by the creation of green jobs elsewhere. However, at the hearings held by the Senate Economics Legislation Committee into the CPRS, Dr Ken Henry, the head of Treasury, said that, while indeed green jobs will be created, those holding them will have to accept a lower standard of living because wages will have to be lower to preserve employment levels.

These factors, in my estimation, add up to the conclusion that the Rudd-Wong CPRS proposal is seriously flawed and needs to be reconsidered in the interests of preserving employment in our society and not imposing unreasonable increases in costs on consumers through higher electricity charges which will flow through to increased costs for consumer goods. Any emissions trading scheme will undoubtedly have a profound and long-term impact on Australia, its citizens and our industries. This is a matter requiring cautious assessment before decisions are made and certainly the present haste can only be regarded as inappropriate and irresponsible.

Senator NASH (New South Wales) (7.06 pm)—I rise tonight to make some remarks about the Carbon Pollution Reduction Scheme bills that we have before us. When I came into this place as a Nationals senator my focus was, and still remains, on regional Australia and on making the best decisions I possibly can for regional Australia. To not support this ETS is the only decision I can possibly make. As my very good colleague Senator Joyce said the other day, this is an employment termination scheme; it is an extra tax system. That is what it is, and it is going to rip the guts and heart out of regional communities.

Let us have a look at what the government wants to do. The government very simply wants to reduce greenhouse gas emissions, but what we are seeing is a Prime Minister who, as my colleague Senator Cash said earlier, is strutting his stuff on the world stage trying to promote himself as the global leader in making sure we take the right steps forward. It is an absolute load of rubbish. Any solution to reduce emissions has to be global. We cannot simply do it from Australia. Only 1.4 per cent of global emissions come from this country. Quite simply, if the rest of the world is not on board, we are not going to make a drop-in-the-ocean difference—not one drop. Yet what have we seen? Very little movement from the rest of the
world and our gung-ho Prime Minister determined to show that he can lead the rest of the world on what we should be doing. What is the point of that if our emissions—at only 1.4 per cent of the global emissions—are the only ones on the playing field?

And this will be at what cost? The costs are going to be absolutely huge. There will be costs to jobs. Two-thirds of the unemployment that will result from the ETS will occur in regional Australia. I am not going to stand here and say: ‘That’s okay, Prime Minister; that’s fine. We’ll watch two-thirds of those jobs disappear out of the regions.’ It is not right and it is not on. And for what? An Access Economics report said that Labor’s ETS would cost more than 126,000 jobs nationally. I think there would be around 66,000 jobs in the mineral industry alone. What are we looking at? Let us look at it from both sides. There would be 126,000 jobs gone, but for what benefit? If the rest of the world is not on board, what would be the benefit? I am not going to stand here and watch an ETS rip the guts out of jobs in our regional communities and say that that is okay, because it is not okay and it is not right. The costs to regional communities will be enormous.

The agricultural industry will be particularly hard hit by the Rudd government’s ETS. What have we seen? There will not even be a decision made until 2013 about agriculture and it may then be in 2015. What kind of certainty does that give to our farmers? What kind of path forward do they have when they have no idea what the future holds for them? My colleague Senator Adams in Western Australia knows very well the consternation that this is causing and the absolute disregard we are seeing the Labor government have for our agricultural communities. As if it were not bad enough for agricultural communities at the moment, they have to also deal with whether or not this is going to come in.

The interesting thing is that, even if agriculture is excluded, regional Australia and our agricultural industries are still going to be incredibly hard hit. Our farmers are at the bottom of the food chain. They are at the end of the line and the buck stops with them. Everything flows down to them. We know that as a result of the ETS there will be enormous imposts and huge increases on things like transport, fuel and electricity and inputs for farmers such as fertiliser and packaging. Guess what? The buck stops with the farmer. All those costs are going to be dropped in the laps of the farmers in those communities. So, even if agriculture is not included, our regional communities and our agricultural industries will still have to deal with the enormous negative impacts. To simply say, ‘Agriculture might not be included,’ is not good enough. It is not good enough because the difficulties they are going to face are still there and they have no capacity to offset the costs.

One thing we do hear talked about quite a lot is carbon sequestration and how important it is in terms of getting carbon back into the soil. Interestingly, under Kyoto it is not even counted. They will not even let you get the credits for it. All this good work that the farmers do is not counted. Farmers know that if they do not look after the land then the land will not look after them. We have seen such tremendous changes in practices and innovation across our farming communities for years now—improvements to how we look after the land and the environment—and what is happening to our farming communities? They are getting kicked in the guts by Labor’s ETS. Labor could not care less about our farming communities. They simply do not care.
As if farmers were not doing it tough enough already with years and years of drought, we have seen increases in inputs over the last 10 years, particularly for things like fertiliser, ripping the guts out of the farmers, their enterprises and what they are trying to do. What is the Labor government now going to do? Whack on another tax—and I take you back to my opening remarks—for what? For 1.4 per cent of the world’s emissions. All of this is going to be sheeted home to our farmers. They are going to have to cope with it, and for what?

I want to go to some of the reporting that has come out on regional communities. It is interesting to note that some of these reports—both government funded and by government departments—have significantly focused on the impact that this is going to have on our regional communities. ABARE’s 1 June report states:

Even if the agriculture sector is not a covered sector under the CPRS, agricultural producers will face increased input costs associated with the use of electricity, fuels and freight and may face lower farm-gate prices for their goods—and we know that is going to happen—from downstream processors. These will have implications for the economic value of farm production.

ABARE says that the economic value of farm production in broadacre industries could fall between 0.3 per cent and 1.9 per cent in 2011 and by 2015 that fall could be between 9.1 per cent and 14.5 per cent.

Then on 4 May the government funded Rural Industries Research and Development Corporation released a study on farm impacts of an Australian ETS, prepared for them by the Centre of International Economics. These are some of the key findings. The CPRS will affect agriculture both directly through cost increases elsewhere in the economy. Farm costs will rise even if agriculture is not included in the CPRS. The CPRS will have a significant impact on the livestock sector. Farm cash income for the average beef farm would fall by over 60 per cent under a full participation scenario with a carbon price of $25 per tonne of CO2, or 125 per cent at a carbon price of $50 a tonne. These are the sorts of figures that our farmers are looking at at the moment. This is followed by an average beef-sheep farm with cash income down by 90 per cent if the permit price is $50 a tonne. Profits for all farms would fall.

This is the sort of future that our farmers are facing under this ETS—it is simply not right. I thank Senator Adams for her interest in what I am saying because I know, as I said before, she understands—as so many of my colleagues do on this side of the chamber—the impact that is going to fall onto our regional communities. They are not going to be able to cope. It is as simple as that. Yet this government goes forward and puts in place an ETS that is going to rip the heart out of our regional communities. We have heard a lot from the other side, and, of course, we are very well aware of the global economic downturn, that agriculture is the very sector that is holding this country up at the moment. It is the very sector that is working its guts out. It is one of the shining lights that we can actually see across this country making sure that we have a viable future. So we have this sector that is doing the work—that is the engine room of this country—and this government is trying to rip the guts out of it through the imposition of an ETS. It is simply wrong.

We have seen the Australian Farm Institute also come out with a number of findings. One finding which is particular interesting is that by 2030 beef gross value of production is projected to fall by $6.6 billion if agriculture is included in the ETS. This is followed
by: wool, $1.1 billion; sheep meat, $1 billion; dairy, $793 million; wheat, $497 million; pork, $318 million; and poultry, $318 million. Under the ETS, this is what is going to happen to the sector that we want to drive the future recovery of this nation.

The New South Wales government, under some research commissioned into the regional impacts of the scheme, found that regional centres such as Gippsland, Geelong, central western Queensland, Hunter Valley, central Western Australia, Kimberley, Whyalla and Port Pirie would shrink by over 20 per cent under the ETS. Could you imagine if we said to everybody across Australia, ‘By the way, the economy is about to shrink by 20 per cent right across the nation.’ There would be an outcry. But, oh no, it is fine if we can look at that happening in the regions because the regions are ‘over there somewhere’, they do not particularly matter! Well, they do. They matter enormously and it is extremely disappointing that the other side of this chamber do not understand how important it is.

That New South Wales report is talking about how the regions may experience economic impacts much more severe than the average. In the Hunter, we are talking about five times the average. In the Illawarra, it is going to be twice the average. There is a significant amount of work in the report showing how much the regions are going to be belted.

Farmers are at the bottom of the food chain, with no ability to pass on those costs, and for what? I will not stand here, in this chamber, and vote for this ETS when we know quite clearly and simply what it is going to do to our regional communities. I said at the beginning when I came into this place I would make sure that I made the right decisions for regional communities—that I would do the right thing by them. I will not stand here and vote for legislation that is going to rip the heart cleanly out of regional Australia.

The following point is extremely important: there is not a direct correlation between support for the ETS and supporting a cleaner, healthier future for the environment. Many people out in the community, who have been caught up in the Labor spin on all of this, are under the impression that if they support an ETS they are supporting a better environment. This is simply rubbish. I say to the people of Australia that you can absolutely—as we do on this side of the chamber—support a cleaner, healthier, viable future for the environment, not only right across this country but also right across the globe, without supporting this ETS. They are not tied.

I also say to the people of Australia—if indeed anybody is listening—

Senator Payne—I am listening.

Senator NASH—Thank you very much, Senator Payne. I do also note how concerned you are about this issue. I say to every single man, woman and child across this country who believes in an ETS: do you know what an ETS is? Just sit down and think to yourselves: do you know how it is going to work? Do you know what it means? Do you know how it is going to impact your life? Do you know if it is going to impact your job? Do you know if it is going to impact you when you walk into that supermarket once the ETS comes in and prices go up? Do you know how this scheme works? If the only reason you are supportive of an ETS is because you think you are doing your bit for the environment, then I would ask you to reconsider. There are so many other ways to ensure we have a viable future and a very clean, healthy environment right across the world without supporting this ETS. There are other ways you can do it and I would ask you to very
seriously consider this: if you support an ETS do you really know what it is?

We need to make sure that we continue to do everything we can in terms of renewable energy. One of the interesting things that the world is grappling with is peak oil. We should be out talking about our reliance on fossil fuels and making sure that we can reduce that reliance. Scientists predict that in about 2010 we are going to hit peak oil. Where are we going with our renewables? We must make absolutely sure we do everything for the environment in terms of renewable energy. We must make sure that we do not miss the opportunity to provide incentives to businesses to reduce their emissions regardless of an ETS. We must make absolutely sure that we have policies in place so there is a carrot for those industries to reduce their emissions.

It is a very interesting road that we have been travelling along in this debate on the ETS. One point is that there has not been much debate about global warming around this whole issue. Over the time that it has been at the forefront, debate about global warming has not really been allowed. I agree with what my colleague Senator Eggleston said before when he said he believed in climate change. So do I, absolutely. The climate has been changing for millions and millions of years. It is about the cause and, far more importantly for farmers, it is about adapting to change and making sure that they have got risk management practices in place to adapt to that change.

One thing that has concerned me is that we have not had a debate about whether or not global warming is occurring. It is a bit like the Spanish Inquisition. If you dare to even ask the supporters of global warming a question about some of the science, you may as well be under the Spanish Inquisition because you are a heretic. That is not right and that is not on. I was brought up to question things, to think about things and to ask questions about the issues that were put before me. But have we ever seen that in this debate? No, because we have been given one side of the argument. If you do not take that side of the argument then you are an absolute sceptic; you are a nonbeliever. Well, I would say that questioning is healthy, sensible and smart. There are a range of scientists out there who have a different view. Ian Plimer, Bob Carter and Bill Kininmonth are among a number of scientists out there who have a different view. I would say: have we actually listened to an alternative view at all? Do we ever actually think about whether or not the premise for global warming is actually correct? I would suggest it has been a very one-sided debate.

In conclusion, I will never step away from the people of regional Australia. I will never stop making what I believe are the right decisions for regional Australia regardless of the impacts those might have, because regional Australia is the engine room of this country, it is driving this country and it is driving this nation. We should start giving the farmers of this nation the respect that they deserve, because they are out there, day in and day out, producing for us, making sure we can feed our nation and making sure we can feed the rest of the globe. Food security is an issue for another day. We need to make sure they have our support every single day, day in and day out. They will have mine on this issue and I will not be supporting the ETS.

Debate (on motion by Senator Stephens) adjourned.

Ordered that the resumption of the debate be made an order of the day for a later hour.
PAPUA NEW GUINEA: AIRCRAFT ACCIDENT

Senator FAULKNER (New South Wales—Minister for Defence) (7.27 pm)—by leave—About 11 o’clock this morning an Airlines PNG aircraft travelling from Port Moresby to Kokoda lost radio communication about 10 minutes from its destination. It appears that a number of Australians were on board and grave concerns are held for their safety. The aircraft has not yet been located but it is believed that the general vicinity of the crash site has been identified. Local search and rescue has begun. However, the aircraft is believed to have been lost in extremely dense and rugged terrain and weather conditions are extremely poor. I am sure all Australians and I know all senators will share the government’s concern about the welfare of those on board. Kokoda holds a very special place in the hearts of all Australians and we will do everything we can to aid this search and rescue operation. The Prime Minister spoke by telephone with the Prime Minister of Papua New Guinea, Sir Michael Somare, just after five o’clock this afternoon. The Prime Minister offered the deployment of Australian defence assets to assist in the search. I can say that Sir Michael was grateful for this offer and agreed immediately.

I have directed the Chief of the Defence Force to make Australian Defence Force assets available to the government of PNG. Australian Defence Force assets are currently being prepared for deployment. HMAS Success, with an embarked Sea King helicopter, is being diverted from its current location near the Torres Strait and will arrive off Papua New Guinea by first light tomorrow. A Caribou is currently in Port Moresby for a separate activity, and it will be available for tasking from first light tomorrow. A C130 with a strategic aeromedical capability will depart overnight and will be ready to assist tomorrow morning. A fully equipped ground party will be on board to assist with search and recovery efforts. And two Black Hawks from the Sydney area are being prepared for movement by C17 and will be deployed tomorrow morning. The ADF will continue to closely monitor the situation and remains ready to provide further assistance if required. The high commissioner and defence attaché are fully engaged with the PNG government, the PNG Defence Force and the search and rescue authorities and are providing the necessary coordination. Additionally, I can inform the Senate that an Australian maritime search and rescue Dornier 328 aircraft departed this afternoon to assist with the search and rescue efforts.

My colleague the Minister for Foreign Affairs will be making a statement about the role of his department, including the full range of consular issues regarding the Australians on board the plane. I should conclude by saying that of course the thoughts of all are with the families of those who are on board this missing aircraft. I thank the Senate for providing me with an opportunity to make this statement and I particularly appreciate Senator Minchin’s courtesy.

CARBON POLLUTION REDUCTION SCHEME BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2009
AUSTRALIAN CLIMATE CHANGE REGULATORY AUTHORITY BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CHARGES-CUSTOMS) BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CHARGES-EXCISE) BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CHARGES-GENERAL) BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS)
(CONSEQUENTIAL AMENDMENTS) BILL 2009
EXCISE TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009
CUSTOMS TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009
CARBON POLLUTION REDUCTION SCHEME AMENDMENT (HOUSEHOLD ASSISTANCE) BILL 2009

Second Reading
Debate resumed.

Senator MINCHIN (South Australia) (7.32 pm)—The government this week are asking the Senate to support passage of a package of no less than 11 separate bills, the Carbon Pollution Reduction Scheme Bill 2009 and related bills, to give effect to their Carbon Pollution Reduction Scheme, as they call it. This scheme represents one of the most dramatic and far-reaching interventions into the Australian economy ever proposed by an Australian government. Its passage and entry into force would have enormous impacts on the Australian economy and the economic circumstances of millions of Australians. The government knows there is no Senate majority for this legislation, yet it is determined on what is nothing more than a cynical political exercise.

This legislation should be withdrawn for a number of reasons. Firstly, it proposes a scheme which will not commence operation for another two years. There is absolutely no justification for the government’s insistence that the parliament deal with it now. Secondly, the government is seeking to legislate an emissions trading scheme for Australia well in advance of the UN meeting in Copenhagen in December, which will determine the extent to which, if any, the world is prepared to act in concert on CO2 emissions. It is utter folly for Australia to legislate a scheme prior to the Copenhagen conference. And, thirdly, the United States, currently the biggest emitter, is currently considering the issue of an ETS. It is, in our view, cynically irresponsible to propose that the Australian parliament lock in an Australian ETS prior to the US—as I said, the biggest emitter of CO2—before it determines whether or not it will commit to an ETS and, if so, the nature and design of such a scheme.

For these reasons, the opposition condemns the government for its naked political opportunism in forcing the parliament to consider its so-called CPRS at this time. Not only is the timing of this legislative initiative to be condemned, so too should the very name given to this package of legislation be condemned by this parliament. It is regrettably typical of this spin-driven government to use such a grotesquely Orwellian approach to the description of this legislation. For no more than base political purposes, the government has called its emissions trading scheme a ‘carbon pollution reduction scheme’. This is of course the perpetuation of a cruel hoax on the Australian people, childishly simplistic and misleading. The scheme proposed does not deal with carbon. It purports to deal with something quite separate—carbon dioxide emissions—and the scheme does not deal with pollution.

Whatever the climatic role of human induced emissions of CO2, CO2 is not by any stretch of the imagination a pollutant. CO2 is, as we know, a clear, odourless, colourless
gas vital to life on earth. Indeed, CO2 is essential to a healthy environment. One of the most cynical and deceptive manoeuvres of the climate change fanatics is to seek to convince people that CO2 emissions are pollution, to demonise CO2 per se. Anyone with any understanding of science knows this to be a complete falsehood. Indeed the Rudd government knows it too. Its own environment department’s website has a link to the official Australian National Pollutant Inventory, which lists 93 pollutants. Surprise, surprise, carbon dioxide is not listed among them. Mind you, after this speech, I bet some poor public servant will be bullied into adding CO2 to the list. So even the government’s own official list of pollutants, all 93 of them, does not include carbon dioxide.

It is also typical of this deceitful and spin-driven government to so cynically misrepresent the nature of carbon dioxide. Of course this whole extraordinary scheme, which would do so much damage to Australia, is based on the as yet unproven assertion that anthropogenic emissions of CO2 are the main driver of global warming. I want to commend Senator Fielding for his questioning of the government over the causes of global warming. The Rudd government arrogantly refuses to acknowledge that there remains a very lively scientific debate about the extent of and the main causes of climate change, with thousands of highly reputable scientists around the world of the view that anthropogenic emissions of CO2 are not and cannot be the main driver of the small degree of global warming that occurred in the last 30 years of the 20th century.

No-one, of course, disputes the reality of climate change. Of course the climate is constantly changing—it always has; it always will—but the main drivers of the small degree of warming that occurred in the 20th century and the extent to which we should be concerned about it are hotly disputed in scientific circles. One of the world’s most eminent atmospheric scientists, Professor Richard Lindzen of the prestigious Massachusetts Institute of Technology, recently observed:

The notion of a static, unchanging climate is foreign to the history of the earth or any other planet with a fluid envelope. The fact that the developed world went into hysterics over changes in global mean temperature anomaly of a few tenths of a degree will astound future generations. Such hysteria simply represents the scientific illiteracy of much of the public, the susceptibility of the public to the substitution of repetition for truth, and the exploitation of these weaknesses by politicians, environmental promoters, and, after 20 years of media drum beating, many others as well. Climate is always changing.

That is Professor Richard Lindzen, one of the world’s most eminent atmospheric scientists, who I suspect knows a little bit more about this subject than Senator Penny Wong. On Tuesday, June 23, writing in the Australian, Professor Peter Schwerdtfeger, Emeritus Professor of Meteorology at Flinders University, in Adelaide, reinforced this:

Repeatedly in science we are reminded that happenings in nature can rarely be ascribed to a single phenomenon. For example, sea levels on our coasts are dependent on winds and astronomical forces as well as atmospheric pressure and, on a different time scale, the temperature profile of the ocean. Now, with complete abandon, a vociferous body of claimants is insisting that CO2 alone is the root of climatic evil.

I fear that many supporters of this view have become carried away by the euphoria of mass or dominant group psyche. Scientists are no more immune from being swayed by the pressure of collective enthusiasm than any other member of the human race.

To acknowledge the reality of continuing scientific debate is not to say that Australia should not act in concert with other nations to give the planet the benefit of the doubt and to seek a global agreement to contain CO2 emissions. To the extent that anthropogenic CO2 emissions may be a cause of the limited
global warming that has occurred, and to the extent that that warming is considered to be damaging, internationally coordinated measures to contain emissions at the least possible cost may be warranted. Indeed, as someone trained in economics, I proclaim the virtue of an approach based on ensuring the most cost-efficient use of finite resources. The world has not measured up to that standard in relation to its use of energy. But, given the continuing scientific debate, it is especially important that a country like Australia only take steps in relation to CO2 emissions that are in concert with the rest of the world and clearly involve the least cost and most economically efficient means of CO2 containment.

The government’s CPRS clearly fails that test. The case against this scheme was convincingly made by my colleague the member for Goldstein, Mr Robb, in his speech on this bill in the House of Representatives. I also commend the work of my coalition colleagues on the Economics Legislation Committee in their reports on these bills and of Senator Xenophon on his minority report, which is a well-argued condemnation of this CPRS. I should also make mention of the critical analysis of this CPRS undertaken by the Select Committee on Climate Policy, chaired by my colleague Senator Colbeck, which exposed the CPRS’s many, many flaws.

Not enough is made of the reality of Australia’s circumstances in the consideration of measures to contain anthropogenic CO2 emissions. Australia contributes a little over one per cent of the planet’s CO2 emissions. If we were to completely shut down the Australian economy tomorrow, Australia’s CO2 emissions would be fully replaced by China within nine months. It is indisputably the case that nothing Australia does on its own can have any impact whatsoever on the earth’s climate. The deceit perpetrated by climate change fanatics that an Australian ETS will save the Barrier Reef is utterly contemptible. The manic determination of the government to impose this scheme on Australia also ignores the reality of the Australian economy.

Australia’s economy and our higher standard of living have been built upon our access to relatively cheap and abundant supplies of energy generated by coal-fired power stations. This is regrettably not well understood in this parliament let alone in the wider community. It was my privilege to serve as Minister for Industry, Science and Resources for three years in the Howard government, an experience which reinforced this fundamental reality about Australia: all the great manufacturing and value-added industries of Australia, which this Labor government professes a commitment to, have been built on and are sustained by access to cheap, reliable energy derived from coal. That is why an ETS, essentially an energy tax, is such a threat to this country. As Terry McCrann so accurately said in the Australian of 20-21 June:

... an ETS threatens to kill the Australian economy. It is a direct attack on our core comparative advantage: bluntly, the production of CO2. Power generated from cheap and abundant coal is a, perhaps the, core building block of both our standard of living and our entire economy.

That is a reality which this government wilfully ignores. What we see here is a Labor government sacrificing workers in energy-intensive industries on the altar of green votes. The cruel joke is that all those thousands of jobs to be destroyed by Labor’s CPRS will be in vain, because this scheme will make absolutely no difference to the global climate. Most Australians clearly do not understand what an emissions trading scheme is, how it would work and what its consequences would be. That is perfectly understandable. I suspect most of the Labor caucus has no idea, either. Essentially it will
be a very substantial tax on energy, and that is why Labor’s flawed CPRS is such a threat to our economy, dependent as it is on relatively cheap supplies of energy. Hence the utter folly of Australia designing and implementing this scheme ahead of the rest of the world.

Labor’s CPRS is a serious threat to many regional economies and the jobs they support, and I commend Senator Fiona Nash for her eloquent espousal of their cause. In my own state of South Australia it is estimated that it will cost 2,000 jobs by 2020 in the minerals industry alone. As a senator for South Australia, I do not see how I can possibly vote for this legislation, nor do I see how any government senators representing South Australia can vote for it. While the financial capitals of Melbourne and Sydney may relish the creation of a new financial instrument to be traded by 20-something bankers, the people of a state like mine will pay the price in a higher cost of living, in industries and jobs destroyed and in a reduction in competitiveness—all for zero environmental gain.

It is also reprehensible that Labor would seek to legislate this serious attack on the Australian economy at a time when, as Mr Rudd constantly reminds us, we face a very serious set of economic circumstances. Mr Rudd loves to remind us of the seriousness of the so-called GFC and its threat to Australia. Indeed, it is his justification for the most massive explosion in government spending, government deficits and government debt seen since the 1930s. Yet, while talking endlessly about our serious economic situation, he seeks to fit Australia up with a set of concrete boots called his CPRS. As Geoff Carmody, one of Australia’s most eminent economists, wrote in the Financial Review on 23 June this year:
The CPRS is ‘the GST from hell’, delivering negative protection. Why should any country unilaterally tax its exports and effectively subsidise its imports, for no global emissions reduction?

At a time when policy should be wholly directed at maximising the efficiency, productivity and international competitiveness of the Australian economy, Mr Rudd seeks to impose a unilateral massive new tax on Australian industry and consumers which will damage our economy and do nothing to combat global warming. The government’s pursuit of this legislation at this time is nothing more than an act of vanity on the part of Mr Kevin Rudd. This most vain of prime ministers wants to strut the stage at Copenhagen in December with a legislated ETS in his back pocket. He and his government propose to sacrifice Australia’s national interest on the altar of his vain desire for international acclaim from the vast UN bureaucracy being built around climate change policy.

The Australian parliament should not even be considering legislation for an ETS until we know the outcome of the UN’s Copenhagen conference and the US Senate’s consideration of the Waxman-Markey bill. The Australian people agree with this view. An Australian Newspoll conducted on the weekend of 24 to 26 July showed that 53 per cent of Australians wanted their government to either delay the introduction of an emissions trading scheme until after the Copenhagen conference or not introduce an emissions trading scheme at all. On that basis, and for the reasons I have outlined to the Senate tonight, I urge the Senate to reject this package of bills.

Senator HUMPHRIES (Australian Capital Territory) (7.47 pm)—I also want to contribute to the debate on the Carbon Pollution Reduction Scheme Bill 2009 and related package of bills. In doing so, I want to first of all put both my credentials and those of my party on the table for that purpose. It has been suggested by senators opposite in this
debate that coalition senators are ignorant about climate change, are unsympathetic, do not understand the imperatives facing the world and do not have any affinity with the needs of the environment. I remind all members of the Senate that the party I belong to has a long and proud history of protecting and acting on the needs of the environment. It is the party which introduced Australia’s first pollution control legislation at the state level, the party that ended sandmining on Fraser Island, the party that, a little over a decade ago, set up the world’s first greenhouse agency, the party that ended whaling in this country, the party that introduced Australia’s first pollution control legislation at the state level, the party that ended whaling in this country, and the party that introduced a renewable energy development scheme for the first time and the party that sponsored the Global Initiative on Forests and Climate. It is also the party that, over the life of the Howard government, was able to ensure that Australia was one of only five or six countries in the entire world which actually met its Kyoto emissions targets. It was not Spain, Canada, Japan, New Zealand or the United States of America but Australia, under John Howard, that actually did reach those targets.

Personally, I can also claim a commitment to action of that kind. As the Australian Capital Territory Minister for Environment, Land and Planning, in 1997 I travelled to Nagoya in Japan, where, on behalf of the ACT community, I signed the Cities for Climate Protection charter. In doing so, this territory became the first in Australia to sign up to Kyoto-like targets for greenhouse gas reduction. I will inform the Senate what those targets were, because they will make an interesting contrast with the policy of the present federal Rudd Labor government. More than a decade ago, the ACT Liberal government committed to reduce our greenhouse emissions in this territory to 1990 levels by 2008 and then to further reduce those emissions by 20 per cent on 1990 levels by 2018. It was a leadership signal from a territory that has often provided leadership signals in public policy. It was universally applauded by this community at the time, including by the ALP opposition. It put a heavy emphasis on community or householder action in dealing with climate change and it encouraged and stimulated investment in the sorts of things that we would all like to see, such as new green technologies. Incidentally, that commitment was torn up by the present Stanhope Labor government in 2005 and replaced by a much less ambitious greenhouse target.

So the Liberal Party generally are entitled, and certainly I am specifically, to enter this debate with a sense of commitment and understanding of the needs of the environment. I acknowledge that climate change is a key issue for our generation—some would say it is the biggest issue in our generation. It is more than a campaign tagline, more than a bumper sticker and more than an opportunity to argue who is greener than the next person. It is a complex interlacing of science and politics and it deserves all the careful consideration we can muster based on all the available evidence. It deserves detailed analysis of economic and social impacts of various climate change responses and, in all those terms, it deserves bipartisanship.

But we will not see bipartisanship on this issue. The question is: why? The reason is that the Labor government in this debate at this time is committed to not achieving bipartisanship. It is committed to achieving, in fact, conflict on this issue. Why? Because it wants a trigger in its pocket to fight the next election with a double dissolution and the opportunity to make political advantage out of the disagreement in this place on climate change. It sees more political advantage in conflict than it does in consensus.

I want senators to consider some of the features of this debate to illustrate the point I have just made. All the parties in the Senate,
other than the government, have expressed serious reservations about the government’s CPRS. It has no supporters, apparently, in this chamber other than the members of the government, and one wonders what some of them privately think about the scheme. The chorus of critics outside the parliament, on the other hand, are legion. Bodies like Greenpeace, the Australian Coal Association, the Wilderness Society, Woodside, Tim Flannery, the Minerals Council and the Australian Chamber of Commerce and Industry are all against the bill. Even the government’s own premier carbon scheme architect, Ross Garnaut, has stepped aside from the bill that has been presented in its current form.

What would you imagine that a government faced with such a difficult position in the Senate and with such opposition from other senators and outside the chamber might do to deal with this legislation, particularly given that it did not go to the last election with a particular form of legislation? It said it would develop its legislation and scheme after it got to government, so there is not even a mandate to rely on. It now has this opposition to its present scheme. What would you imagine that a government faced with such a difficult position in the Senate and with such opposition from other senators and outside the chamber might do to deal with this legislation, particularly given that it did not go to the last election with a particular form of legislation? It said it would develop its legislation and scheme after it got to government, so there is not even a mandate to rely on. It now has this opposition to its present scheme. What would you imagine that a government faced with such a difficult position in the Senate and with such opposition from other senators and outside the chamber might do to deal with this legislation, particularly given that it did not go to the last election with a particular form of legislation? It said it would develop its legislation and scheme after it got to government, so there is not even a mandate to rely on. It now has this opposition to its present scheme. What would you imagine that a government faced with such a difficult position in the Senate and with such opposition from other senators and outside the chamber might do to deal with this legislation, particularly given that it did not go to the last election with a particular form of legislation? It said it would develop its legislation and scheme after it got to government, so there is not even a mandate to rely on. It now has this opposition to its present scheme. What would you imagine that a government faced with such a difficult position in the Senate and with such opposition from other senators and outside the chamber might do to deal with this legislation, particularly given that it did not go to the last election with a particular form of legislation? It said it would develop its legislation and scheme after it got to government, so there is not even a mandate to rely on. It now has this opposition to its present scheme.

I also want senators to note the language that has been used in the course of this debate. I have sat either here or upstairs listening to the contributions of, I think, all of the government senators who have contributed so far to this debate. It is full of references to the blocking of this legislation by the coalition, to the coalition deniers, to the coalition sceptics, to how the coalition is short-sighted, to how the coalition are dinosaurs. Isn’t it interesting that there is no reference in these oft repeated remarks to the position or the bona fides of the crossbenchers, particularly of the Greens? I have heard not one reference in the course of this debate. The reason is very simple. The politics of this debate are not about attacking the Greens or Senators Fielding or Xenophon. The politics are about positioning the coalition for what the government anticipates and hopes, perhaps, is an election around climate change. Deliberately stepping away from constructive negotiations in these circumstances is more than a missed opportunity; it is a disgrace. A world at risk of serious change, I believe, deserves better than that.

I want Australia to take a strong position on climate change. I want us to be in the vanguard of action in this area of policy, and I think we can be. I want a partnership with the Australian people, who have shown such enormous commitment to action on climate change in recent years. And I oppose these bills before the Senate tonight not because they take us too quickly or too far down the path of climate action but because they simply do not do the right things; they simply do not do enough. They are ill-conceived. They
are too damaging for the gains that they propose to make. They do not engage the Australian people, individuals and communities enough in the process of change. They are a lost opportunity. They are a political vehicle more than they are a vehicle for action on the environment.

The original listing—and this is a further point to illustrate how politically this government is driving this process—of these bills assumed an implementation date of 2010. We were told categorically that there was a timetable the government wanted to meet and that the timetable was inflexible—it had to be met. Senator Wong said in February this year, when opposing any changes to the government’s timetable for an ETS:

... the longer we delay, the higher the costs. The longer we delay in making this economic transformation, the higher the costs … the Government remains committed to the 2010 start date.

A great deal changed between February and May, when the Prime Minister announced:

... the start date of the Carbon Pollution Reduction Scheme will be delayed one year to commence from 1 July 2011.

But, as Senator Minchin has pointed out, there has been no change to the timetabling of this legislation. Despite a further year before it is due to commence, despite the fact that there are important meetings taking place in Europe at the end of this year on these very issues, the government has not budged at all on its original timetable. It still says it has to be passed as soon as possible.

The question is why. The reason is not the requirements of the scheme. It is not that there is some imperative to have the scheme in place by August or September or December of this year. It is that the politics of the electoral cycle make it imperative that the government has its position staked out on the ground as soon as possible.

We know that the government’s timetable is entirely false, based on what the United Nations itself—which is running the conference in Copenhagen—has said about what it is necessary for states taking part in that conference to do before the conference itself. The UN climate office head, Yvo De Boer, was asked recently if it mattered if Australia arrived at Copenhagen in December for the climate change talks without an ETS in place. He responded, ‘Quite honestly, no.’ He went on to say:

What people care about in the international negotiations is the commitment that a government makes to take on a certain target …

Again, in those circumstances, why does the legislation have to be passed right now? Why does a scheme which does not start for two years need to be passed by the Senate at this point in time? The answer is that it is not about climate change and it is not about protecting the environment. That is extremely sad.

The other point which I think is distressing to the point of being tragic is that the government’s approach with this legislation runs the very serious risk of draining the support and enthusiasm of Australians for positive, realistic, effective action on climate change, because it will be very clear to Australians that it is such a blatantly political instrument rather than an effective public policy tool. As Australians, we should have a plan that is based on action by industry, action by major polluters and also action on a community level that allows people to participate and be part of change. It should be a plan that rewards green choices, that provides incentives for research and development in green industries, that promotes green technologies and green jobs and that promises not just a top-layer tax but a shift in thought and action nationwide which results in a new generation of environmentally conscious Australians who are willing to act in
an appropriate way. The Leader of the Oppo-
sition said this week that we as a nation can
be world leaders in this field. I think that is
absolutely true, but it does depend on en-
gagement with the Australian people.

What could government do to stimulate
that community involvement? It could, for
example, offer rebates to Australians to in-
stall solar panels. It could fund research
and development to improve existing land, water
and vegetation management. It could invest
in low emission technology. But, of course,
we know that in all these areas the govern-
ment has a track record already—a track re-
cord of failure. The solar panel rebate is the
most visible example of that. Without cere-
mony, the $8,000 solar panel rebate was
means tested, its effectiveness was reduced,
thousands of people who had made plans to
install solar panels withdrew those plans be-
cause of the new means test and the rebate
itself was ultimately and prematurely axed.

In the case of the Renewable Remote
Power Generation Program, Minister Peter
Garrett emailed solar and wind companies on
22 June this year, three minutes after the
program had actually been cut, to advise
them of their fate. That program had pro-
vided rebates to more than 7,000 installa-
tions, with a further 1,100 in the pipeline. It
had commenced in 2000 and a total of $300
million had already been invested. It had all
made a difference to the environment, but the
government decided to axe it. Why? Because
its objectives are not about the environment.

We heard in Senate estimates this year
about how the government had taken a very
successful agency, Land and Water Aus-
tralia—which had invested in the management
of Australia’s land, water and vegetation re-
sources in a way that had produced real divi-
dends for the environment—and simply axed
it, despite the very handsome return it had
made on management of the environment
and control of emissions. The Low Emis-
sions Technology Demonstration Fund has
not being left alone either by the Labor gov-
ernment. The program supported projects
such as carbon sequestration into under-
ground aquifers, drying and gasification of
coal to reduce electricity generation costs by
30 per cent, carbon by 30 per cent and water
consumption by 40 per cent and new solar
electricity generation with panels 1,500
times more efficient than is currently the
case. The program was cut in 2007, and I
really wonder what those opposite hoped to
achieve by way of action at the community
level to take up those technologies and make
a difference.

I think that what we will see with the pas-
sage of this legislation, if it becomes effec-
tive in Australia, is people seeing higher en-
ergy costs, lost jobs, a decline in the viability
of many rural industries and a great deal
happen that is not good in their communities;
but they will not see a difference made to
global emissions by virtue of those steps. If
they were to see a great deal of pain for not
much gain, it would be perfectly understand-
able for them to say that this was a plan that
did not deliver what was promised. Climate
change fatigue and cynicism will grow, and
that would be, I think, a tragic consequence.

I believe that Australia can and ought to
be in the vanguard of action on climate
change. I do believe that we need to act and
that Australia has a role to play in that. I be-
lieve that an effective, strong emissions trad-
ing scheme as part of a plan for emissions
reduction in this country is possible and
achievable on a bipartisan basis.

It is regrettable in the extreme that, be-
cause of this government’s determination to
use the issue of the environment for other
purposes, that is simply not possible. Non-
theless, the coalition is perfectly right in op-
posing this legislation—in sending a signal
to the government that it will not accept its posturing and posing on the environment as a substitute for real policy. We owe Australians more than that. Indeed, that is the decision that we have taken and will carry through with the decision to oppose this legislation tonight in the Senate.

Senator BUSHBY (Tasmania) (8.07 pm)—I also rise to speak tonight on the Carbon Pollution Reduction Scheme Bill 2009 and the associated package of bills that the government has put before us to implement its plan for a cap-and-trade emissions trading scheme, commonly referred to as the CPRS. As we are all aware, the end goal in implementing an ETS is to achieve a reduction in global greenhouse gas emissions. And why are we trying to reduce global greenhouse gas emissions? The answer is: because the ‘settled’—and I use that word in quotation marks—science is that anthropogenic, or man-made, CO2 and equivalent gases are increasing in the atmosphere to such an extent that it is affecting our climate and, further, that those effects will have a disastrous consequence for the planet and its future.

When concern about the issue first gained significant public traction some 10 or 15 years ago this phenomenon was called ‘global warming’, because it was argued that it would increase global temperatures. Since then, the label applied to the stated impact of man on the climate has been changed to ‘climate change’. This better allows proponents of the phenomenon to claim any extreme weather event—whether it be a heatwave, heavy snowfall, hurricane, cyclone, severe storm or flood caused by torrential rainfall—to be the direct result of anthropogenic impacts on climate.

As I understand it, the potential impact of man-made CO2 and equivalent gases on the climate was first seriously discussed in scientific circles—and here I admit to not having researched dates thoroughly—in the early 1970s, around the same time as the alternative theory that the gases and pollutants mankind was pumping into the atmosphere was going to form a barrier between the sun and the earth that would bring on the next ice age. And this latter theory is what my first recollection is of arguments about mankind’s impact on climate—having been taught of the ice age concerns by a teacher in around 1978.

Incidentally, I am acquainted with a retired American scientist, Mr Jim Pleasants, who worked at NASA in the US throughout a period including the early 1970s. He rose during his career to senior management level and was responsible for such relevant projects as sending an instrument that measured ozone and aerosols into earth’s orbit. He has told me that there was a heated debate going on at that time by leading scientists in America between those who argued mankind’s activities would heat the earth and those who argued it would cool it. Their main concern was that unless they took a united front they would look foolish and find it harder to attract research funding. As such—and, I am told that Mr Pleasants was present when this occurred—this group of leading international scientists flipped a coin to decide what impact they would pursue. And, of course, the coin came down on warming.

According to my acquaintance, that coin flip, which he says occurred in around 1972, was the start of the global warming movement. Since those days, that movement has very effectively developed from an issue debated and considered only by a small group of scientists to a much broader and wider issue that concerns many people worldwide. The public relations around the issue have been very effective. Claims of loss of natural features such as the Great Barrier Reef, sea-level rises of up to 100 metres, the timely coincidence of extreme
weather occurrences such as hurricanes, droughts and heatwave-induced bushfires—despite the fact that all of these occurred regularly, and usually more severely, in the past—and of course the extinction of polar bears, have proven very effective in convincing well-meaning and caring people of the need for action.

And there is no doubt that millions of people around the world, despite having no actual knowledge or understanding of the science upon which the movement is based, now faithfully accept as fact that mankind’s activities are affecting the climate in a manner that will have disastrous consequences for the planet, its peoples and its environment. And my use of the word ‘faithfully’ was quite deliberate. The sad reality is that the movement has taken on what cannot be seen to be anything other than a religious quality—a status that categorises everyone as a ‘believer’, a ‘sceptic’ or, even worse, a ‘denier’.

Anyone who dares to question the assumptions upon which the phenomenon is based is immediately ridiculed and his or her academic credentials, intelligence, gullibility and motive are immediately called into question. Worse, such sceptics and deniers are also belittled and blamed for not accepting that we have to make huge changes—changes that will come at great human cost—for the common good of the planet. Effectively, they are accused of heresy. One only has to look at the behaviour of the Minister for Climate Change and Water, Senator Wong, in this place, when anyone dares question the assumptions upon which the need to implement these bills are based. There is no doubt that she approaches such heretical behaviour as if she were the high priestess of the religion, with a sworn duty to seek out and expose nonbelievers: those who would undermine the faith—those dastardly sceptics and deniers!

Even today she employed this tactic, naming Senator Bernardi at least four or five times. If she were allowed to, I suspect she would like to burn at the stake all who dare question the truth of the science behind climate change. However, despite the religious fervour demonstrated by many campaigners for climate change action, and the fact that most people who are concerned about climate change have that concern without the scientific expertise to fully analyse the facts—meaning that they essentially take it on faith—it is also apparent that there is a seemingly strong acceptance of this phenomenon by many, if not most, in the scientific community. These are people who one would expect might have the knowledge and understanding of the science to fully inform their decision to accept the phenomenon and its associated threats as real and imminent. But the fact remains that not everybody accepts this as fact. And the really interesting thing to me is the large number of prominent and impeccably credentialed scientists who have raised issues and concerns—very relevant and strong issues and concerns—about the science upon which most, if not all, of the assumptions about man-made climate change are based.

I am not a climate scientist. Despite completing first year physics and chemistry at uni I do not even claim to be a scientist. As such, I readily acknowledge that I do not have the expertise, knowledge and capacity to satisfy myself, through scientific inquiry and experimentation, that this science—the science upon which the assumptions of man-made climate change are based—is in any way proven in a scientific sense. As such, I have no choice but to rely on the recommendations and comments of those who do have that expertise, knowledge and capacity to make such inquiry.

As mentioned, the weight of scientific support seems to back the believers. Given
the huge research industry that has developed around climate change, a cynic would suggest that this is not surprising. But, regardless of why it appears most scientists support the man-made climate change issue, I am greatly concerned by the large number of very prominent scientists who fall in the category of what many would call deniers—people like Emeritus Professor Garth Paltridge, an atmospheric physicist who was a chief research scientist with the CSIRO Division of Atmospheric Research before taking up positions in Tasmania as Director of the Institute of Antarctic and Southern Ocean Studies and CEO of the Antarctic Cooperative Research Centre. His specialty is fluid earth sciences, climate and Antarctica—a field highly relevant to the very issue underlying these bills. Yet, using this very expertise and the skills acquired over a lifetime of research and study in the fields of science so relevant to the issue, he queries the scientific evidence upon which claims of man-made climate change are based.

The science I did do at uni and before that taught me that all scientific theories are just that—theories. They stand to be proven or disproven on the basis of the evidence and stand on the basis of the evidence. I stand to be corrected, but belief in a concept did not come into any aspect of scientific research or theory. Given the fact that so many scientists, like Professor Paltridge, have concerns about the actual science behind climate change and raise real issues about the verifiable evidence that is used to back that science, I have no choice but to refuse to believe what I am told is truth and to declare myself a ‘sceptic’ when it comes to the issue of mankind’s impact on the climate. This does not mean that I am a denier; as such—again, I acknowledge that I do not have the skills to assess the issue myself at a scientific level. What it does mean is that I do not accept that the science is in on climate change. Although not commonly used as such these days, to be considered a sceptic was a compliment once, when people used it in the sense of the ancient Greek sceptics movement—one where people refused to merely accept what they were told and actively questioned, tested and sought evidence to prove or disprove statements and beliefs.

Madam Acting Deputy President, you might ask what this means about my thoughts on the need for action to address climate change, such as that major action included in these bills. You may be surprised to hear that I am accepting of the need for action. This is due to the advisability of prudent and sensible risk management. As mentioned, I do not know whether man-made climate change is real or not but, despite having real doubts, I think it is in everyone’s interest to take action that increases efficiency, reduces pollution and recognises the finite resources of the planet—particularly if, in doing so, any risk of real consequences of man-made climate change are minimised. However, I do not accept that we should as a nation take action that will undermine our national interests or those of Australians, particularly if that action is unlikely to deliver any actual benefits, whether to the environment in general or more specifically in reducing global emissions of CO2 and equivalent gases.

There are plenty of options open to the Australian government that will achieve positive environmental outcomes, regardless of the issue of climate change, without threatening the economic and social welfare of Australians. The coalition and Senator Xenophon’s release yesterday of research commissioned from Frontier Economics provides one such alternative emissions trading scheme. As noted by shadow minister Andrew Robb, this research proves the Rudd government’s scheme will unnecessarily drive up electricity prices, destroy jobs and
expand the size of government in Australia, while doing little about actual emissions.

The modelling was conducted using the same model and basic parameters as the government’s own modelling. The results show that this alternative approach would provide for a greener, cheaper and smarter ETS—greener because of a doubling of the target; cheaper because it will be 40 per cent cheaper than the government’s scheme, a $49 billion saving to our economy over the next 20 years; and smarter because it will ensure that there are more jobs, more Australians in work, with higher wages, particularly in regional Australia. The Frontier research shows that, with the right model, a logical and well-planned ETS can deliver an unconditional 10 per cent reduction in Australia’s 2000 greenhouse gas emissions by 2020, compared to the Rudd government’s five per cent unconditional target; wind back average household electricity price rises from the $280 under the current legislation to just $44 in the near term; and have a net gain in employment in regional Australia of 70,000 jobs, compared to the government’s scheme.

Importantly, this research also gives certainty to Australia’s agricultural sector, by leaving it out of the cap while providing an opportunity for it to be rewarded by generating carbon offsets. Lower electricity prices will also greatly reduce the indirect costs of the government’s ETS that would be faced by hundreds of thousands of small businesses. For example, under the CPRS, a typical dairy farm would face extra costs of $8,000 to $10,000 per year. Under Frontier’s proposals, this would be reduced by 80 to 90 per cent. Separately, the coalition has also committed itself to a doubling of the compensation for loss of asset value proposed for the electricity generators, from $4 billion to $8 billion—and up to $10 billion. This will provide the capacity for this sector to invest in low-emissions technology and see a rapid reduction in their carbon footprint. The generator sector contributes 50 per cent of all emissions.

I have been a part of a number of inquiries looking into the proposed legislation as contained in these bills through my membership on the Senate Select Committee on Fuel and Energy and the Senate Standing Committee on Economics, and I can tell you, on the basis of those inquiries, that the overwhelming body of evidence on the government’s CPRS shows that it will not effectively achieve its aim of reducing global greenhouse emissions, particularly when it is generally acknowledged that a global response would be required to achieve such a thing. In that regard, we have seen no evidence that an international agreement is imminent, nor is it at all likely that the great number of our main trade competitors will assume a price on carbon. And it is clear on any objective analysis that the CPRS, adopted without an international agreement to prevent carbon leakage, would have exactly the opposite impact of that intended and would simply shift emissions generation from those nations assuming a price on carbon to those without such a price—effectively adversely impacting upon the ultimate goal of reducing global greenhouse emissions.

Professor Warwick McKibbin, widely respected economist, academic and member of the board of the Reserve Bank of Australia, stated:

The problem is that the environmental effectiveness is not an Australian issue, it is a global issue, but the cost is an Australian issue ... We need a system where the global outcome environmentally is beneficial, and us cutting with no one else cutting does not deliver anything.

There seems to be strong acceptance of the fact that the likely outcome of implementing the CPRS in its current form is that Australia would suffer severe economic consequences
and job losses, without providing any notable reduction in global emissions.

Given the likely absence of a global consensus on reducing emissions, it becomes important to understand the effects on Australia of going it alone, as it were. Under questioning, the Department of Climate Change has admitted that the government has not clearly enunciated the degree to which, or method by which, the proposed CPRS will actually contribute to a global emissions reduction. This lack of global focus in the CPRS exposes Australia to some severe flow-on effects in terms of Australian jobs and the economy.

As mentioned, there is much evidence to suggest that it is almost certain that many of our employers and industries will move their operations offshore in the absence of comparative emissions abatement schemes in our competitor countries—not to maximise their profits, as some on the other side might say, but to remain competitive with their competitors in countries that are not saddled with crippling carbon costs as part of a flawed ETS, not to mention the restrictive and uncompetitive IR laws they are now again saddled with! And, in many cases, the option of shifting offshore will not be viable or attractive, and the comparative disadvantage that Australian businesses will be shackled with will mean that Australian businesses will simply have to shut their doors as they find they can no longer compete or downsize, or they will have to cancel future expansion plans.

In each of those scenarios, not only would there be a highly adverse effect on the Australian economy and on jobs but there would almost certainly be an increase in emissions offshore—carbon leakage. And, given that Australian industry is often world’s best practice in terms of emissions, the production of goods outside Australia will likely be at a higher emission cost per unit than the equivalent production in Australia—again, not a desirable outcome. Professor Anthony Owen, from Curtin University of Technology, clearly explains carbon leakage with respect to the Australian situation. He said:

I do not think Australia, with such a small percentage of the world’s emissions, can really dominate ... It is really up to the international community and, in particular, the world’s large emitters to come forward with a policy which addresses that issue. It is a serious issue, of course, leakage. If Australia drives offshore some of its energy-intensive industries, they may well create more emissions offshore than they would have with the same output in Australia.

Under questioning by the Senate Select Committee on Fuel and Energy, Mr Noel Cornish, chief executive of BlueScope Steel, stated that ‘we would see the loss of manufacturing industry and the loss of jobs in Australia for no global greenhouse gas improvement.’ The suggestion has even been made that it may actually be more efficient in a greenhouse-gas emission context for government to actively seek an expansion of emissions-intensive industries in Australia, as our industries and energy production operate at a generally more efficient level than many other countries, thereby reducing overall global emissions of CO2 and equivalent gases. The reality of this suggestion is pretty hard to argue against but totally contrary to the direction that the government is taking.

A key characteristic of our economy is that many of our businesses will face much difficulty passing on to their customers additional costs imposed by an ETS. This is due to the small size and degree of openness of our economy, which means many of our industries are price takers, both in terms of their inputs and their outputs, and cannot pass on the costs of the CPRS to their customers. We are price-takers in the steel, coal and aluminium industries. The CPRS in its
current form would see significant reductions in competitiveness and threaten the viability of some operations. But it is not just our industries with import and export exposure that face considerable financial hardships under the proposed CPRS. Australia’s electricity generators will be significantly disadvantaged under the proposed scheme, and this is particularly so due to the lack of smooth transition arrangements provided for by the scheme.

A fact that can hardly be missed at present is that we are in the middle of a global financial crisis. Despite the significant effects of this global financial crisis it would seem that the government failed to take into account the changed global economic environment when designing its CPRS or modelling its economic impact. Treasury officials have confirmed time and again that no modelling was done on the impact of the global turmoil on the projections for the impacts of the CPRS. Given the current model’s inflexibility and design flaws that render it completely ineffective in adjusting to unexpected or abrupt changes in the economy, the government’s proposed CPRS will further exacerbate this trend. With our economy delicately poised and skating around recession, the timing could not be worse. Some of our major industries will face costs that they are unable to pass on at a time when we simply cannot afford it.

Before the election then opposition leader Kevin Rudd made several promises in respect of climate change and how he proposed to deal with it. He made a promise to establish an ETS. He promised that this ETS would generate deep cuts in global greenhouse emissions. He promised that this would occur in such a way that Australia’s export and import competing industries would not be disadvantaged. The promised scheme is now in a state of total and utter chaos. It constitutes an ill-considered attempt to meet a tokenistic deadline and fails miserably to provide measures that will actually achieve any of its hastily promised and politically motivated goals. The promise of making deep cuts in global greenhouse emissions will not be met by this CPRS. The promise of protecting our trade exposed industries will not be met by this CPRS. In fact, all that will be achieved by this CPRS are job losses, economic destruction and the exporting of our emissions-intensive trade-exposed industries overseas, most probably to countries with lower, if any, environmental standards—which will ultimately mean an increase in global greenhouse emissions. Australia deserves better.

As I noted when I started, I am not convinced that the sky is falling as a result of mankind’s impact on climate. But I also consider that there is a lot to be gained through adopting cleaner, more efficient and sustainable ways of generating electricity. But the CPRS will not achieve this outcome. (Time expired)

Senator XENOPHON (South Australia) (8.27 pm)—A lot has been said about the government’s Carbon Pollution Reduction Scheme—by the government, by the opposition, by the Greens, by the crossbenchers, by environment groups, by industry and by regular voters who just want Australia to play its part in finding a solution to this global crisis. The details can seem complex, but I think there are some simple truths that virtually all of us can agree on. Anthropogenic climate change presents us with the most pressing and complex policy problem that we have ever faced. I believe that the environmental debate is over. The time for action was some time ago. We need to act and we need to get this right. There is a great urgency in relation to this. For those who are climate change sceptics, who are doubters, who say the science does not stack up, I say: at least from a risk point of view, consider
the evidence of literally thousands of climate change scientists who say we need to act on this. If we get this wrong, if the climate change sceptics are wrong, are they willing to literally bet the planet that they are right and thousands of climate change scientists are wrong? I think that is the key to this. My plea to Senator Joyce, whom I regard as a friend and colleague, is to look at the risk factors, look at this as an issue of managing risk. If you are doubtful about the science, at least look at the whole issue of managing this very significant risk, because there is no going back if we get this wrong.

I want to take this opportunity to pay tribute to the Australian Greens. I know that I may not see eye to eye with them on the best way to address global warming, in all respect to the Greens. But one thing that needs to be acknowledged is that the Greens have led the way on this issue. They were the canaries in the coal mine, if you will, warning us that global warming will end up seeing us all fall off our perches unless we act. For many years, the Australian Greens and the environment movement have made a serious contribution to focusing all our attention on this looming crisis. This crisis is pressing because the window of opportunity we have in which to take the sort of abatement action needed to avoid irreversible dangerous and potentially catastrophic climate change is small. On the basis of the findings of the March 2009 conference in Copenhagen, the window of opportunity is getting even smaller.

This issue is complex, because it has all the features that policy, whether at a global or national level, usually struggles to deal with. According to Lord Anthony Giddens, the former Director of the London School of Economics and former adviser to President Bill Clinton and Prime Minister Tony Blair, there exists what is called the Giddens paradox, where we ought to act on an issue such as climate change but somehow we are paralysed because global warming is something that is not seen as tangible enough. Recently, Lord Giddens was interviewed on the BBC. What he said is pertinent to today's debate. Lord Giddens said that climate change is a completely different political issue from any that we have ever had to face before, because it is about catastrophic risk. But most of that risk is in the future. It is not visible in people's day-to-day lives. Hence, most ordinary citizens get on with their day-to-day lives and push it to the side as a potential threat. He said: ‘It’s a paradox, because if we wait until it does become visible, if we wait until there are enormous shifts in weather patterns which are really threatening, it is too late by then to do anything about it, because unlike other issues once the emissions are in the air we know of no way of getting them out of there and they are likely to be there for centuries.’

Abatement has large upfront costs with benefits that accrue in the relatively distant future and with some degree of uncertainty. A solution also requires attention to the development aspirations of poorer countries and the emission trajectories that will result. Recently, I spoke to my friend and mentor Tim Costello, the CEO of World Vision. He was recently in Africa and met with the Prime Minister of Ethiopia, who is very concerned about issues of abatement, which I will speak to later. But the fact is that developing countries are bearing the brunt of climate change. They are already seeing the effects of climate change. Developing countries need to be part of a global solution and Australia needs to play a leadership role in relation to that. There is a concern that those who do nothing will still benefit from the actions of those who do a lot. If we are not careful, we could end up creating an environment that favours what Professor Garnaut describes as ‘free riders’.
All these factors need to be considered as we choose the right design for an emissions trading scheme. In a country like Australia, which has a small, open economy, we cannot assume that what works in certain other parts of the world will work here. We need to have a scheme that works for our economy and our environment. It makes sense from a legislative and ethical point of view that Australia takes an early lead in emissions reduction in order to break the potential international deadlock and motivate other nations to also play their part. Australia has a real role to show leadership, particularly in our region.

In taking such action, Australia needs to adopt a scheme that is credible internationally and sustainable domestically. It is important to lead by example, but it is also important that we set a good example. If we choose the wrong scheme and irrevocably damage the economy or do not save the environment, or both, we will serve as an excuse for other nations not to act. That is why we must get this right. International credibility will be to a large extent a function of the abatement targets Australia sets for itself and the way we achieve those targets. Clearly, the overarching goal is environmental: the reduction of greenhouse gas emissions. Abatement is the significant key to this and will fundamentally be investment driven.

We also properly need to address adjustment or adaptation issues. In relation to that, it is fair to say that the green and white papers have neglected this issue. I do not believe that there is any mention in either the green or the white paper about the issue of adaptation. The adaptation story is vital for two reasons. Firstly, a lot of climate change is already locked in through the accumulation of greenhouse gases in the atmosphere. The effects of it are real. One of the reasons why the Murray-Darling Basin is in crisis is climate change. That is real; we are seeing the effects of that now. Those communities are at the forefront of that. The Lower Lakes are seeing the effect of that; the Coorong is seeing the effect of that. We need to act.

Secondly, even assuming a global agreement on reduction that makes significant cuts to greenhouse gases, there will still be some residual climate change, given that it is almost inevitable that sea temperatures could rise by two degrees. That creates an adaptation in the longer run. I believe that much more attention needs to be given in any policy—if it is to be effective—to the issue of adaptation. It is simply not good enough for the states to have this responsibility. There is nothing wrong with the states dealing with adaptation issues, but we need to have a federal approach. An approach where adaptation is tackled federally is the right approach. Leaving it to the states would not provide an approach that is comprehensive or cohesive enough and would ignore the fact that climate change knows no state or indeed international borders. Water management is an obvious example of that. That is why, with respect to climate change, much more needs to be done in respect of adaptation. I look forward to the government’s response in relation to that. It is a real issue of concern that needs to be progressed in this debate.

In terms of the economy, we need to be able to afford this. We need to have a credible economic scheme to reduce greenhouse gases. If the government wants the economy to grow and grow green, it has to ensure that business is given certainty and is able to access the resources needed to change its ways. The government also has to take seriously the issue of carbon leakage. We need to ensure that Australian industry is not unfairly disadvantaged. As Senator Bushby mentioned in his contribution previously, we do not want to see carbon leakage to countries that just do not care and where there will be even more emissions for the same amount of output. What is wrong with the government’s
CPRS and the broader government approach? I note that the Minister for Climate Change and Water referred to the Frontier scheme outlined yesterday as a ‘mongrel’. I think that this ‘mongrel’ has a lot of fight in it, and I have to say that, if the government’s CPRS were a dog, the only merciful thing to do would be to have it put down.

An unconditional cut of five per cent is ridiculously low. Given the punitive structure of the government’s scheme, aiming for five per cent will cause a lot of pain for no real environmental outcome. There are also real problems with many of the assumptions the government has made when modelling the scheme. For one thing, it assumes that job seekers are so mobile that retrenched workers in the Pilbara or in Newcastle will be able to become, for instance, insurance agents in Melbourne or Sydney overnight. It would be a nice world to live in but it is clearly not the world we live in. This is not a criticism as such of the government’s economic modelling. In fact the Frontier model used the same modellers as the government in relation to this. It is all about making the transition from a high-carbon to a low-carbon economy, but you need to smooth it out and get it right otherwise you will cause short, sharp shocks to the economy. Also, there will be a huge dislocation in regional communities. That is what the Frontier modelling has shown.

The Frontier modelling has also shown that there is a better way forward in terms of getting more significant abatements. My concern is that the government has portrayed its CPRS almost as pure cap and trade. But it is not. You could say that there is a bit of mongrel in that scheme on the basis that there are gateways, concessions and compensation because of the huge increases in the price of electricity for consumers and significant revenue churn, and also because emissions-intensive export industries get compensation, which, in a way, goes against pure cap and trade. I believe that it is unnecessarily brutal on the economy with little to show for it in terms of the sorts of cuts that we need to aim for.

For these reasons I, along with the coalition, commissioned the leading economics firm, Frontier Economics, to test the government’s model and suggest alternative approaches. I note that Senator Feeney earlier today wondered whether I would become a Liberal because of my cooperation with the coalition. I can indicate that in my first speech I actually made reference to the fact that in my misspent youth I was a member of the Liberal Club at Adelaide University. I put my involvement with them down to a youthful indiscretion and I do not have any plans of rejoining the Liberal Party or indeed any political party; it was too traumatic an experience for me back then.

Frontier knows a lot about this kind of economic modelling. Danny Price, as managing director, and his team were responsible for creating the world’s first mandatory emissions trading scheme in the form of the GGAS scheme for the Carr Labor government in New South Wales in 1999. That was a scheme where their brief was quite limited; it was simply a baseline and credit scheme. It was all carrot and no stick, if you want to put it in those terms. The scheme was very effective in reducing emissions given, I think, a constrained brief in terms of what they had to work with, but it was an emissions trading scheme nonetheless. It worked and it was effective, and these people know what they are talking about. Frontier have worked for governments of both persuasions and for NGOs. They have worked internationally and they know their stuff, particularly in relation to electricity generation. That is why this scheme needs to be looked at seriously by the government. This scheme delivers unconditional carbon-emission cuts of 10 per cent on 2000 levels compared to the gov-
ernment’s unconditional five per cent cut, and there is plenty of scope for even deeper cuts, especially when effective global agreement is reached. The modelling also saves the economy $49 billion in gross domestic product over 20 years in real terms, and that is a significant amount. It also creates higher job growth, especially in regional areas, compared to the government’s scheme, where you would see that significant dislocation in regional communities. That is something that needs to be avoided at all costs, because for those regional communities, whether it is Geelong or Newcastle or South Australia’s iron triangle, it would be a regional disaster. If we are talking in the vicinity of 10,000 jobs, and that is one of the figures that the modelling has indicated, taking 10,000 jobs out of any of those regions would be a disaster. Even if it were one or two thousand jobs it would have a significant effect; it would dislocate so much.

The Frontier scheme also achieves low rises in retail electricity prices of five to 10 per cent compared to the 40 to 50 per cent expected under the government’s plan, so you will not need the compensation. You will have a situation where you do not have the revenue churn that you would have with the government’s scheme. By using a baseline of intensity you do not have that churn, you do not have the economic distortions and you do not have the economic inefficiencies that arise in terms of both the direct and the indirect costs.

Let us also look at the whole issue of electricity, which is responsible for over 40 per cent of emissions. If you consider the massive price increases we will get under the government’s CPRS, you will have a situation where households will be compensated, as the government indicates, despite how inefficient that could be. You will not need that level of compensation if you go down the Frontier path. If you have a situation where there will be literally tens or hundreds of thousands of small and medium businesses in this country facing massive increases in their electricity, it will affect production and it will affect job growth. It will be a kick in the guts to every small, medium and large business in this country. Also, under the Frontier scheme the agricultural sector is protected through exclusion, bringing it in line with the American and European schemes. There is also an opportunity for rural producers to make off-farm income through carbon offsets, and that is very important. Put simply, the scheme is greener, cheaper and smarter.

I am disappointed that the initial response from the government was to knock this on the head. The Minister Assisting the Minister for Climate Change, Greg Combet, attempted to mock the Frontier modelling yesterday without actually having seen it. The government—and in particular the minister, Senator Wong—was equally confused when it equated the plan with one proposed in Canada, when even a cursory reading of the modelling would have shown that it is not a replica of the Canadian scheme and has in fact moved way beyond that, because it actually has hard caps and it takes into account some of the concerns that were expressed earlier by the government in the discussions and commentary in relation to the Canadian scheme. Another member of the government described it as a magic pudding. How can you possibly say that it is a magic pudding when you won’t even look at the ingredients?

I do note that the Greens are concerned about this, but they have indicated that this scheme goes for a higher cap than the government’s scheme. I actually think we need to go for higher caps. We need to listen to the scientists and go to 450 parts per million, or even below, by 2050; 350 million parts per million seems to be the growing scientific
consensus in order to mitigate or avoid the disastrous consequences of climate change.

My concern is that we need to have the transition. My plea to my colleagues on both sides of the chamber and to my cross-bench colleagues, the Greens, is that we need to have that transition. There will still be coal power for a number of years but let us have cogeneration with gas. Let us fast-track renewables. Let us have incentives in place, which I believe we can have with the Frontier scheme, for investment certainty. If you want the transition from a high-carbon to a low-carbon economy, it will involve billions and billions of dollars worth of investment. I believe that unless there is consensus and bipartisan support in this parliament you will not get that investment certainty. This goes beyond one, two or even three election cycles because you need to lock in that degree of investment certainty for the massive transformation the economy will need. If we ignore that, then we face real problems with energy security. My fear is that if we ignore the risks involved, if we ignore the fact that we do need to have that energy security until we get the renewables on stream—the base load renewables such as geothermal—in the years to come, we will have a massive public backlash because people will not want their lights to go out, they will not want their refrigerators and air conditioners to stop working. These are the things we need to consider.

We need to reward good behaviour and punish bad behaviour and to create a change in behaviour. That is the beauty of the Frontier scheme. I think we all need to pull our heads in on this; we all need to start thinking about the world and stop thinking about the world of politics. We need consensus because if we do not get that consensus, we will all pay. If the economy is to grow, and grow green, it will need massive amounts of new investment in new technologies. This will not happen unless the economic environment is stable.

I cannot support this scheme in its current form. I will not be supporting the Carbon Pollution Reduction Scheme Bill 2009, but I think it is important that we continue to talk between now and when this bill comes back—presumably in November. I have confidence that Senator Wong is the best and most capable minister to shepherd this legislation through the parliament for the government. I also believe that we need to have that consensus bipartisan approach in order to deal with the most fundamental policy and economic issue this nation has ever faced.

Senator Barnett (Tasmania) (8.47 pm)—I stand tonight to place on record my opposition to the Carbon Pollution Reduction Scheme Bill 2009 and related bills and to make a few brief comments about the reasons why.

Senator Xenophon has just noted that this is one of the most impacting pieces of legislation ever to come before the Australian parliament. The legislation is effectively a tax on goods and services and it is to reflect the damage done from CO2 emissions and its effect on our environment. But the ETS and the legislation before us is poorly framed and it is too important to rush. The government is rushing this legislation for political purposes, and, I believe, inappropriate reasons are at the heart of the government’s objectives in regard to these bills. We must get this legislation right; it is too important not to. The timing is critical. Here we are, in August, debating this legislation and the government wants it passed and rushed through, yet the largest economy in the world, the United States, still has not passed its similar ETS legislation, and nor have we had the Copenhagen climate conference, which is scheduled for later this year. Why would we be leading the world in
such a way with the fear that we might get it wrong? We must get it right.

I quote from the executive summary of the Frontier Economics report that was released just yesterday:

In terms of the breadth and magnitude of economic effects, the CPRS is arguably the most significant policy change in Australia’s history. As such there is a substantial onus on the Government to demonstrate that whatever policy is introduced it is the best that can be developed.

We know, not only from the Frontier Economics report but also from numerous other commentators and experts in the field, that the government has not got it right. Let me say at the outset that I am not an expert, I do not have the background or expertise in science, but I have read the various papers and reports about these matters and I base my views on those and on my own experiences as a Tasmanian senator. I also note that the opposition supports a properly framed and carefully put together emissions trading scheme and other measures to ensure that the consequences and damage to our environment of the CO2 emissions is taken into account. I will come to those shortly.

It should be noted that it was actually the Howard government that first introduced the emissions trading scheme—in fact, under the former minister, Malcolm Turnbull. Mr Turnbull should be commended for his foresight and vision, as he has been demonstrating in more recent times regarding this matter. In terms of renewable energy of course, we remember the initiative and the leadership of Dr David Kemp, the former minister for the environment, who together with the Howard cabinet, put together the mandatory renewable energy target, which was some 9,500 gigawatt hours by 2010, which essentially was an initiative to encourage renewable energy. It really kick-started the various renewable energy initiatives all around Australia.

As a Tasmanian senator, I know only too well the importance of hydropower and wind power and other senators know the importance of renewable energy more generally, whether it be solar or whatever. So why isn’t the government willing to sit down to negotiate, to consult and to discuss with the opposition and indeed others their contributions to get it right? Clearly, the government has not got it right and I think it demonstrates hubris and arrogance on the part of the government that it is willing to insist that this be an express effort that must be rushed through. It wants to ram this legislation through the Senate and through the parliament when it should really do the right thing: withdraw the legislation and work with the opposition and with experts in the field to ensure that we get it right and that the timing is correct so that the contributions of the Copenhagen climate change conference can be taken into account.

I also note that the government has floated the idea of a double dissolution, with threats as to the possibility of that. I am not afraid of that. I say to the government over this issue to bring it on, because we know that the government’s legislation will increase power costs for the average Australian family and for small businesses and large businesses alike. This will be a jobs destroyer for Australia. In fact, this will be less green and will provide fewer benefits as to the environment than other models that have been drafted and put forward. So the government has got to pull back and get this legislation right.

There are three parts to addressing the concerns. Obviously, there is the emissions trading scheme, the renewable energy measure—a 20 per cent measure by 2020—needs to come into place and there are energy efficiency measures. They are three key broad initiatives that need to be undertaken by any government and any community to ensure that we get this right. The Minister for Climate Change and Water, Senator Penny
Wong, said the Frontier Economics report was a mongrel of a report. That is a shocking overreaction from a minister.

Senator Ronaldson—She hadn’t even read it.

Senator Barnett—I accept that, Senator Ronaldson. We know that her reaction was inappropriate. What sort of behaviour was that? Does she demonstrate any shred of credibility in her role as the relevant minister? That was a shocking overreaction, and I call her to account and to think again without being so abusive and without being on her political high horse in behaving in such a way. We know from the report that was tabled yesterday and that is now in the public arena that the ETS will add a cost to as many goods and services as possible to reflect the damage that greenhouse gases are doing to the environment. The report that Frontier Economics put out noted that the Rudd government’s ETS will unnecessarily drive up electricity prices, destroy jobs and expand the size of government. The report shows that the scheme can actually be made twice as green at a much lower cost to consumers and the broader economy with a net improvement of 68,000 in regional jobs. That is a fantastic outcome. In short, it is greener, cheaper and smarter.

So what else does it say? It treats the electricity generating sector in a less punitive manner, whereby household power bills need rise by only about five per cent in the near term, rather than by the immediate 25 per cent that the Carbon Pollution Reduction Scheme, put forward by the Rudd Labor government, would trigger. We know that households in Tasmania have recently, as of 1 July, been copped with a 15 per cent increase in power bills. This is exactly what they do not want at this time. Five years into the scheme average annual household power bills would only be $45 higher, rather $280 higher under the government’s CPRS. That needs to be taken into account. Rather than the loss of 26,000 regional jobs revealed by modelling of the CPRS, the changes proposed by Frontier Economics would lead to a net gain of 42,000 in regional Australian employment and overall the cost to the Australian economy over the next 20 years in net present value terms would be reduced by $49 billion, or about a third. That would certainly be a good outcome; that is for sure. As I have said, the power costs issue is very important in Tasmania. This is a very sensitive issue right now. Households are copping it in the neck as a result of Labor’s management—or mismanagement—of the economy in the state of Tasmania.

I have mentioned Mr Turnbull. I also want to commend Andrew Robb, our relevant shadow minister on this matter. He is quoted as saying that the lower electricity prices would also greatly reduce the indirect costs of the government’s ETS, which would be faced by hundreds of thousands of small and mid-sized businesses. We know how important that is for Tasmania, as we are a small business state with over 35,000 small businesses and with nearly 50 per cent of the private sector workforce being in the small business sector. We know that these businesses are copping it in the neck at the moment and are on struggle street. This is exactly the wrong time and this is the wrong type of policy being put forward by the Rudd Labor government, and it is going to hurt them. We do not want that to happen.

In terms of agriculture, I turn to a point that I know Senator Heffernan and Senator Cormann and others in this place who are concerned for rural and regional Australia and the agricultural community in general are very concerned about. It is that agriculture needs to be taken into account. For example, Mr Robb said in a contribution that under the CPRS a typical dairy farm would
face an extra cost of $8,000 to $10,000 per year. That is a huge cost on a dairy farmer and his or her family. Under the proposals of Frontier Economics, this would be reduced by 90 per cent. The coalition policy supports a doubling of the compensation proposed for electricity generators from $4 billion to $8 billion to $10 billion in order to provide greater fairness and investment certainty for firms in this industry.

At this point I just want to say there are a number of major employer groups in Tasmania that are very important in my community. Rio Tinto, for example, is one of those. Under the CPRS in the first decade there would be an additional cost of $80 million, a permit decay of $60 million and, as a result of the renewable energy target, a $70 million cost. So $210 million would come off the aluminium smelter’s bottom line. It is very hard for an industry like that, like Rio Tinto, to pass that on to their customers. In fact, it is nigh on impossible. So what are they going to do? They will have to cut back in other areas, whether it be employment, social investment, capital investment or other operating expenditure.

But with any renewable energy target, which certainly I strongly support, a true 90 per cent exemption would enable the resource sector to sustain employment and wealth generation and the government to facilitate growth and development in that sector. In Tasmania, that is critical. The renewable energy sector is vitally important. Nearly 100 per cent of our energy comes from hydro, comes from wind. We are very proud of that in Tasmania and we want to ensure that it prospers and grows. I recently met with Alex Beckett of Hydro Tasmania and had an excellent briefing with him, and I appreciate that very much. What we do know is that under the government’s proposal, industries such as Rio Tinto, TEMCO and Nyrstar—which are export-oriented industries—will go offshore. They will set up and operate in China or India, and the consequences will be very serious.

I draw to the Senate’s attention A socio-economic analysis of selected MEG industries’ contribution to the Tasmanian economy, a report written by Dr Bruce Felmingham, a well-regarded economist. If five of those Major Employers Group industries disappeared the economic impacts would be very serious indeed. The report says:

- The withdrawal of the MEG 5 would reduce the output of Tasmanian industry by $3.638 billion annually.
- Their withdrawal will reduce Tasmania’s GSP by $1.802 billion or 12% of its real income.
- Withdrawal would lead to a fall in the annual wage income of $479.58 million.
- The job loss amounts to 7,035 fte positions.

The cost to social wellbeing is astronomical. So there are consequences of this type of legislation, and we need to take those into account. The opposition’s policy, or at least the Frontier Economics report, has put forward some very sensible contributions and I hope those are taken into account. We need to support business, large and small, and investor confidence—and that needs to come back and fast.

In terms of renewable energy, yes, Tasmania does have it. Indeed, Hydro Tasmania are the largest generator of renewable energy in Australia. Hydro own and operate throughout Tasmania 29 hydro power stations worth $4.8 billion. They have a number of renewable energy projects through their wind development, the Roaring 40s. It is a joint venture company between Hydro Tasmania and China Light and Power. Tomorrow I will meet with Matthew Groom of Roaring 40s for a briefing with respect to some of their concerns and to provide encouragement to proceed with their renewable energy target of
20 per cent by 2020. It is something that I support, and I know others do too. But we need to decouple that legislation from the package of legislation before us so that they can get on and invest, develop and prosper, whether it be through hydro upgrades and development or wind farms. In Musselroe Bay, in north-east Tasmania, in the electorate of Bass, what is the local member doing to support that development? I have not heard much, and the community has not heard much. We need a proactive representation on the part of the federal member for Bass and all members of parliament to support these types of development. They have developments at Woolnorth and Cathedral Rocks, with wind farms totalling 206 megawatts through the Roaring 40s. They have a lot of good things happening, and we need to make that 20 per cent target by 2020 and achieve that as soon as possible.

I have mentioned that the Mandatory Renewable Energy Target started under the Howard government, and that was an incentive for Hydro to invest in the way that it has. Since 2002 Hydro Tasmania has spent approximately $180 million on those various initiatives. With respect to new wind energy projects stemming from Hydro Tasmania’s 50 per cent owned Roaring 40s, that includes over 500 megawatts already in operation and under development and a total construction pipeline of 1,000 to 1,500 megawatts potentially worth over $1.5 billion. We have the Waterloo Wind Farm in South Australia and 140 megawatts from the Musselroe Bay wind farm in Tasmania. These are the opportunities. These are the things that can happen if we get this legislation right, if we frame it correctly, if we take into account the importance of agriculture and give them a fair go. One of the nine principles that were released a few weeks ago by the opposition leader referred to agriculture. He said the fifth principle was:

As in the Waxman Markey legislation—

agricultural emissions should be excluded from the scheme and agricultural offsets … biosequestration or green carbon) should be included.

Let us give them a fair crack of the whip and give them a fair go. Rudd has got it wrong on this count. I also note that amongst those principles the scheme design must ensure that general increases in electricity prices are no greater than comparable countries to minimise the impact on all trade exposed industries. That is exactly the point. You have to take into account those major employer groups that we rely on for fair power prices so that they can have a go and employ the people that they have and continue to grow, prosper and make a job of it. This is why we have to get all of these things right. I commend Greg Hunt for the work he has been doing in promoting the renewable energy target and promoting coalition policy. He said in a speech on 30 July, ‘A vision for a solar continent’, to the Appropriate Technology Retailers Association of Australia:

We want to do the right thing by renewable energy. But to link the RET with the ETS was a new low in political game-playing.

He is absolutely right. It should be decoupled and the government should come to the party and fix it pretty much straightaway.

It seems the Frontier Economics proposal is greener, cheaper and smarter. But, look, let’s put it all on the table. Let’s talk, discuss and see if we can work it out together. I call on the government to release their Treasury modelling. It has not been released with respect to the CPRS. That is a disgrace. They did this in the May budget when they forecast a 4.5 per cent GDP growth and everybody asked, ‘How is that possible?’ Independent experts said, ‘How is that possible?’ Nobody could work it out. They did not have the guts to release their Treasury modelling.
They have to get it right for the sake of Australia and for the sake of Australian families.

Senator XENOPHON (South Australia) (9.07 pm)—I seek leave to table the document referred to during my speech in the second reading debate on the Carbon Pollution Reduction Scheme Bill 2009 and related bills—namely, the Frontier Economics report entitled The economic impact of the CPRS and modifications to the CPRS, dated August 2009.

Leave granted.

Senator WORTLEY (South Australia) (9.08 pm)—The Carbon Pollution Reduction Scheme Bill 2009 and associated bills house the detailed provisions on the emissions trading scheme. The CPRS Bill is the main bill in the CPRS package. The CPRS will make sure our nation invests in the industries of the future: renewable energies, including solar and wind power, and in employment utilising new technologies such as clean coal and geothermal energy. Such investments will create thousands of new, low-pollution-industry jobs. The CPRS will enable Australia to stand up and be counted in the fight against climate change. It will allow businesses and households to do their bit as well. The $75.8 billion Australian Carbon Trust to be established by the government is aimed at helping all Australians to make a contribution towards reducing our nation’s emissions. Its structures also will help to improve energy efficiency in businesses and commercial buildings. The government will take into consideration the effort made by householders who buy accredited green power when setting CPRS caps.

The scheme has been designed to give significant backing to jobs. Among measures to this end is the $2.75 billion Climate Change Action Fund, which will offer targeted assistance to businesses, community groups, workers, regions and communities. The government also has delayed the start of the scheme by one year to help Australian firms cope with the fallout of a global recession. There will be a fixed carbon price for one year of $10 per tonne, giving business certainty as the nation moves towards full market trading from 1 July 2012.

Votes for these bills are votes for Australia’s future—votes for our environment, for our economy, for our jobs, for our industries. They are votes for our children’s future prosperity and wellbeing. They are votes for our planet, our world, our humanity. Sure, we could sit on our hands and do nothing, just as those opposite did for almost 12 years while in government. Sure, we could also wait for the rest of the world to step out first before deciding whether to follow the lead of other nations. The opposition wants us to wait for Copenhagen and beyond. But we need to play a leading role in forging an international agreement and to arrive at the negotiating table with targets and a plan to get there in the form of a CPRS. Dangerous climate change will not wait. We cannot simply press the pause button on its progress, on extreme weather events, on the droughts and floods it fosters. It is currently, and will continue, placing our globe in peril.

Experts tell us that carbon pollution is causing the world’s climate to shift dangerously, resulting in extreme weather events, longer and more severe droughts, higher temperatures and rising sea levels. As one of the hottest, thirstiest continents on earth—led, I am sorry to say, by my home state of South Australia—Australia’s environment and economy will be one of the hardest and fastest hit by climate change. Had the former coalition government acted on climate change the transition to a low-pollution economy in the coming years would have been made much easier.
Of course, many opposite do not even accept the clear scientific evidence which mounts up day by day. Those among their number who do believe seem too timid and too weak to speak—to stare down the sceptics in their party room. The Rudd Labor government will not be scared off or intimidated by those who would rather wait and see what happens. We will act with the courage of our convictions, being emboldened by the knowledge that the right thing to do is to show the world leadership, which is crucial in the face of a heightening crisis. This government will not be responsible for the perpetuation of the philosophy that would let climate change rip unfettered. Does this ideology sound familiar: ‘Let the economy rip; let the environment rip’? This is far too serious an issue. It is far too urgent an issue.

Just as the global economic crisis has necessitated the strong leadership and the decisive action embodied in our jobs and nation-building economic stimulus packages, Australia needs to be proactive, even aggressive, on the issue of climate change. It never ceases to amaze that those opposite fail to learn from the ghosts of elections past. The Australian people were clear in their verdict in November 2007. Along with other things, such as workplace relations, they wanted the government to act, to show leadership, on climate change. They were fed up with deniers who would not even ratify the Kyoto protocol let alone take further concrete steps to address this blight. Still these deniers call the shots—incredible, in view of the fact that their leader is not among them. Mr Turnbull is unable or unwilling to unite the party room over this. However, by his own admission, he not only believes in climate change he also says an emissions trading scheme is inevitable for Australia. In the Hansard of 26 May 2008, we read Mr Turnbull saying:

The biggest element in the fight against climate change has to be the emissions-trading scheme …

And yet he would delay and defer, rout and refer, rather than bite the bullet on this crisis.

Of course, we know that climate change is not the only issue on which Liberal-National Party members are poster boys and girls for the ‘Do nothing’ campaign. Mr Turnbull and his colleagues would rather we did not invest in our nation’s infrastructure—our roads, our schools, broadband and industry. They do not want us to build the structures which will enhance the quality of our children’s education, our health care, our communications, our transport and the like, supporting and creating jobs at the same time. Yet they are happy to claim credit for such investment in their community newsletters and to attend openings of the very projects they voted against in this and the other place. They do not want us to invest in jobs—either those which exist today or future employment, including jobs in green industries. They have voted against a stronger future built on decisive action now. Their reason? It would be bad for our children.

Not only does that not make sense when it comes to nation building and jobs investment but it smacks of hypocrisy. How worried were the coalition for our children and for future generations when they, when in government, refused to ratify the Kyoto protocol or act on dangerous climate change? How concerned were they for future generations when they refused to say sorry to the stolen generations or to address Indigenous disadvantage? How bothered were they about the employment opportunities of future workers and their families when they disinvested in TAFE, turning tens of thousands of Australian students away from underfunded TAFE colleges, when they oversaw a ballooning skills shortfall or when they slammed through the draconian regime that was Work...
Choices? That legislation negatively impacted on thousands of Australian workers and their families. It is certainly difficult to take them seriously when they feign concern now.

We know that the opposition are horribly divided over climate change and are still debating whether it even exists. They will do everything they can to delay the Carbon Pollution Reduction Scheme’s introduction. What a disappointment. Australia should be part of the climate change solution, not just part of the problem as the sixth largest polluter in the world on a per capita basis. Passing these bills now will give business certainty into future years. Passing them now will be a crucial step towards the development of an international pact on tackling climate change at Copenhagen later this year.

Facing the ill winds of the global recession, our scheme will couch pollution reduction targets which are both responsible and appropriate given the need to shelter our economy and the jobs it sustains. For the first time, the Carbon Pollution Reduction Scheme will put a price on carbon pollution, therefore giving strong incentive to major polluters to cut their emissions. Taking such action on climate change will foster the growth of the renewable energy sector to 30 times its current size by 2050, according to Treasury modelling released in October 2008. The CPRS will, from its introduction in 2011, use the funds it raises to help households adjust to the scheme. This will ensure Australian families do not bear the burden of climate change. In addition, the government is working to encourage carbon pollution cuts before the scheme gets underway. Permits for carbon stored will be able to be generated by eligible reforestation projects from 1 July 2010. This will create economic opportunities in regional Australia.

The alternative to taking decisive action on climate change is unthinkable. If we do nothing, our economy will be left behind as we fail to take our place at a table full of low-pollution jobs. If we do nothing, future generations will be left to clean up a mess too awful to consider: global devastation on an unprecedented scale. As the Minister for Climate Change and Water, Senator Wong, said on 3 August:

We have long known that climate change threatens Australia’s economy, environment and way of life. We have long known that real action on climate change demands deep and fundamental economic reform. We have long known that central to this action is placing a limit and price on our carbon emissions.

In a country of over 21 million people, with 150 elected members of the House of Representatives and 76 senators, it is now up to one politician to determine whether Australia’s carbon emissions will continue to rise or whether we will start to reduce emissions for the first time ever.

That politician is, of course, Malcolm Turnbull. …

… he must decide whether he wants to finish what he claims to have started—what he knows is right—and pass the Carbon Pollution Reduction Scheme.

For too long those opposite have turned their backs on action to address climate change. For too long they have argued amongst themselves about the existence and cause of climate change. For too long they have failed to confront the issue. The business community, environment groups and the Australian people expect the parliament to do the right thing and pass the CPRS this year. The Business Council of Australia, the Australian Industry Group, Shell Australia and a range of other businesses are calling for certainty on the CPRS so they can plan investments. Delaying passage of the legislation will directly undermine investment certainty at a time when business certainty is critical. It is time
to act. I commend the bills before us to the Senate.

Senator ADAMS (Western Australia) (9.21 pm)—I rise this evening to speak to the Carbon Pollution Reduction Scheme Bill 2009 and related bills. To start with, I would like to highlight the concerns relating to the Rudd government’s Carbon Pollution Reduction Scheme bills. It is very important to Australia’s economic survival that we look towards a global solution and not simply an Australian solution. We are producing only 1.4 per cent of the world’s CO2 emissions and yet we are trying to hold economic and carbon-emitting powerhouses such as China and India to ransom. Australia’s emissions trading scheme must be on par with the rest of the world and be part of a global agreement. Otherwise it will be a case of our country being at such disadvantage it could affect all of our exports and therefore in the long term our economic longevity. Our emissions trading scheme must take into account what is happening globally, or the competitive position of Australia could be severely damaged.

Do we want to see Australian jobs, investment and CO2 emissions being exported to countries that do not have a price imposed on carbon? Australian jobs are the most important aspect in all of this and should not be forgotten. In recent months companies have publicly indicated the cost of this proposed scheme in terms of jobs. The Minerals Council of Australia has found over 66,000 jobs will be lost. Rio Tinto has stated that, put simply, the CPRS as proposed will cost jobs. Xstrata predicts that between 5,000 and 10,000 jobs nationally may be lost. BlueScope and OneSteel say hundreds of jobs would be lost across the country and 12,000 jobs that the Port Kembla Steelworks supports would be under threat. Ford Australia believes the ETS will drive jobs overseas. Jobs will be lost throughout Australia, and this is a disaster. The government constantly dismisses any research relating to jobs, but this is no longer a credible response. States and territories have done their own research; businesses have done their research. It is time for the government to listen to this research and to look at the concerns from businesses across Australia.

The coalition have stated that we will offer bipartisan support to the government for the carbon abatement targets we take to Copenhagen in December. This would, therefore, allow Australia to attend a conference with a united Australian position for a global commitment to addressing climate change rather than to arrive with legislation that could conflict with everything other countries, including the United States, might suggest. The desire for Mr Rudd and Senator Wong to rush this legislation through prior to Copenhagen is deeply flawed and could greatly affect our country’s future economic reputation. It would be premature for Australia to be locked into an emissions trading scheme that is not in line with the rest of the world. It is important that Australia continues to have a global perspective and an external view rather than focuses internally. Although the safety of our economic future is imperative, this can only be ensured by going to Copenhagen with targets for discussion, not legislation.

I now would like to turn to the uncertainty around the 2015 deadline for the introduction of a CPRS for agriculture. As a former farmer of 38 years, like my colleague Senator Nash I believe agriculture should not be part of the CPRS. Instead, the government should allow agricultural offsets. Australian farmers will still feel the impact of the CPRS through the price rises in fuel and transport, chemicals, fertilisers, electricity, farm inputs and other goods and services. A large problem with including agriculture in the CPRS is the sheer number of businesses who indi-
individually produce only small amounts of carbon emissions. The greatest impact of the CPRS on agriculture would be in relation to livestock production. This would result in an increase in production costs, decreased demand and therefore decreased production.

The agricultural sector has reduced its emissions by 40 per cent since 1990 through various measures, some voluntary and some not. The involuntary measures have come at a significant cost to many sections of the industry. I know myself that with farm practices like no-till, reducing burning of stubbles, planting perennial grasses and planting many trees along creek lines we have done our part, as have all the farmers in my area. They certainly keep doing this. Younger farmers are taking up many different initiatives. They are really handling the agricultural sector’s emissions. I commend them for this. They are all looking for different ways to keep up this practice. Unfortunately, as Senator Wong cannot come clean on whether or not agriculture will be included in this 2015 deadline, it is having a huge effect on the stability of the farming communities and also regional employment. Buying another property or looking to invest in different aspects of farming is all on hold. I would implore her and her government to make a decision so that we all know just where it is going. If the CPRS is introduced for agriculture that sector will change dramatically. It could be the death of our regional towns.

Covering direct emissions from agriculture within the ETS is inappropriate. There is a potential for economic and social impacts leading to significant detrimental environmental outcomes in areas such as water run-off, biodiversity and Australia’s inability to continue to make a contribution to global food and fibre supplies. This is something that Australia excels in. If we have this penalty put upon us, we will not be able to continue to produce food and fibre as we have in the past. The international goalposts have been shifting, with the United States, the United Kingdom, Canada and European countries having ruled out covering their direct agricultural emissions under a cap-and-trade scheme.

Two-thirds of Australian farm produce is exported, and this will mean that Australian farmers will be isolated if agriculture’s direct emissions are covered within the ETS. I have some data from the National Farmers Federation on the impact. The farm cash income for an average beef farm would fall by over 60 per cent if agriculture’s emissions were covered by the ETS cap with a carbon price of $25 per tonne of carbon dioxide. On an average beef-sheep farm, the income would fall by 47 per cent, and on an average sheep farm it would fall by 30 per cent. With wool prices as they are, I think this might be the end of the wool trade.

If agriculture is included and Australian and New Zealand agriculture is covered by an emissions trading scheme and other countries are not, it puts us at a disadvantage. As a gauge, with agriculture covered by the emissions trading scheme at $25 per tonne of carbon dioxide and not accessing free permits, a beef producer with a thousand head of cattle would be required to pay approximately $237,000 per annum for permits, a sheep producer with 3,000 sheep would be required to pay approximately $15,000 per annum for permits and a grain farmer producing a thousand tonnes of grain would be required to pay approximately $3,500 per annum for permits. Research undertaken by the Australian Meat Industry Council indicates that additional costs of the ETS for meat processors from 2011 will be of the order of $5.64 per beef animal and 78c per sheep. Similarly, dairy farmers estimate that their direct costs from ETS would be between $6,000 and $9,000 per farm in 2011, rising over time. So the impact on agriculture
is not only economic; areas such as regional employment, trade, water and environment will also be affected. The agricultural sector needs assurance that its export competitiveness will not be placed at risk as a result of the ETS. Farmers are vulnerable to increasing costs that will result from the implementation of an ETS.

The Rudd government now has no alternative but to respond and eliminate all uncertainty around the 2015 deadline. This will enable Australian farmers to proceed on an equal footing with all trading partners. The world population is expected to increase 50 per cent by 2050. That will be nine billion people to feed. Therefore, as our international counterparts are excluding agriculture’s direct emissions from their schemes, it is vital that we do the same. Our farmers need to be provided with certainty. The Rudd government must commit to not covering agriculture now or in the future.

Australia confronts a food security responsibility. If we accept ETS coverage of Australia’s farm sector, 1.6 million Australian jobs and $32 billion a year in farm exports will be at risk. Agriculture requires an alternative approach which will provide them with an incentive based means of reducing emissions and best management practice where they can continue to make contributions. As I have said before, this is improving all the time. Growing vital food and fibre production will continue. Farms, as biological systems, emit carbon, but unlike other sectors they also absorb it back into soils, pastures, crops and trees. Australian farmers are already world leaders in low-emission farm systems, and I would encourage them all to continue in this way. Once again I say that it is very important that the Rudd government commit to not covering agriculture now or in the future as part of the emissions trading scheme.

Senator PAYNE (New South Wales) (9.33 pm)—I begin by commending Senator Adams on her consideration of the potential impacts on the agricultural sector in this country by a scheme such as the one before the chamber tonight in the Carbon Pollution Reduction Scheme Bill 2009 and related suite of bills. The considerations that she raises are very important.

The CPRS legislation, in global terms, presents for the chamber and the parliament’s consideration the question of tackling climate change. I want to indicate that this is an issue that I take very seriously. I cannot be categorised in the disparaging way that those opposite have endeavoured to characterise others. That approach is perhaps not terribly constructive, but I guess that is their problem and not mine.

Climate change is best tackled from a position of economic strength. To effectively meet the huge cost of tackling greenhouse gas abatement requires a few fundamentals in place: people in jobs, businesses performing strongly and an economy in a state of growth. As a country that produces—as others among my colleagues have said—only 1.4 per cent of the world’s CO2 emissions, there is no Australian solution to climate change; there is, in reality, only a global solution. The design of any Australian emissions trading scheme must be responsive to the existence or absence of a global agreement. We see at the moment stark differences emerging between this government’s approach and the legislation endorsed by the President of the United States, Mr Barack Obama. Amendments that were made in May to the draft US emissions trading legislation include very specific provisions providing 100 per cent protection to US export and import competing industries in any future emissions trading scheme until 2025. What is more, that bill now says that a reduction in protection of these industries will only occur
after 2025, when more than 70 per cent of global output from that sector is produced or manufactured in countries that have a scheme equivalent to that operating in the United States.

You would think that that would be a wake-up call for the Prime Minister and for Senator Wong. It is absolutely unclear to me why this government is so unwilling to acknowledge the importance of taking into account the United States scheme. A submission, for example, from BlueScope and OneSteel to the Senate Economics Legislation Committee on 4 June this year made exactly that point:

Given the global significance of the US, we believe that it is important to obtain a clear understanding of the design of the United States’ emissions trading scheme ... and to fully consider the implications of the US approach for the design of Australia’s CPRS.

If an emissions trading scheme does not take account of what is or is not happening in other countries, it will, by definition, end up flawed. It will also seriously damage the competitive position of many of our own industries and ultimately see Australian jobs, investment and CO2 emissions being exported to countries when no price is going to be imposed on carbon. It seems to me that a badly designed scheme is worse than no scheme at all.

Now, we were promised by the now Prime Minister, before the election, that there would be an introduction of an emissions trading scheme which would produce deep cuts in CO2 emissions but would not disadvantage Australia’s export- and import-competing industries. The fact is, though, that that promise has not been fulfilled and the government’s scheme is in disarray. It is in disarray because it has been rushed to suit a cravenly political timetable. It is in disarray because the design is not flexible enough to cope with the global financial downturn and fails on all counts. It is in disarray because it will cost jobs, kill investment and do very little, if anything, to reduce CO2 emissions.

It is reckless in the extreme to rush the introduction of this scheme without knowing the outcome of the December global climate change summit in Copenhagen, without knowing what the United States will do and without knowing the full impact of the global financial crisis on our real economy. And when we do look at the international scenario we see that the government seems to be taking great pleasure in inferring that around the world a great deal of action is taking place on emissions trading schemes. But the evidence actually does not add up. Of course, I have already noted that the United States scheme is currently under development, and even individual states’ schemes in the United States have not advanced very far—mostly because community focus has shifted to the impact of the global financial crisis.

The Canadian scheme, for example, has been put on hold while they wait and see what the US does. And in Europe effectively it is little more than a pilot scheme so far. They require business to purchase from the government at auction just four per cent of permits. In contrast, what this government will require is for business to purchase 70 per cent of permits, while the United States administration is looking at a requirement that business purchase 15 per cent of permits. So in terms of setting the price on carbon there is very little in place, or even in advanced planning stages, as far as this issue is concerned, in the rest of the world.

So, under the design of the government’s proposed scheme we would be taking a major leap in comparison with the rest of the world. And our very great concern, which has been articulated so effectively by a number of my colleagues, is that the Rudd government has deliberately ignored the impact
of this proposed scheme on Australia’s competitiveness and on jobs in the first years of transition if our major competitors do not reciprocate. The design of the scheme assumes that Australia’s major competitors will move to put in place a major new tax on carbon across their own economies, including their export- and import-competing industries, in the early years of the scheme. In fact, the government seems to have assumed that the United States would introduce an equivalent scheme by 2010, China by 2015 and India by 2020. But none of this is remotely possible. Let us suppose that China, India, Indonesia, the countries of the Middle East and South America and other competing developing countries do not apply a tax on carbon for 15 years or 20 years or even longer; we cannot even rely on Treasury for modelling of alternative scenarios or methods.

So all we have before us is a self-serving, misleading and irresponsible exercise, and that is before we even get to contemplate the costs of this proposed ETS. For most Australian families it seems that the annual tax that the government will impose, through this scheme, on electricity and other energy intensive companies, will result in a 30 per cent to 40 per cent rise in power bills, and, indirectly, in increases in the price of most services and items purchased. There will be significant added direct and indirect tax on agricultural and manufacturing businesses, which are competing against foreign products where no such tax now applies.

What is even more concerning is the potential for tens of thousands of jobs to be put at risk, the permanent and serious shrinkage of major regional centres—both Senator Adams and Senator Nash have referred to that this evening—and the loss of major investments. But this has been for what gain in terms of the impact on CO2 emissions? Possibly little or none. One $4 billion proposed investment in my own state of New South Wales to extend an aluminium smelter at Kurri Kurri in the Hunter Valley will be shelved. That decision alone will see the loss of 15,000 construction jobs and 3,000 permanent jobs.

I said earlier that on any reading this proposal before the Senate is in disarray. It does not even adequately encourage complementary measures. The way it is currently designed means that actions that individual Australians or families take to reduce emissions will not do anything to reduce the overall output of greenhouse gases—it will just allow more emissions by industry up to the cap. Areas such as agriculture and our huge commercial building sector are effectively ignored as sources of abatement.

The government has argued—I heard Senator Wortley doing this earlier—that pushing this legislation through the parliament will give business certainty. Well, it seems to me that what businesses want is a scheme which preserves their international competitive position, not the certainty of being fundamentally unable to compete. As Anglo Coal Australia Chief Executive Officer Seamus French has said, certainty is not preferable to getting the design right for business. He said:

We don’t want the certainty of a bullet.

The government’s claims that their flawed emissions trading legislation needs to be rushed through the parliament have also been undermined by the executive secretary of the UN Framework Convention on Climate Change, Yvo de Boer, who revealed that the UN does not require countries to have legislation in place before the Copenhagen meeting. This view has received further support from Jonathan Pershing, US Deputy Special Envoy for Climate Change, who indicated that US legislation may not be passed by the time of the Copenhagen meeting. He said:
... it does not block a deal. You can have a deal without having the legislation.

As we have been saying repeatedly, Australia needs to go to the UN conference with a united position on targets, not a flawed scheme for the sake of some personal aggrandisement of the Prime Minister and the Minister for Climate Change and Water.

In the end, it seems to me that the only certainty that we have with regard to this scheme—the certainty that senators on the other side have spoken about—is that it will certainly produce job losses. Over recent months, corporation after corporation have publicly recorded the cost of this proposed scheme in terms of lost jobs. A number of those have been cited in the chamber again today. The Minerals Council has found that over 66,000 jobs will be lost or foregone. BlueScope and OneSteel say that hundreds of jobs would be lost across the country, and the 12,000 jobs that the Port Kembla steelworks supports in my own state would be under threat. And as was discussed in question time today, through my questions to the minister, even the Labor Treasurer of New South Wales, Mr Eric Roozendaal, is concerned about the effects of the scheme—the risk to jobs and the need to ameliorate risk, not to go headlong into the scheme that the government has before the parliament at the moment.

Let me be absolutely clear about one thing. I support and the coalition supports—and we supported it when in government—an environmentally-responsible ETS as part of a coordinated global response to climate change. It is our strong view that the design of the Australian ETS should be completed only after the passage of the US legislation through the congress and after the conclusion of the Copenhagen climate summit in December. Every other political party, conveniently ignored by speakers on the other side, and every other interested group with any credibility—except, apparently, the government—knows that this ETS legislation is flawed and it needs to be improved if we are to save jobs and protect small business and industry in Australia; prevent carbon leakage, which will only frustrate any net global CO2 abatement; and have a decent scheme in place.

The coalition has again and again endeavoured to find a better outcome on this legislation in the event that the Prime Minister remains determined to force through an early vote. Firstly, we set out nine principal issues that need to be addressed in Labor’s scheme for the coalition to support it, including, fundamentally, the principle that an Australian ETS should offer no less protection for jobs, small business and industry than an American ETS does for American jobs, small business and industry. The principles that the coalition has set out are practical and clear. They will ensure an effective Australian ETS scheme which protects jobs and industry and which could be converted, if there were a willingness to constructively engage on the other side, into appropriate amendments for legislation. But from the very start there has been an abject refusal to consider anything like that. They have adopted a take-it-or-leave-it approach, and that intransigence will ultimately cost this nation.

Faced with that and faced with the refusal to even discuss alternative views, the coalition together with Senator Xenophon—as he alluded to in his remarks this evening—commissioned independent economic research by Frontier Economics to measure the real impact of the scheme. The results, released yesterday, are compelling. They show that this emissions trading scheme will, effectively, unnecessarily drive up electricity prices, destroy jobs and expand the size of government. They make it clear that the government should recognise the flaws in this CPRS legislation and begin constructive en-
gagement with the coalition, minor party senators and other stakeholders to design a more effective scheme.

In fact, with the changes that are proposed within the research to which I have referred, the CPRS could actually be made twice as green, with a much lower cost to consumers and the economy and a net improvement of 68,000 regional jobs. It could deliver an unconditional 10 per cent reduction in Australia’s 2000 greenhouse gas emissions by 2020, compared to the government’s five per cent unconditional target. By treating the electricity generation sector in a less punitive manner, household power bills would rise not by the extraordinary amount that the government’s scheme will produce but only by about five per cent in the near term. Five years into the scheme, average annual household power bills would only be around $44 higher, compared with the potential for $280 under the CPRS, based on this research. For regional Australia, the government’s scheme would cost 26,000 jobs; Frontier Economics’ proposed changes would lead to net gains of 42,000 regional jobs. Overall, the cost to the Australian economy over the next 20 years in net present value terms could be reduced by about a third. They are relatively modest proposed changes, and with them the ETS could be made far less harmful to jobs, to investment, to the regions and to the Australian economy and so, importantly, have a much more positive impact on the Australian environment.

On any assessment, the design of the Rudd scheme fails on all counts. It will cost jobs, kill investment and, frustratingly, do very little—this is such an important point—to reduce CO2 emissions. We believe that it would be premature to lock Australia into an emissions trading scheme that was out of step with the rest of the world, given that the next international climate change conference in Copenhagen is only a few short months away and given that the United States administration and the congress are well advanced in finalising US legislation for an ETS. Why wouldn’t we defer this consideration until after the Copenhagen meeting? But the government appears determined to push this through. If the government does not defer this, it will be choosing to create unemployment. It will be choosing to vote against Australian jobs, against the Australian economy and ultimately against the Australian environment.

**Senator FISHER** (South Australia) (9.49 pm)—I am no expert on what, if anything, is happening with our climate—nor am I any expert on, if something is happening, what might be the cause of it. There are plenty of others who do profess to be so expert. But the particularly interesting thing is that those who do profess to be so expert are unable to agree on what, if anything, is happening in respect of our climate and unable to agree on, if something is happening to our climate, the causes thereof and, in particular, the extent to which man is contributing to those changes.

We have a Prime Minister who is a self-professed policy wonk, a self-professed expert at developing policy, and he promised to deliver the Australian electorate evidence based policy. In the context of the government’s CPRS, that means, pretty simply, identifying the problem that his policy will supposedly fix, proving the cause of the problem and proving how his policy solution will fix that problem. That means, if he wants to introduce his CPRS, the Prime Minister must prove what is causing the problem that he says exists and show that his CPRS will fix it. He is not doing that.

Instead, the Prime Minister is proposing a CPRS that will cost jobs. It will export carbon without making any meaningful contribution to a global solution. Through his
PRRS the Prime Minister is asking the Australian people to choose between lower wages and higher unemployment. It has been a little-debated point that, in order to maintain constant employment—which the government says its CPRS will do; it is saying that the Carbon Pollution Reduction Scheme will not jeopardise jobs—the modelling underpinning constancy in employment will assume a reduction in real wages over time. It assumes that real wages would be less than they otherwise would be were it not for the CPRS. Has the government told Australian workers that they will essentially take a cut in real wages over time in order to maintain jobs constancy across the economy? I think not.

Under questioning in the Senate economics committee inquiry hearing into the CPRS bill on 29 May, respected economist Dr Brian Fisher, formerly of ABARE, now of Concept Economics, said:

… what the Treasury has done is to make an assumption that, if we take the full economy, for every job that is lost in one place there will be another job of some description elsewhere. He went on to say:

… to make that work what both the Treasury and I have done in the national modelling is to allow the real wages of workers to fall. We have held total employment constant, but to allow that to occur we have allowed real wages to fall.

What is happening here is that real wages have to be lower than they otherwise would have been to maintain everybody in a job. Nobody is being very forthcoming about that particular assumption.

So, in response to my question, ‘Both you and Treasury are saying that in order to stop job losses you are going to have to incur pay loss?’, Dr Fisher responded, ‘Yes, reduce real wages.’ Under questioning in Senate estimates, Treasury officials essentially confirmed this. Ms Quinn from Treasury, in response to questions on Wednesday, 3 June about the effect on real wages of the CPRS, said that real wages would ‘grow slightly slower than they otherwise would’. She went on to say, ‘but in all scenarios real wages continue to grow’, but the point is that Treasury have confirmed that real wages will grow slower than they otherwise would under the government’s CPRS in order to maintain jobs. Hence the choice for Australian workers is between keeping their jobs and having lower real wages.

The indirect costs of the scheme on business, especially agriculture, are significant and have been commented upon by others in the chamber tonight. They include the impact on dairy farmers, who could see their incomes falling by 1.9 per cent as early as 2011. By 2015 the effects on Australian broadacre agriculture could see falls in income of between 9.1 and 14½ per cent. So why is the government rushing ahead of the United States? Why is the government intent on rushing ahead of the Copenhagen negotiations? We are not a big carbon emitter. We emit a total of 1.4 per cent of global emissions. Yet it would seem we are intent on risking our economy by rushing.

Even if we accept that there is a risk that we should manage—because it does make sense to do what we can to improve the environment and lessen what might be man’s negative impact on the environment—it does not make sense to manage that risk by creating a CPRS certainty, a certainty that will cost jobs and export carbon without making any meaningful contribution to a global solution. It just does not make sense for those like Australia, who contribute amongst the least to global emissions, to sally forth and sacrifice the most domestically for negligible gain globally. It does not make sense for a small global player to go big or to go early. Indeed, we would be going so early that we could almost be going it alone, because there is no guarantee that the big emitters would
ever join us—and, certainly, there is no guarantee that they would join us in the short term. The Rudd government’s CPRS is all Australian pain for no significant global gain. I will be voting against the bills.

Debate (on motion by Senator Conroy) adjourned.

ADJOURNMENT

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (9.58 pm)—I move:

That the Senate do now adjourn.

Australian Football League

Senator O’BRIEN (Tasmania) (9.58 pm)—I want to discuss a matter that has been before the Senate committee of which I am a member, the Standing Committee on Rural and Regional Affairs and Transport. If I were to say that the Australian Football League did not give a damn about Tasmania, continually discriminates against the state and is a bureaucracy that puts its own interests above that code, some of those opposite might say that I was being outrageous. But, of course, I am actually quoting the president of the Hawthorn Football Club, who made just such a statement in Launceston during the half-time break of the Hawthorn-St Kilda game which was held at Aurora Stadium last Saturday.

That comment was made in the context of an announcement by Mr Kennett, the former Premier of Victoria, that the Hawthorn Football Club was prepared to commit $300,000 towards an improvement of the Aurora Stadium in the city of Launceston in northern Tasmania. The stadium proposal has received commitments of $6.5 million—$4 million from the federal government, $2 million from the Tasmanian state Labor government and half a million dollars from the Launceston City Council. There have been protracted discussions with the AFL about contributions to be made to that proposal, which is after all a proposal which enhances one of the important playing facilities that hosts games of the Australian Football League.

It is of course the case that the Senate Standing Committee on Rural and Regional Affairs has conducted an inquiry into Tasmania’s case to host a team in the national competition. That inquiry, I might say, was opposed by Tasmanian Liberal senators. Nevertheless, the majority of the Senate supported its establishment and continuation and a report was made to the Senate.

It was interesting to note that Mr Demetriou responded to that report. The report is critical of the AFL’s assessment of its capacity to financially support a team in Western Sydney instead of a team in Tasmania in the sense that all of the evidence presented to the committee indicated that a great deal more money would be required to prop up such a team than the AFL was prepared to admit to. Mr Gillon McLachlan, the witness for the AFL, placed some figures before the committee which were almost immediately revealed as inadequate by Mr Brian Cook, the current Chief Executive of the Geelong Football Club, a very experienced administrator in the AFL who has experience in administration with the West Coast Eagles as well, among other things. He indicated that the budget that the AFL had put forward for the support of a Western Sydney team for a decade would in all likelihood be exhausted within four years. That is the evidence that was presented to the committee.

Mr Demetriou sought to play to the crowd, in effect, with his rejection of the Senate committee’s findings, suggesting that we were somehow denigrating the people of Western Sydney because we found that the AFL’s case to establish a team there was weak and was unlikely to get the support of
the people of Western Sydney to a sufficient
extent to remove a very heavy financial obli-
gation from the AFL in supporting such a
team.

The committee, may I say, was also faced
with the difficulty of getting the facts from
the AFL about the real situation on the
ground in Western Sydney for the AFL code.
We placed some questions on notice. Among
other things, we asked for a breakdown of
the number of actual game participants, once
Auskick participants were excluded, in the
Western Sydney area. I will read from para-
graphs 2.53 and 2.54 of the committee re-
port:

The committee requested that the AFL provide
statistics on participation levels in Western Syd-
ney, the Gold Coast and Tasmania, including the
proportion of participants made up of the Auskick
program. Unfortunately, the AFL only provided
the committee with figures for the entire
NSW/ACT region, rather than Western Sydney
alone. They are included in Appendix 3. These
statistics are not helpful in assessing meaningful
participation in the code in that area as they in-
clude far Western NSW, the Riverina, Canberra
and the far South Coast of NSW, where Aus-
talian Rules football enjoys strong support and well
established club competitions exist.

At paragraph 2.54, it goes on to say:

Information on the public record, attributed to
the New South Wales Minister for Sport suggests
that actual participation in Western Syd-
ney is fewer than 3,000. In contrast Tasmanian partici-
ipation is about 24,000 or nearly five per cent of
the Tasmanian population. In the absence of more
authoritative figures the committee is inclined to
accept that participation in Western Sydney is, as
a proportion of its population, relatively insignifi-
cant.

I find it difficult to line that passage up with
the kinds of comments that Mr Demetriou
made in attacking the committee’s findings,
which were very well tempered by the evi-
dence presented to it and the lack of credible
evidence presented by the AFL on participa-
tion in the code. In fact, I invite anyone who
is inclined to believe the AFL figures to go to
the AFL New South Wales website to ascer-
tain the number of teams that play in the
general Western Sydney area in competitions
from under-10s up, including right up to the
seniors. Allocate an average of 40 players
per team and you will not get to 3,000 play-
ers. That is using the resources of the AFL
that are on the public record.

So the committee found that participation
in Western Sydney is at a level consistent
with the statement of the New South Wales
minister for sport—who, I might add, de-
clined to commit the New South Wales gov-
ernment to funding a playing facility in
Western Sydney as requested by the AFL.
Here we have a committee report which has
been attacked by the Chief Executive of the
Australian Football League, Mr Demetriou,
who not only chose to not appear but, I sug-
gest, did everything that he could to not ap-
pear—such was his lack of confidence in his
ability to defend the AFL’s position on this
matter.

The other matter that I wish to touch upon
this evening, in the very brief time I have
left, is the economic contribution that the
establishment of an AFL team in Tasmania
would have. Again, I want to refer to the evi-
dence of Mr Brian Cook, the Chief Execu-
tive Officer of the Geelong Football Club.
Given that Geelong is a regional area of Vic-
toria—it is quite close to Melbourne but it is
a regional economy—the committee thought
that he would be able to present some cogent
evidence on the matter. When he was asked
about the number of seats allocated to a trav-
elling team on an interstate trip, Mr Cook
said:

The allocation between clubs is 500. On top of
that, the opposition club can purchase through the
ticketing agent of that particular club over and
above the 500, of course. This is a real guess, but
you would probably find, depending on the side
going to Tasmania, anywhere between 1,000—possibly with the Kangaroos—and maybe close to 5,000 would travel over with Collingwood and the Hawthorns, perhaps more with Hawthorn now, given their presence. That would be my rough guess.

His experience indicates that that is an important contribution to our economy. (Time expired)

Strategic Indigenous Housing Infrastructure Program

Senator SCULLION (Northern Territory) (10.08 pm)—I stand this evening to throw some light on what I consider to be one of the greatest offences that has been perpetrated against our First Australians, certainly throughout the time that I have been in this place. The Strategic Indigenous Housing Infrastructure Program, SIHIP—how it operates and how it has been rolled out—seriously exposes the way that the Rudd Labor government operates. We have read much in the media and much has been written about the Kevin Rudd 24/7 style of government, and of course 24/7 does not mean how many days you work and how many hours in the day. This is the spin cycle of spin over substance. This is an absolute demonstration of how not to do it. We have had months and months of announcement and coloured road signs in Tennant Creek, but we have not had a single thing actually happen in Tennant Creek. A couple of refurbishments were started but, before those, the spin had to come up. We had to have the advertising along the major highways to make sure the impression was given to Australians that things were happening.

I read with interest part of the ANAO report into the OzCar program that contained some observations. I refer to Mr McPhee’s comments on page 17:

... the importance of effective implementation to achieving policy goals. Amongst other things, implementation requires effective governance, risk management, procurement and contract management, the right type and quantum of resources, and oversight and review.

He went on to say:

... strength in policy development needs to be matched by strength in program delivery ...

Of course, all of those wonderful values—risk management, procurement and contract management and the right sort of resources—really do no good at all when you do not have the outcome at the end of the day in your heart. That is not part of your vision. If your vision is all about just impressing Australians, just running out the spin and substance, you may have achieved that, but you have been caught. The Rudd government has been caught because there are some clear deliverables and, for the benefit of those on the other side, it is called a house. The game is up because houses are not hard to count. As I travelled around the Northern Territory I was appalled by the fact that not a single house has been built; it has been 18 months.

The program is so badly managed that neither the federal minister nor the Northern Territory government minister have the faintest idea of where the program is at. For some time now I have been asking, through the estimates process and through direct letters to the minister, about where we are up to, where the money has gone and when the houses will be built. In effect, Australians have been provided with absolutely nothing. I suspect the government itself does not even know.

We have now had the implosion of the Northern Territory Labor government. I would like to take this opportunity to commend Alison Anderson, not as a member of the Labor Party or in politics or as a member of parliament in the Northern Territory but as a fair dinkum Territorian who is prepared to go through a fair bit of angst and get her
nose bloodied at every opportunity in order to ensure that these matters are brought to our attention. If she had not been in the Labor Party they would not have come to our attention. I can promise you that. They tried shutting her up as they do with everybody, but she was brave enough and courageous enough to stand out.

When did this start? In April 2008 the government announced a new housing scheme—a landmark joint housing program between the Australian government and the Northern Territory government. It was landmark; it would deliver vital construction and houses! What a wonderful media statement that was. It was absolutely fantastic. There would be jobs in the 73 Territory Indigenous communities and some in urban areas. The media release stated that work was planned to begin in October 2008, with the Northern Territory government delivering the program. There would be 750 new houses, 230 new houses to replace houses that were going to be demolished, 2,500 housing upgrades, essential infrastructure to support new houses and improvements to living conditions in the town camps. They were the promises, and the people who are living in the most appalling conditions in the world, let alone Australia, listened carefully and told me that they had hope. I think that hope was pretty poorly founded.

Instead of bricks and mortar, by the end of October no work had actually started—but it is okay because we have had another media release! More spin! We had a media release on 28 October saying that there were more houses for Tennant Creek. An additional $6.5 million, and we are not sure where that came from, because it is hard to identify, was going to be provided for new housing—I repeat: new housing—in Tennant Creek for Indigenous people. These funds were in fact in addition to the $30 million that the previous government had been providing through the intervention process. Nothing happened, of course, through the Christmas period. I wandered around the Territory and there was not a house—not a skerrick—just denial. We were all heartened when on 25 February there were some other announcements in terms of the SIHIP program, but at around the same time a Northern Territory news story revealed that in fact construction had still not commenced on a single house.

Paul Henderson, the Chief Minister in the Northern Territory, is quoted as saying that the program was taking a tad longer, but instead of doing something about it he has done the predictable thing and said ‘Let’s announce the first annual report card of the Closing the Gap initiative.’ He detailed how much money had been spent and the recruiting achievements of the government but he did not address a single benchmark in health, education or employment. The Chief Minister was, no doubt, hoping to dazzle people with an announcement of how much had been spent and what had been achieved. But it is difficult even now to put your finger on exactly how much would have been spent. This goes to the core of the Labor government’s failures. We are expected to believe that spending large sums of money is almost equivalent to action. If you chuck in a few media releases and a few signs on the side of the road, it is seen by them—and by Australians—as action indeed.

But Indigenous Australians need houses. They need access to health and education. We all want our children to have opportunities in life. Houses are as important to education and health in an Indigenous context as anything else. You cannot get a good night’s sleep with 21 people living in the same house. It is very hard to avoid ear, nose and throat infections that are going to prevent you from hearing your lessons at school if your shower does not work and you are up to your ankles in crap. That is a very unhy-
gienic place to be and that is why these people are not going ahead. Tragically, those circumstances in the Northern Territory remain completely unchanged.

Indigenous Australians now understand that they cannot live under a promise and they cannot eat a spending announcement. We will slip forward a little bit—we will fast-forward to May 2009, and we are all heartened by yet another announcement on the construction of houses. There is a bit of admission on the delay of the construction of the houses, but we are told that work is scheduled to start on the Tiwi Islands in May this year—a full seven months from the start date. Unfortunately, history shows that May was yet another announcement designed to give the illusion of activity and it was destined to be broken. Someone sent me a photo yesterday of the total sum of the construction of the Tiwi Islands—it is a bloody 50-millimetre peg in the ground—

The President—Order! That language is not tolerated; withdraw the word you used.

Senator Scullion—I withdraw that word, Mr President. The minister responsible for this complete mess, Mr Rob Knight, has come out to destroy the action and has said that the government has met every deadline for the project. This beggars belief. We again sneak forward and we know that, in April 2008, 750 houses will be built. But by June 2009 in Tennant Creek we have the promise of new houses become no houses. On the Tiwi Islands we saw that the promise of 90 new houses and a 62-lot subdivision has been revised to 25 houses and no subdivision. Do you know what the excuse is? The excuse is that somebody forgot to calculate the old GST—terribly sorry about that! We will just sneak an article into the Tiwi Times and say sorry about that! None of it adds up.

None of it makes sense and something genuinely needs to be done.

So here we are after two years of Kevin Rudd’s Labor, after the apology statement that I thought at the time was such an important tribute. To be frank, I thought the apology would have to be made by those on that side. It was one of those symbolic things, and the time was right with the people on the Labor side. From the coalition—and I think they tried it on several occasions—it just would not have gone down as well. I believed what the Prime Minister, Kevin Rudd, said: that he would close the gap. He promised to do that. Health and education are very hard to measure. It is hard to know without looking intergenerationally how education and health are going. But it is not hard to measure how many houses have been built. The Prime Minister has promised 750 houses. He has promised relief for our first Australians, the most vulnerable of Australians, and he has delivered absolutely nothing. (Time expired)

Mr John Parkin

Senator Cameron (New South Wales)

I rise tonight to honour the memory of a dear friend and comrade, John Parkin. John was a big man. John had a big physical presence, but he also had a fantastic sense of humour, a commitment to social justice and a desire to change things for the better. The most common description I have heard of John is that he was ‘a larger than life character’. He really was one of a kind.

John passed away early on Monday morning after a lengthy and courageous battle with an extremely aggressive brain tumour. John was only 53 when he died. He had still much to offer his adopted country. John leaves behind a loving and caring wife, Wendy, who devoted herself to supporting and looking after him as he battled this cruel twist of fate.
I have known John for over 25 years. We met as activists and officers of the Australian Manufacturing Workers Union. We had a lot in common. We were both Scotsmen who moved to Australia to make a new life. We were both fitters and we were both committed trade unionists. We were also both supporters of Glasgow Rangers Football Club during the good times and the bad times. John was fiercely proud of being a Scot and he was equally proud of being an Australian citizen. John was a Brandane, the name for those born in Rothesay, on the Isle of Bute, a beautiful part of Scotland.

John was looked after a lot of the time by his Aunty Joan, who has travelled with her husband Jim to be with John in the final days of his titanic struggle with the brain tumour. His Aunty Joan recounted to me how John hated school, how he was always in trouble and how he, in her words, was ‘quite a handful’. John started his commitment to caring for the community by taking his father’s fire gear to the local volunteer fire brigade and for this, he received two bob for each call-out. Aunty Joan tells me that much of John’s earnings were spent at the famous Zavaroni’s fish and chip shop, where John nurtured his love of good food.

John moved with his family to Corby, in England, where his father had a job in the local steel mill. John was apprenticed as a fitter and turner at the Corby Steelworks. After serving his apprenticeship John emigrated to Australia and worked at Weir Engineering Brookvale and at Avon cosmetics at Frenchs Forest. Like many Scots, John was determined to stand up for himself and his fellow workers.

This resulted in John being elected as the union delegate for the workers at Avon. John was absolutely committed to ensuring that workers could come to work and go home uninjured. The priority for John was occupational health and safety and as the delegate at Avon he developed an induction video for training purposes. This was one of the first site induction training videos used in the manufacturing industry.

John’s commitment and talent were quickly recognised and he was offered employment with the AMWU as an acting organiser. John quickly concentrated on health and safety issues and became one of the union’s two health and safety officers, providing advice and support to workers in New South Wales, Queensland, the Northern Territory and Tasmania. Following a period as the union’s health and safety officer, John was asked to head the New South Wales branch’s research centre. John’s commitment and talents were further recognised when he was appointed to the position of national education officer. During this period John, who had hated school, completed a master’s degree in adult education and training at the University of Technology, Sydney. It was also during this time that John met and married the love of his life, Wendy Hamilton, who was also employed by the AMWU.

As the national education coordinator, John was so well respected that he was given the responsibility to assist the Vietnamese Metal Workers Union to establish an education and training program, including a system of national occupational health and safety training for that country. John also travelled to Canada to meet with the Canadian Auto Workers, the CAW, union, where he contributed to the work of a high-level international working group on union organising.

In 2004, John’s talent and commitment were recognised when he was appointed by the New South Wales government as the Chair of the New South Wales Transport Appeals Board, a position he held with great distinction and in which he was held in...
enormous regard and respect. In his role as chairman of the appeals board, John had a reputation for diligence and fairness. John earned the respect and trust of both employer and union advocates and, importantly, the respect and trust of the individuals who appeared before him. John had a reputation for being tremendously fair. However, he always demanded and gained the respect of those appearing before him. Everyone who worked with John respected him. John reorganised the work of the appeals board and, with a combination of good humour, teamwork and commitment, improved the operation of the appeals board significantly.

It was just over 12 months ago that the first symptoms of John’s brain tumour appeared. In July 2008, he simply fell off his chair to the floor for no apparent reason. This occurred on two further occasions on the same day. John went to his doctor the next day and after visiting a specialist he was diagnosed with a brain tumour. John underwent brain surgery and the initial prognosis was that the tumour was not very aggressive. Unfortunately, following further analysis the tumour was diagnosed as extremely aggressive. After the first operation, John was told he may have nine months to live.

Each time I visited John he was good-humoured and brave. He was unrelenting and determined in his fight for life. Following his first operation, John was committed to getting back to the work that he loved doing. He actually went back to work as the chair, but after his return to work John found that the aggressive tumour forced him to make another choice: to have another operation to extend his life expectancy or to simply let the tumour take its course. John chose to have another brain operation. Unfortunately, despite the skill and dedication of his surgeon and medical carers, the tumour could not be controlled.

I visited John last Thursday as he neared the end of his courageous battle. John was surrounded by his friends and family. His aunt and uncle were with him to the end, along with his mother-in-law, Dot, and his father-in-law, Ted, who both cared for him along with his wife, Wendy. His great friends Brett and Sue Carswell were also there. Brett and Sue were a tower of strength and support to Wendy, John and their family. John was heavily sedated but he never gave up communicating with his old friend, Jock Blair, and me, even correcting me when I said something wrong—which I do not normally do!

John led a full life, a life full of fun, hard work, achievements and love. John was brave and courageous to the end and he never lost his sense of humour. The love between John and Wendy was there for everyone to see. John was loved, and he was respected. John had a life worth celebrating. Vale, dear friend, and thank you for your contribution to the trade union movement, to the workers of Australia and to your adopted country, Australia.

Tasmania: Health Services

Senator BARNETT (Tasmania) (10.28 pm)—I stand tonight to raise in the Senate an issue of great concern, the state of healthcare services in north-eastern Tasmania and the case of Dr Paul McGinity. Dr McGinity is a local doctor in the north-east of Tasmania who has served as a member of the Tasmanian branch of the Australian Medical Association for more than 28 years, serving particularly the communities of Scottsdale, Derby and Bridport. The events of the last many months are of great concern. It was on 27 March that Dr McGinity received a short fax from the Medical Council of Tasmania informing him that he had been suspended from practice, effective immediately. The events since have caused significant stress.
and hardship to Dr McGinity and his family, not to mention damage to his reputation. Clearly, they have caused much hardship and concern to the community. What has happened since 27 March has been a litany of unquestionable denial of natural justice and shocking abuse of process. On the denial of natural justice: it was on 15 May that the Examiner reported quite specifically the concerns of and in fact quoted Dr Peter Sexton, who is the head of the Medical Council of Tasmania. Danielle Blewett, in her report, quoted Dr Sexton:

Yes, he said, Dr McGinity had been denied natural justice. But the right to public safety overtook his right to natural justice.

Well, where is the evidence?

The objectives of the Tasmanian medical council are set out on their website, which says:

The way in which the Medical Council undertakes its functions is governed by the Medical Practitioners Registration Act 1996 … and at the direction of the Minister for Health and Human Services.

That is Minister Lara Giddings. It goes on:

In determining its priorities and organising and conducting its functions, the Medical Council is guided by input from our clients, the medical practitioners and the public of Tasmania. The Medical Council aims to undertake its functions with: integrity, trust and respect; accuracy and rigour; and honest and open communication.

Well I am not sure, and in fact I am entirely unsure that those objectives have been met. It continues:

The Council must perform its functions and exercise its powers under this Act so as to—

• ensure that medical services provided to the public are of the highest possible standards; and
• ensure that persons practise medicine according to the highest professional standards; and
• guard against unsafe, incompetent and unethical medical practices.

That sounds fine; they are good objectives. But the concern is that there has been a denial of natural justice and a shocking abuse of process.

This matter has been raised publicly by the community in north-eastern Tasmania over many months. In fact it is now 4½ months, some 19 weeks. There was a public meeting which I attended at the Scottsdale RSL on 15 July. Some resolutions from that meeting are as follows, that ‘the meeting condemned the state government and the Medical Council of Tasmania for their gross mismanagement of the Dr Paul McGinity matter, knowing he was first suspended on 27 March, nearly four months ago, and at great cost and suffering to Dr McGinity, his family and practice and his 3,000 patients and their families in the north-east, and acknowledging the abuse of process and denial of natural justice to Dr McGinity.’ The meeting called for the following:

• an immediate state parliamentary inquiry into the suspension of Dr McGinity;

The next one is a motion that I put forward, and it was resolved unanimously—that is:

• the state government should guarantee a locum for Dr McGinity, paid for by the government, to ensure his ongoing practice and the provision of adequate health care in north-east Tasmania while the Medical Council of Tasmania investigation proceeds expeditiously and is finally concluded;
• the state government acknowledges that this whole debacle adversely affects the reputation of all GPs and the quality of life in north-eastern Tasmania; and
• John Kirwan, Chief Executive Officer of the Launceston General Hospital, reviews all correspondence and communication between the Medical Council of Tasmania, Primary Health and Dr McGinity.

The meeting was held in Scottsdale and was attended by more than 200 people. Along with me, there were state Liberal MPs for
Bass, Peter Gutwein and the Hon. Sue Napier, Jeremy Ball was representing Greens MP Kim Booth, and Dorset Council’s General Manager, John Martin, was there. Michael Ferguson, Liberal candidate for Bass at the state election, was present, and I should also commend Brett Whiteley, shadow minister for health, for his advocacy in this matter. There were no Labor MPs present.

I want to commend the members of the local community group and specifically the convenor, Yasmin Rawnsley, for her tremendous help and assistance in promoting fairness and justice and a fair go for Dr McGinity and his family. In addition, the campaign committee included Jenny Binns, Kevin and Liz Davis, Val and Don Cocker, Brian Khan and they were supported by Michelle McGinity. There have been many, numerous, copious letters to the editor in the local paper, the *Examiner*, and more recently there has been more support from the Dorset local council.

But what I am disturbed about in particular is that today I have been advised by Dr McGinity that the situation has gone from bad to worse. He has confirmed this in an email to me and, again, verbally to me tonight to confirm that of the 23 alleged complaints from the medical council, eight were unnamed and then withdrawn and now there are 11. Of those remaining, they are all from the Department of Health and Human Services. None, according to Dr McGinity, are from patients or so-called victims and their families. And when I say ‘so-called victims and their families’ the front page of the *Examiner* on 19 May said:

SCOTTSDALE’S Dr Paul McGinity yesterday denied seven patients are dead because of his diagnosis, management or treatment.

It goes on:

For the first time the council said its investigation would examine 23 claims, including Dr McGinity’s emergency treatment of seven patients who are now dead.

This type of damage to the reputation of Dr McGinity is outrageous! He has been condemned before there has even been a fair go or a fair trial or a proper investigation to get to the bottom of these matters. I feel very concerned.

He has confirmed with me today that he is investing, at a cost to himself, $7½ thousand per week to pay for locums, which is caused as a result of the commitments that are required by the medical council. He must have locums to operate. That is $7½ thousand per week; $120,000 is the total cost over the past 19 weeks since 27 March. So he is already paying a financial penalty. This is being imposed by the medical council without a fair trial or proper investigation to get to the bottom of this. He has clearly been defamed and this is a serious concern to me and to members of the community. We need to get to the bottom of it and fast.

I have been advised that he has had to put off eight staff this week, including a practice manager, five receptionists, a cleaner and a doctor. He is operating out of Derby, Scottsdale and Bridport. In terms of his receptionists, there are two in Derby, two in Scottsdale and one in Bridport who cannot work this week. His practice has closed this week because he has not been able to obtain a locum. He has expressed this in very clear terms in an email to me. He says:

Last Thursday this week’s locum cancelled his commitment to this week, and therefore we have been let down. The medical council has been evasive in advising us whether we should open for at least 18 hours under these circumstances, which were beyond our control. Of course we had forward bookings for both myself and the locum. These have had to be cancelled.

This is unfair. The practice has closed, he has been financially penalised and his reputation is being damaged again and again. When will
it end? The Medical Council needs to report and provide an answer.

In these matters the AMA has been supportive. I commend the AMA and ask it to continue its support with that of the local community. On the initial suspension, the AMA said that it was very concerned that any doctor would be suspended without prior notice and without any opportunity to immediately answer to any of the complaints that have been made by the Medical Council. So you can see, Mr President, that it is a very serious matter. I raise this in the Senate because of the seriousness of it. There are 3,000 patients and healthcare services in north-eastern Tasmania at risk. This is important for the people of Bass. They need proper and vigorous representation. (Time expired)

Senate adjourned at 10.38 pm

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number

A New Tax System (Commonwealth-State Financial Arrangements) Act—
    Determination of the Final Per Capita Relativities for 2008-09 [F2009L02949]*.
    Determination of the Guaranteed Minimum Amount [F2009L02950]*.

A New Tax System (Goods and Services Tax) Act—A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2009 (No. 2) [F2009L02436]*.

Aged Care Act—Extra Service Amendment Principles 2009 (No. 2) [F2009L02689]*.

Airports Act—Select Legislative Instrument 2009 No. 145—Airports (Building Control) Amendment Regulations 2009 (No. 2) [F2009L02464]*.

Anti-Money Laundering and Counter-Terrorism Financing Act—Anti-Money Laundering and Counter-Terrorism Financing Rules Amendment Instrument 2009 (No. 3) [F2009L02693]*.


Appropriation Act (No. 1) 2008-2009—Advance to the Finance Minister—
    No. 7 of 2008-2009 [F2009L02534]*.
    No. 8 of 2008-2009 [F2009L02600]*.
    Determination to Reduce Appropriations Upon Request—
        No. 29 of 2008-2009 [F2009L02554]*.
        No. 37 of 2008-2009 [F2009L02605]*.

Appropriation Act (No. 1) 2009-2010—Section 14 Determination 2009/01 – Indigenous Employment Special Account Receipts 2009-2010 [F2009L02687]*.

Appropriation Act (No. 2) 2004-2005—Determination to Reduce Appropriations Upon Request (No. 30 of 2008-2009) [F2009L02555]*.

Appropriation Act (No. 2) 2007-2008—Determination to Reduce Appropriations Upon Request (No. 33 of 2008-2009) [F2009L02558]*.

Appropriation Act (No. 2) 2007-2008 and Appropriation Act (No. 4) 2007-2008—
Determination to Reduce Appropriations Upon Request (No. 38 of 2008-2009) [F2009L02606]*.

Appropriation Act (No. 2) 2008-2009—Advance to the Finance Minister—No. 9 of 2008-2009 [F2009L02601]*.

Determination to Reduce Appropriations Upon Request—(No. 31 of 2008-2009) [F2009L02556]*.
(No. 39 of 2008-2009) [F2009L02607]*.

Appropriation Act (No. 3) 2003-2004—Determination to Reduce Appropriations Upon Request (No. 35 of 2008-2009) [F2009L02560]*.


Appropriation Act (No. 4) 2003-2004—Determination to Reduce Appropriations Upon Request (No. 32 of 2008-2009) [F2009L02557]*.

Auditor-General Act—Australian National Audit Office (ANAO) Auditing Standards [F2009L02686]*.

Australian Communications and Media Authority Act—Telecommunications (Charges) Determination 2009 [F2009L02989]*.


Australian National University Act—Fees Statute 2006—Tuition Fees Order 2009 [F2009L02990]*.

Information Infrastructure and Services Statute 2008—Information Infrastructure and Services Rules 2009 [F2009L02991]*.

Programs and Awards Statute 2006—Examinations Rules 2009 [F2009L02994]*.

Graduate Coursework Awards Rules 2009 [F2009L02992]*.

Research Awards Rules 2009 [F2009L02993]*.

Undergraduate Awards Rules 2009 [F2009L02995]*.

Australian Prudential Regulation Authority Act—Australian Prudential Regulation Authority (Commonwealth Costs) Determination 2009 [F2009L02649]*.

Australian Prudential Regulation Authority (Confidentiality) Determinations Nos—10 of 2009—Information provided by locally-incorporated banks and foreign ADIs under Reporting Standard ARS 320.0 [F2009L03000]*.
12 of 2009—Information under Reporting Standard GRS 110.0, GRS 120.0, GRS 300.0, GRS 301.0, GRS 310.0, GRS 310.3, GRS 320.0, GRS 400.0 [F2009L03029]*.


Special Research Initiatives Funding Rules for funding commencing in 2008-2009 or 2009-2010 Variation (No. 1) [F2009L02868]*.

Special Research Initiatives Funding Rules for funding commencing in 2008-2009 or 2009-2010 Variation (No. 2), dated 26 May 2009 [F2009L02303]*.

Special Research Initiatives Funding Rules for funding commencing in 2008-
2009 or 2009-2010 Variation (No. 2), dated 29 May 2009 [F2009L02869]*.


Authorised Non-operating Holding Companies Supervisory Levy Imposition Act—Authorised Non-operating Holding Companies Supervisory Levy Imposition Determination 2009 [F2009L02653]*.

Aviation Transport Security Act—Select Legislative Instruments 2009 Nos—

85—Aviation Transport Security Amendment Regulations 2009 (No. 2) [F2009L01814]—Explanatory Statement [in substitution for explanatory statement tabled with instrument on 15 June 2009].

172—Aviation Transport Security Amendment Regulations 2009 (No. 3) [F2009L02635]*.

Broadcasting Services Act—Variation to the Licence Area Plan for Perth Radio – No. 1 of 2009 [F2009L02997]*.

Building and Construction Industry Improvement Act—Select Legislative Instrument 2009 No. 163—Building and Construction Industry Improvement Amendment Regulations 2009 (No. 1) [F2009L02564]*.

Charter of the United Nations Act—Select Legislative Instruments 2009 Nos—

182—Charter of the United Nations (Sanctions—Democratic People’s Republic of Korea) Amendment Regulations 2009 (No. 1) [F2009L02712]*.

193—Charter of the United Nations (Sanctions—Democratic People’s Republic of Korea) Amendment Regulations 2009 (No. 2) [F2009L02941]*.

Christmas Island Act—Utilities and Services Ordinance—Christmas Island Water and Sewer Services Fees and Charges Determination No. 2 of 2009 [F2009L02622]*.

Civil Aviation Act—

Civil Aviation Regulations—

Civil Aviation Order 20.16.3 Amendment Order (No. 1) 2009 [F2009L02713]*.

Instruments Nos CASA—

272/09—Revocation of Direction – number of cabin attendants in ATR 42-500 aircraft [F2009L02576]*.

273/09—Permission – for acrobatic flight over a place, flight over a public gathering and low flight; and Approval – for an air display [F2009L02427]*.

298/09—Permission – flying over a public gathering at the Wide Bay Australia International Air Show, Bundaberg [F2009L02636]*.

310/09—Permission and direction – helicopter special operations [F2009L01194]*.

320/09—Direction – number of cabin attendants in certain aircraft carrying 50 or fewer passengers [F2009L02724]*.

321/09—Direction – number of cabin attendants in certain aircraft carrying more than 50 passengers [F2009L02725]*.

330/09—Direction – all pilots operating at GAAP aerodromes [F2009L02762]*.

EX43/09—Exemption – refuelling with patients on board [F2009L02061]*.

EX50/09—Exemption – take-off with residual traces of frost and ice [F2009L02313]*.

EX52/09—Exemption – operations by recreational aircraft in Wide Bay Airshow temporary restricted areas [F2009L02524]*.
EX54/09—Exemption – training and checking organisation, flight check system [F2009L02675]*.

EX56/09—Exemption – recency requirements for night flying (Qantas Airways Limited) [F2009L02872]*.

EX57/09—Exemption – from requirement to register an emergency locator transmitter (ELT) with the Australian Maritime Safety Authority [F2009L02902]*.

EX59/09—Exemption – public address system [F2009L02933]*.

Civil Aviation Safety Regulations—Airworthiness Directives—Part—

105—

AD/A109/63—Battery Bus Circuit Breaker [F2009L02648]*.

AD/A330/31 Amdt 4—Airworthiness Limitations Items – Time Limits/Maintenance Checks [F2009L02846]*.

AD/A330/61—Pylon Lateral Panels at Rib 8 Level [F2009L02847]*.

AD/AMD 10/4 Amdt 1—Wing Anti-Icing Flexible Hoses – Replacement and Modification [F2009L02645]*.

AD/AMD 10/25 Amdt 1—Wing Anti-Ice Hoses [F2009L02777]*.

AD/AMD 50/47—Crew and Passenger Oxygen Lines [F2009L02778]*.

AD/AS 355/1 Amdt 8—Retirement Life – Fatigue Critical Components [F2009L02848]*.

AD/AS 355/14 Amdt 1—Combiner Gearbox R.H. and L.H. [F2009L02858]*.

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22 of 2009—The Board of South West Institute of Technical and Further Education [F2009L02586]*.
23 of 2009—The Board of Goulburn Ovens Institute of Technical and Further Education [F2009L02587]*.
24 of 2009—Australian English & Business College Pty Ltd [F2009L02588]*.
26 of 2009—Swinburne University of Technology [F2009L02589]*.
27 of 2009—The Board of Gordon Institute of Technical and Further Education [F2009L02590]*.
28 of 2009—The Board of the East Gippsland Institute of Technical and Further Education [F2009L02657]*.
29 of 2009—The Board of the Chisholm Institute of Technical and Further Education [F2009L02658]*.
30 of 2009—The Board of the Bendigo Regional Institute of Technical and Further Education [F2009L02659]*.
31 of 2009—The Board of the Sunraysia Institute of Technical and Further Education [F2009L02660]*.
32 of 2009—University of Ballarat [F2009L02728]*.
33 of 2009—Careers Australia College of Healthcare Pty Ltd [F2009L02903]*.

VET Provider Guidelines—Amendment No. 1 [F2009L02599]*.


Income Tax Assessment Act 1936—Select Legislative Instrument 2009 No. 156—Income Tax Amendment Regulations 2009 (No. 2) [F2009L02405]*.

Income Tax Assessment Act 1997—Select Legislative Instrument 2009 No. 177—Income Tax Assessment Amendment...
Regulations 2009 (No. 3) [F2009L02714]*.

Industrial Chemicals (Notification and Assessment) Act—Select Legislative Instrument 2009 No. 139—Industrial Chemicals (Notification and Assessment) Amendment Regulations 2009 (No. 1) [F2009L01720]*.

Jervis Bay Territory Acceptance Act—Administration Ordinance—Electricity Supply Fees Determination 2009 [F2009L02647]*.

Life Insurance Supervisory Levy Imposition Act—Life Insurance Supervisory Levy Imposition Determination 2009 [F2009L02670]*.

Maternity Leave (Commonwealth Employees) Act—Select Legislative Instrument 2009 No. 167—Maternity Leave (Commonwealth Employees) Amendment Regulations 2009 (No. 1) [F2009L02565]*.

Medicare Australia Act—Select Legislative Instrument 2009 No. 197—Medicare Australia Amendment Regulations 2009 (No. 1) [F2009L02998]*.

Migration Act—

Direction under section 499—Directions Nos—

43—Order for considering and disposing of Family Stream visa applications.

44—Order for considering and disposing of visa applications under section 91 of the Migration Act.

Instrument IMMI—09/076—Revocation of section 499 Direction No. 32 [F2009L02966]*.

Migration Agents Regulations—MARA Notices—

MN26-09b of 2009—Migration Agents (Continuing Professional Development—Private Study of Audio, Video or Written Material) [F2009L02513]*.

MN26-09c of 2009—Migration Agents (Continuing Professional Development—Attendance at a Seminar, Workshop, Conference or Lecture) [F2009L02515]*.

MN26-09f of 2009—Migration Agents (Continuing Professional Development—Miscellaneous Activities) [F2009L02516]*.

MN26-09g of 2009—Migration Agents (Continuing Professional Development—Pro Bono Activities) [F2009L02517]*.

Migration Regulations—Instruments IMMI—


09/065—Arrangements for work and holiday visa applicants from Thailand, Iran, Chile, Turkey, United States of America, Malaysia and Indonesia [F2009L02484]*.

09/066—Employer Nomination Scheme—occupations, locations, salaries, and relevant assessing authorities [F2009L02482]*.

09/067—Exemptions to the English language requirement for the Temporary Business (Long Stay) Visa [F2009L02465]*.

09/068—Bridging Visa A—certain applicants exempt from condition 8101 [F2009L02548]*.

09/069—Bridging Visa C—satisfaction of criteria by certain applicants [F2009L02550]*.

09/070—Bridging (General) Visa—satisfaction of criteria by certain applicants [F2009L02551]*.

09/072—States and Territories with English language training arrangements [F2009L02537]*.

09/073—English language tests for general skilled migration [F2009L02575]*.
09/074—Health waiver – participating States and Territories [F2009L02506]*.
09/078—English language training arrangements [F2009L02546]*.
09/079—Bridging (General) Visa – satisfaction of criteria by certain applicants [F2009L02552]*.
09/082—Class of persons [F2009L02944]*.
09/085—Travel agents for PRC citizens applying for tourist visas [F2009L03031]*.

Select Legislative Instrument 2009 No. 144—Migration Amendment Regulations 2009 (No. 7) [F2009L02512]*.

Motor Vehicle Standards Act—
Vehicle Standard (Australian Design Rule 13/00 – Installation of Lighting and Light Signalling Devices on other than L-Group Vehicles) 2005 Amendment 3 [F2009L02867]*.
Vehicle Standard (Australian Design Rule 31/02 – Brake Systems for Passenger Cars) 2009 [F2009L02533]*.
Vehicle Standard (Australian Design Rule 35/03 – Commercial Vehicle Brake Systems) 2009 [F2009L02535]*.
Vehicle Standard (Australian Design Rule 61/02 – Vehicle Markings) 2005 Amendment 1 [F2009L02863]*.

Nation-building Funds Act—
Building Australia Fund Investment Mandate Directions 2009 [F2009L02897]*.
Education Investment Fund (EIF) Evaluation Criteria No. 2 of 2009 [F2009L03016]*.
Education Investment Fund Investment Mandate Directions 2009 [F2009L02898]*.
Health and Hospitals Fund Investment Mandate Directions 2009 [F2009L02893]*.

Specification of Higher Education Institutions, Research Institutions and Vocational Education and Training Providers No. 2 of 2009 [F2009L03014]*.

Nation Building Program (National Land Transport) Act—Variation of the Nation Building Program Roads to Recovery List Instrument No. 2009/2 [F2009L02943]*.
National Greenhouse and Energy Reporting Act—National Greenhouse and Energy Reporting (Measurement) Amendment Determination 2009 (No. 1) [F2009L02571]*.

National Health Act—
Instruments Nos PB—
56 of 2009—Special Arrangements: Special Authority Program – Trastuzumab [F2009L02597]*.
60 of 2009—Amendment determination – exempt items [F2009L02722]*.
61 of 2009—Special Arrangements – Highly Specialised Drugs Program for Public Hospitals [F2009L02580]*.
62 of 2009—Amendment declaration and determination – drugs and medicinal preparations [F2009L02705]*.
63 of 2009—Amendment determination – pharmaceutical benefits [F2009L02706]*.
64 of 2009—Amendment determination – responsible persons [F2009L02707]*.
65 of 2009—Amendment – price determinations and special patient contributions [F2009L02708]*.
66 of 2009—Determination – drugs on F1 and drugs in Part A of F2 [F2009L02715]*.
67 of 2009—Amendment determination – prescription of pharmaceutical benefits by authorised optometrists [F2009L02716]*.
68 of 2009—Amendment determination – conditions [F2009L02717]*.
69 of 2009—Amendment Special Arrangements—Highly Specialised Drugs Program [F2009L02870]*.
70 of 2009—Amendment Special Arrangements—Chemotherapy Pharmaceuticals Access Program [F2009L02871]*.
71 of 2009—Amendment determination—Pharmaceutical Benefits—Early Supply [F2009L02982]*.
72 of 2009—Amendment Special Arrangements—Highly Specialised Drugs Program for Public Hospitals [F2009L02969]*.
73 of 2009—Amendment Special Arrangements—IVF/GIFT Program [F2009L02827]*.
74 of 2009—Determination—weighted average disclosed price [F2009L03001]*.

Pharmaceutical Benefits Amendment Determination under subsection 84C(7) No. 4 [F2009L02572]*.
Select Legislative Instruments 2009 Nos—
194—National Health Amendment Regulations 2009 (No. 1) [F2009L02520]*.
195—National Health (Pharmaceutical Benefits) Amendment Regulations 2009 (No. 1) [F2009L02523]*.

National Health Security Act—National Health Security (SSBA Standards) Amendment Determination 2009 (No. 1) [F2009L02633]*.
Select Legislative Instrument 2009 No. 151—National Measurement Amendment Regulations 2009 (No. 1) [F2009L02528]*.

National Rental Affordability Scheme Act—Select Legislative Instrument 2009 No. 133—National Rental Affordability Scheme Amendment Regulations 2009 (No. 1) [F2009L02494]*.


Offshore Petroleum and Greenhouse Gas Storage (Annual Fees) Act—Select Legislative Instrument 2009 No. 154—Petroleum (Submerged Lands) (Fees) Amendment Regulations 2009 (No. 1) [F2009L02432]*.

Offshore Petroleum and Greenhouse Gas Storage (Registration Fees) Act—Select Legislative Instrument 2009 No. 155—Petroleum (Submerged Lands) (Registration Fees) Amendment Regulations 2009 (No. 1) [F2009L02433]*.

Ozone Protection and Synthetic Greenhouse Gas Management Act—Select Legislative Instrument 2009 No. 171—Ozone Protection and Synthetic Greenhouse Gas Management Amendment Regulations 2009 (No. 2) [F2009L02691]*.

Parliamentary Service Act—Parliamentary Service Amendment Determination 2009/1 [F2009L02761]*.

Patents Act, Trade Marks Act and Designs Act—Select Legislative Instrument 2009 No. 150—Intellectual Property Law Amendment Regulations 2009 (No. 1) [F2009L02472]*.

Privacy Act—Select Legislative Instrument 2009 No. 173—Privacy (Private Sector) Amendment Regulations 2009 (No. 1) [F2009L02692]*.

Private Health Insurance Act—Private Health Insurance (Benefit Requirements) Rules 2009 (No. 2) [F2009L02984]*.
Private Health Insurance (Complying Product) Amendment Rules 2009 (No. 3) [F2009L02690]*.

Private Health Insurance (Council Administration Levy) Amendment Rules 2009 (No. 1) [F2009L02514]*.

Private Health Insurance (Prostheses) Rules 2009 (No. 2) [F2009L02977]*.

Private Health Insurance (Registration) Rules 2009 (No. 2) [F2009L02701]*.

Public Service Act—Public Service Commissioner’s Amendment Directions 2009 (No. 2).

Quarantine Act—
Quarantine Amendment Proclamation 2009 (No. 3) [F2009L02444]*.

Quarantine (Declared Places – Yellow Fever) Declaration 2009 [F2009L02573]*.

Select Legislative Instrument 2009 No. 121—Quarantine Amendment Regulations 2009 (No. 1) [F2009L02426]*.

Quarantine Service Fees Amendment Determination 2009 (No. 2) [F2009L02996]*.

Radiocommunications Act—
Radiocommunications (Low Interference Potential Devices) Class Licence Variation Notice 2009 (No. 1) [F2009L02617]*.

Remuneration Tribunal Act—
Remuneration 2009/08: Remuneration and Allowances for Holders of Public Office and Members of Parliament—Entitlements [F2009L02522]*.

Renewable Energy (Electricity) Act—
Select Legislative Instrument 2009 No. 131—Renewable Energy (Electricity) Amendment Regulations 2009 (No. 1) [F2009L02502]*.

Retirement Savings Account Providers Supervisory Levy Imposition Act—
Retirement Savings Account Providers Supervisory Levy Imposition Determination 2009 [F2009L02652]*.


Schools Assistance Act—Select Legislative Instrument 2009 No. 132—Schools Assistance Regulations 2009 [F2009L02456]*.

Social Security Act—
Disability Care Load Assessment (Child) Determination 2009 [F2009L02630]*.

Social Security (Class of Visas—Newly Arrived Resident’s Waiting Period for Special Benefit) Determination 2009 [F2009L02608]*.

Social Security (Class of Visas—Qualification for Special Benefit) Determination 2009 [F2009L02596]*.

Social Security (Class of Visas—Qualifying Residence Exemption) Determination 2009 [F2009L02595]*.

Social Security (Employment Pathway Plan Requirements) (DEEWR) Amendment Determination 2009 (No. 1) [F2009L03067]*.

Social Security (Employment Pathway Plan Requirements) (FaHCSIA) Determination 2009 (No. 1) [F2009L02628]*.

Social Security (Satisfaction of the Activity Test—Classes of Persons) (FaHCSIA) Specification 2009 (No. 1) [F2009L02623]*.

Social Security (Treating Health Professionals) Determination 2009 [F2009L02629]*.

Social Security Act and Social Security (Administration) Act—Social Security (Reasonable Excuse—Participation Payment Obligations) (FaHCSIA) Determination 2009 (No. 1) [F2009L02627]*.

Social Security (Administration) Act—
Social Security (Administration) (Declared relevant Northern Territory areas
– Various) Determination 2009 (No. 7) [F2009L02613]*.
Social Security (Administration) (Ending Unemployment Non-payment Periods – Classes of Persons) (FaHCSIA) Specification 2009 (No. 1) [F2009L02624]*.
Social Security (Public Interest Certificate Guidelines) (DEEWR) Amendment Determination 2009 (No. 1) [F2009L03008]*.
Student Assistance Act—Student Assistance (Public Interest Certificate Guidelines) Amendment Determination 2009 (No. 1) [F2009L03009]*.
Superannuation Act 1976—
Select Legislative Instrument 2009 No. 169—Superannuation (CSS) Salary Amendment Regulations 2009 (No. 1) [F2009L02609]*.
Superannuation Act 1990—
Thirty-third Amending Deed to the Public Sector Superannuation Scheme Trust Deed [F2009L02530]*.
Superannuation Act 2005—Fourth Amending Deed to the Superannuation (PSSAP) Trust Deed [F2009L02531]*.
Superannuation Guarantee (Administration) Act—Select Legislative Instrument 2009 No. 157—Superannuation Guarantee (Administration) Amendment Regulations 2009 (No. 1) [F2009L02539]*.
Superannuation (Productivity Benefit) Act—
Superannuation (Productivity Benefit) (Penalty Interest) Amendment Determination 2009 (No. 1) [F2009L02549]*.
Superannuation Supervisory Levy Imposition Act—Superannuation Supervisory Levy Imposition Determination 2009 [F2009L02650]*.
Sydney Harbour Federation Trust Act—
Select Legislative Instrument 2009 No. 191—Sydney Harbour Federation Trust Amendment Regulations 2009 (No. 1) [F2009L02985]*.
Taxation Administration Act—
PAYG withholding—Individuals engaged in foreign service [F2009L02794]*.
Select Legislative Instrument 2009 No. 158—Taxation Administration Amendment Regulations 2009 (No. 1) [F2009L02428]*.
Telecommunications (Interception and Access) Act—
Declaration of eligible authority as agency – Crime and Misconduct Commission of Queensland [F2009L02704]*.
Declaration of eligible authority as agency – Queensland Police Service [F2009L02703]*.
Telecommunications (Interception and Access) (Staff Members of Queensland Police Service) Declaration 2009 (No. 2) [F2009L02698]*.
Therapeutic Goods Act—
Poisons Standard 2009 [F2009L03012]*.
Select Legislative Instruments 2009 Nos—
140—Therapeutic Goods Amendment Regulations 2009 (No. 2) [F2009L01826]*.
141—Therapeutic Goods Amendment Regulations 2009 (No. 3) [F2009L02019]*.
142—Therapeutic Goods (Charges) Amendment Regulations 2009 (No. 1) [F2009L02018]*.
179—Therapeutic Goods Amendment Regulations 2009 (No. 4) [F2009L02089]*.
180—Therapeutic Goods (Charges) Amendment Regulations 2009 (No. 2) [F2009L02091]*.
181—Therapeutic Goods (Medical Devices) Amendment Regulations 2009 (No. 1) [F2009L02090]*.

Therapeutic Goods (Emergency) Exemption 2009 (No. 5).

Therapeutic Goods (Manufacturing Principles) Determination No. 1 of 2009 [F2009L02970]*.

Trade Practices Act—Select Legislative Instruments 2009 Nos—
152—Trade Practices (Industry Codes—Unit Pricing) Regulations 2009 [F2009L02457]*.
159—Trade Practices Amendment Regulations 2009 (No. 2) [F2009L02501]*.
178—Trade Practices Amendment Regulations 2009 (No. 3) [F2009L02697]*.

Transport Safety Investigation Act—Select Legislative Instrument 2009 No. 149—
Transport Safety Investigation Amendment Regulations 2009 (No. 1) [F2009L02504]*.

Water Act—Select Legislative Instruments 2009 Nos—
174—Water Amendment Regulations 2009 (No. 1) [F2009L02529]*.
184—Water Amendment (Murray-Darling Basin Agreement) Regulations 2009 (No. 1) [F2009L02702]*.

Governor-General’s Proclamations—
Commencement of provisions of Acts
Australian Energy Market Amendment (AEMO and Other Measures) Act 2009—
items 7 to 11 and item 13 of Schedule 1—
Date of commencement of the National Electricity (South Australia) (National Electricity Law—Australian Energy Market Operator) Amendment Act 2009 [SA] [F2009L02489]*.

Fair Work Act 2009—
(a) sections 41 to 43, 50 to 54, 58, 169 to 281A, 300 to 327, 332, 333, 334 to 572, 719 to 740 and 769 to 800—1 July 2009; and
(b) sections 44 to 49, 55 to 57A, 59 to 168, 282 to 299, 328 to 331, 333A and 741 to 768—1 January 2010.
[F2009L02563]*.

* Explanatory statement tabled with legislative instrument.

Tabling
The following documents were tabled:
Attorney-General’s Department—


Department of the Prime Minister and Cabinet—Expenditure on travel by former Governors-General paid by the department for the period 1 July to 31 December 2008.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Environment, Heritage and the Arts: Media Monitoring
(Question No. 912)

Senator Ronaldson asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 24 November 2008:

What is the aggregate amount spent by the department on media monitoring during the 2008 calendar year.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:
Total media monitoring expenditure by the department for the period 1 January to 24 November 2008 was $643,743.01 including GST.
This amount also covers media monitoring for the Department of Climate Change up until 1 July 2008. The Department of Climate Change made an annual contribution for the component of the media monitoring contract which was managed by DEWHA from 1 January to 1 July 2008. Refer to the Department of Climate Change response to question on notice 911.

Environment, Heritage and the Arts: Program Funding
(Question No. 1278)

Senator Mason asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 5 February 2009:

With reference to the Government’s funding of organisations and projects between 3 December 2007 and 20 January 2009:
(a) which organisations and projects within the Moncrieff electorate received funding from the department;
(b) how much funding did each organisation or project receive; and
(c) for what purpose was each funding commitment made.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:
The following organisations and projects which received funding from programs administered by the Department of the Environment, Water, Heritage and the Arts (the department) in my areas of responsibility were clearly defined as being located within the Moncrieff electorate. It is possible that other activities within the electorate may have been funded by the department, however these have not been identified due to projects being administered over a wide geographic region – for example projects which cover natural resource management regions which overlap with the electorate. Details of funding from programs administered by the Water Divisions of my Department are being provided by the Minister for Climate Change and Water in response to Question on Notice No 1277.
<table>
<thead>
<tr>
<th>Program</th>
<th>Project Description</th>
<th>Recipient Name</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants to Voluntary Environment and Heritage Organisations (GVEHO)</td>
<td>The program provides administrative funds to help community-based, not-for-profit environment and historic heritage organisations to value, conserve and protect Australia’s natural environment and historic heritage for current and future generations.</td>
<td>Friends of Federation Walk</td>
<td>$2,300</td>
</tr>
<tr>
<td>GVEHO</td>
<td>As above</td>
<td>Friends of the Gold Coast Regional Botanic Gardens</td>
<td>$1,500</td>
</tr>
<tr>
<td>GVEHO</td>
<td>As above</td>
<td>Gold Coast and Hinterland Historical Society</td>
<td>$1,500</td>
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<tr>
<td>Festivals Australia</td>
<td>Possibilities Project funded a 50 minute projection based live performance that incorporated dance and music. It featured athletes with disabilities and the limitless possibilities sports and other activities offer these individuals.</td>
<td>Gold Coast Film Fantastic Ltd</td>
<td>$17,380</td>
</tr>
<tr>
<td>Low Emission Technology Abatement - Strategic Abatement</td>
<td>This project demonstrates greenhouse gas abatement achievable through the installation of a new high tech resource monitoring and control system in homes at the Ecovillage at Currumbin.</td>
<td>Gold Coast City Council</td>
<td>$80,300</td>
</tr>
<tr>
<td>Solar Homes and Communities Plan</td>
<td>Cash rebates are paid to householders and owners of community use buildings for installation of photovoltaic systems (conditions apply).</td>
<td>Various</td>
<td>$251,929</td>
</tr>
<tr>
<td>Solar Hot Water Rebate Program</td>
<td>The Australian Government is helping Australian households install climate friendly hot water technologies. Cash rebates are available in eligible circumstances to install solar and heat pump hot water systems to replace electric storage hot water systems in existing privately owned homes.</td>
<td>Various</td>
<td>$40,000</td>
</tr>
<tr>
<td>Green Vouchers</td>
<td>The previous Government’s Green Vouchers for Schools Program supported schools in installing rainwater tanks and/or solar hot water systems. Following feedback from schools, the Government is replacing this program with a new, more flexible initiative, the National Solar Schools Program.</td>
<td>Gilston State School</td>
<td>$48,904</td>
</tr>
<tr>
<td>Green Vouchers</td>
<td>As above</td>
<td>Emmanuel College</td>
<td>$50,000</td>
</tr>
<tr>
<td>Green Vouchers</td>
<td>As above</td>
<td>Trinity Lutheran College</td>
<td>$15,100</td>
</tr>
<tr>
<td>Green Vouchers</td>
<td>As above</td>
<td>Musgrave Hill State School</td>
<td>$23,348</td>
</tr>
<tr>
<td>Program</td>
<td>Project Description</td>
<td>Recipient Name</td>
<td>Total</td>
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</tr>
<tr>
<td>Green Vouchers</td>
<td>As above</td>
<td>Merrimac State School</td>
<td>$49,818</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>Nerang State High School will save water by replacing inefficient toilets, taps and urinals with more efficient models. This project will save 842,250 litres of potable water each year.</td>
<td>Nerang State High School</td>
<td>$49,654</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>Southport State School will save water by installing rainwater tanks for irrigation. This project will save 259,661 litres per year.</td>
<td>Southport State School</td>
<td>$49,528</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>Nerang Community Bowls Club will save water by installing tanks to collect and store rainwater from the roof. Harvested rainwater will be used to flush toilets and to irrigate the greens. This project will save 1,358,484 litres of water per year.</td>
<td>Nerang Community Bowls Club</td>
<td>$46,911</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>The Kumbari Avenue School Water Efficiency Project will install flow control valves and dual flush toilets. This project will save 934,800 litres of water per year.</td>
<td>The Kumbari Avenue School-Gold Coast</td>
<td>$49,868</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>Gold Coast Pistol Club Limited will save water by installing rainwater tanks, plumbing an irrigation system, bore capping, controlling leaks and installing sensors. This project will save 100,320 litres of water per year.</td>
<td>Gold Coast Pistol Club Limited</td>
<td>$50,000</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>St Kevin’s School will save water by upgrading their irrigation system and installing water tanks. The harvested rainwater will be used to irrigate their playing fields. This project will save 1,650,000 litres of potable water per year.</td>
<td>The Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane</td>
<td>$49,160</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>Gold Coast City Council will save water by capturing rainwater from Gold Coast Stadium roof. The water will be stored in rainwater tanks and be used for irrigating the oval and flushing of public toilets. This project will save 1,700,000 litres of water per year.</td>
<td>Gold Coast City Council</td>
<td>$129,750</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>Merrimac State High School will save water by installing rainwater tanks. This project will save 1,022,371 litres of water per year.</td>
<td>Merrimac State High School</td>
<td>$50,000</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>The Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane will save water by installing water tanks. Harvested rainwater will be used to flush toilets and to irrigate the grounds or washing outdoor equipment. This project will save 316,109 litres of water per year.</td>
<td>The Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane</td>
<td>$48,030</td>
</tr>
<tr>
<td>Program</td>
<td>Project Description</td>
<td>Recipient Name</td>
<td>Total</td>
</tr>
<tr>
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</tr>
<tr>
<td>Community Water Grants</td>
<td>Worongary State School will save water by retrofitting dual flush toilets and water efficient taps. This project will save 592,350 litres per year.</td>
<td>Worongary State School</td>
<td>$48,847</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>The Broadbeach Kindergarten will save water by installing a rainwater tank. The harvested water will be used to irrigate grounds. This project will save 20,000 litres of water per year.</td>
<td>The Broadbeach Kindergarten Association</td>
<td>$5,745</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>This project will save water by installing slow flow devices at Miami State School. The school will install constant flow control valves, dual flush toilets, and waterless urinal systems. The project will save 665,140 litres of water per year.</td>
<td>Miami State High School</td>
<td>$39,782</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>This project at Southport Pony and Hack Club will save water by installing tanks to store harvested rainwater which will then be used to irrigate the arena. The irrigation system will also be upgraded to increase water efficiency. This project will save 201,600 litres of water per year.</td>
<td>Southport Pony and Hack Club</td>
<td>$49,958</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>This project will save water at Mermaid Beach Bowls Club through the installation of water tanks. Rainwater will be used to flush toilets and irrigate gardens. The project will save 1,965,360 litres of water per year.</td>
<td>Mermaid Beach Bowls Club Incorporated</td>
<td>$16,327</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>This project will save water at Guardian Angels Primary School by installing water tanks for flushing toilets and irrigation. Dual flush toilets will also be installed. The project will save 1,920,000 litres of water a year.</td>
<td>The Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane</td>
<td>$49,896</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>This project will save water at Musgrave Hill State School by upgrading the amenities block, installing dual flush toilets, waterless urinals and slow flow devices. This project will save 963,000 litres of water per year.</td>
<td>Musgrave Hill State School</td>
<td>$42,245</td>
</tr>
<tr>
<td>Community Water Grants</td>
<td>This project will save water at Southport State High School by installing rainwater and stormwater tanks to collect water for irrigation. The irrigation system will also be upgraded, installing slow flow devices, moisture sensors and evaporation control. This project will save 1,378,000 litres per year.</td>
<td>Southport State High School</td>
<td>$48,792</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
**Employment and Workplace Relations: Program Funding**

(Question No. 1283)

Senator Mason asked the Minister representing the Minister for Employment and Workplace Relations, upon notice, on 5 February 2009:

With reference to the Government’s funding of organisations and projects between 3 December 2007 - 20 January 2009: (a) which organisations and projects within the Moncrieff electorate received funding from the department’s Employment and Workplace Relations Branch; (b) how much funding did each organisation or project receive; and (c) for what purpose was each funding commitment made.

Senator Arbib—The Minister for Employment and Workplace Relations has provided the following answer to the honourable senator’s question:

Any person or organisation who meets the relevant criteria is eligible to access the department’s programs and services. The detail of funding to organisations is available on the department’s website at www.deewr.gov.au.
Education: Program Funding
(Question No. 1285)

Senator Mason asked the Minister representing the Minister for Education, upon notice, on 5 February 2009:

With reference to the Government’s funding of organisations and projects between 3 December 2007 – 20 January 2009: (a) which organisations and projects within the Moncrieff electorate received funding from the department’s Education Branch; (b) how much funding did each organisation or project receive; and (c) for what purpose was each funding commitment made.

Senator Carr—The Minister for Education has provided the following answer to the honourable senator’s question:

Any person or organisation who meets the relevant criteria is eligible to access the department’s programs and services. The detail of funding to organisations is available on the department’s internet site at www.deewr.gov.au.

Defence: Special Air Services Regiment
(Question No. 1386)

Senator Johnston asked the Minister for Defence, upon notice, on 11 March 2009:

(1) What was the rationale behind having the Special Forces pay groups and pay grade placements (Defence Force Remuneration Tribunal [DFRT] Determination No. 2 of 2008) being aligned against a new trade-based model.

(2) (a) Who signed off and approved this new model prior to it being submitted to the DFRT; and (b) when did this happen.

(3) Why were additional courses, previously unmentioned from the qualification standards to meet Employment Category Number (ECN) 353 SASR [Special Air Service Regiment] Trooper in previous trade models, included.

(4) Why was the decision made to not have any non-determent clause or non-reduction period added into the determination to allow those members who were previously qualified as ECN 353 under previous trade models to be accounted for as qualified in this new trade model.

(5) Who determined and on what basis was a recommendation made that gave SASR officers and primary ECN 353 SASR Operators waivers for the courses which were added to the trade model and which deemed them as compliant and proficient on PMKeyS.

(6) Why were beret qualified support staff not given the same treatment, which has resulted in this current situation.

Senator Faulkner—The answer to the honourable senator’s question is as follows:

(1) The Australian Defence Force (ADF) sought salary adjustment for Special Forces that recognised the value of the work members were providing. This value was derived in part by their historical pay value, and in part by comparison with all other ADF trades and categories.

ADF proposals to the Defence Force Remuneration Tribunal (DFRT) for adjustment to salary placement require evidence of the changes in work that has led to the ADF seeking pay adjustment. Part of this evidence is the provision of the training continuum contained in the categories trade model. This evidence supports the ADF proposition by identifying the underpinning skills required to perform the work at the level required by the ADF.

Consistent with all other pay submissions to the DFRT, the ADF identified points in the Special Forces career continuum where significant increases in the true value of the capability were being
(2) (a) Special Operations Commander Australia, Major General Mike Hindmarsh AO CSC. (b) The court book that the ADF submitted to the DFRT was dated 12 September 2007.

(3) There were no new courses or competencies in the Special Air Service Regiment (SASR) training requirement as this structure was approved by the DFRT in 2001. There have only been two minor amendments to remove unnecessary courses since that time. There have been no additions to the training requirement.

(4) The SASR pay structure was unchanged since 2001. There was no need for a no-detriment clause. The problem arose when it was discovered that there were “unqualified” SASR personnel receiving the old Qualifications and Skills component of Special Action Forces Allowance. These “unqualified” personnel came to light when Special Action Forces Allowance was rolled into salary on 9 August 2007, and the responsibility for payment shifted from Special Forces units/Special Operations Command to ADFPAY.

(5) The primary SASR Troopers are qualified within the approved structure and only have minor irregularities. All officers were tested for qualification before placement. A special forces officer audit has already been requested by Special Operations Commander Australia, Major General Tim McOwan DSC CSM, after the Army completes the soldier audit.

(6) The non-detriment clause was specified as part of the DFRT Determination. Primary Employment Category Numbers (ie 079 Commando and 353 Special Air Service Regiment) were automatically specified under the Determination, but there was a need for Category B (ie non primary ECN) to be individually specified at the time of implementation. This did not occur. What this meant was the Primary ECNs were automatically placed in pay categories that did into require proof of qualifications and skills, while the non-primary ECNs had to demonstrate proof of qualifications and skills.

Defence: Special Air Service Regiment

(Question No. 1387)

Senator Johnston asked the Minister for Defence, upon notice, on 11 March 2009:

(1) (a) Who directed the 10 per cent audit of Special Air Service Regiment (SASR) personnel’s pay and conditions in 2008; (b) when was this directive given; (c) when did this directive come into effect; (d) how many of the audited SASR personnel were affected by this action; (e) how and when were the personnel that were adversely affected by this audit, informed of their debt; and (f) what was the amount for each debit notice that was raised against each of the audited SASR personnel.

(2) (a) Who directed that this audit be increased to 100 per cent; (b) when was this decision made to conduct this audit; (c) when did this decision come into effect; (d) how many of the audited SASR personnel were affected by this action; (e) how and when were the personnel adversely affected by this audit, informed of their debt; (f) what was the amount for each debit notice that was raised against each of the audited SASR personnel; and (g) did this audit adversely affect any primary ECN 353 SASR troopers; if not, why not.

Senator Faulkner—The answer to the honourable senator’s question is as follows:

(1) (a) to (c). A 10 per cent audit of SASR was not conducted. Defence Force Remuneration Tribunal Determination 2 of 2008 introduced a new pay placement structure for Special Forces personnel that incorporated previous qualification and skills allowances into pay. On implementation of the Determination in August 2008, Army began structural trials of the new pay placement for Special Forces personnel to identify anomalies in the system. It was this trial that identified a number of personnel who did not have their recorded proficiencies within PMKeys and
therefore were unable to be placed at the appropriate pay grade. This pay grade placement incorporated the previous qualification and skills allowance.

(d) From the pay placement trials conducted, 24 SASR troopers were found to be paid at the wrong rate of pay. Five other soldiers at SASR were found to be in receipt of qualification and skills proficiencies that could not be justified.

(e) Special Operations Command informed the soldiers immediately through the chain of command.

(f) Not all individuals affected were issued with a debt notice. On completion of the pay placement audit, Army identified 29 personnel who were affected either by a debt notice or incorrect skill grade placement. This is broken down individually as follows:

Soldier 1 $1,109.50
Soldier 2 $6,967.69
Soldier 3 $1,710.63
Soldier 4 $1,379.52
Soldier 5 $4,726.64
Soldier 6 $1,591.75
Soldier 7 $2,244.63
Soldier 8 $2,959.18
Soldier 9 $1,347.85
Soldier 10 $2,579.19
Soldier 11 $2,268.41
Soldier 12 $2,725.42
Soldier 13 $811.46
Soldier 14 $484.45
Soldier 15 $824.19
Soldier 16 $1,842.25
Soldier 17 $2,070.67
Soldier 18 $1,206.89
Soldier 19 $12,851.13
Soldier 20 $1,132.59
Soldier 21 $3,445.02
Soldier 22 $10,079.66
Soldier 23 $2,833.72
Soldier 24 $18,322.97
Soldier 25 $8,786.09
Soldier 26 $3,986.47
Soldier 27 $6,244.16
Soldier 28 ZERO
Soldier 29 $1,533.05
(2) (a) and (b) On identifying further inconsistencies resulting from the pay placement trial Special Operations Commander Australia issued Directive 01/09, dated 7 January 2009, increasing the audit to 100 per cent of Special Forces personnel.
(c) 7 January 2009;
(d) 29 personnel;
(e) All affected members were informed via their chain of command prior to any changes being made to their pay;
(f) This is covered by (1) (f); and
(g) Unknown, as the Special Operations Command capability audit is not complete.

**Pharmaceutical Benefits Scheme**

*(Question No. 1459)*

Senator Cormann asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 25 March 2009:

(1) Has the Minister considered increasing the $10 million threshold for Cabinet consideration for Pharmaceutical Benefits Scheme (PBS) listings.
(2) What threshold levels have been considered.
(3) Does the Minister consider the current threshold is causing unnecessary delays to the listing of pharmaceuticals on the PBS, particularly when those pharmaceuticals have already been assessed for cost effectiveness and meet the legislative requirements for listing on the PBS.

Senator Conroy—The Minister for Finance and Deregulation has supplied the following answer to the honourable senator’s question:

(1) No.
(2) Not applicable.
(3) No.

**Attorney-General: Prosecutions**

*(Question No. 1487)*

Senator Ludlam asked the Minister representing the Attorney-General, upon notice, on 16 April 2009:

(1) In regard to the case of *R v Jack Thomas*, can the Attorney-General provide total expenditure and costings for the investigation and prosecution of each bail application that was opposed, the first trial, the appeal, the applications for control orders, the second trial and all disbursements including counsel’s fees, for each of the following agencies:
   (a) the department;
   (b) the Commonwealth Director of Public Prosecutions (CDPP);
   (c) the Australian Government Solicitor (AGS);
   (d) the Australian Security Intelligence Organisation (ASIO); and
   (e) the Australian Federal Police (AFP).
(2) In regard to the case of *Minister for Immigration and Citizenship v Haneef*, can the Attorney-General provide the total expenditure and costings for all disbursements including counsel’s fees and travel, for the following agencies:
   (a) the department;
QUESTIONS ON NOTICE

(b) the CDPP;
(c) the AGS;
(d) ASIO; and
(e) the AFP.

(3) In regard to the case of R v Vinayagamoorthy, Yathavan and Rajeevan (Operation Halophyte) in which all charges regarding the Commonwealth criminal code were recently withdrawn, can the Attorney-General confirm, including costs expended in resisting subpoena issued by the defence for all organisations:
(a) the total expenditure of the department;
(b) the total expenditure of the CDPP including each bail application, pre trial argument, voir dire and all preparatory work;
(c) the costs claimed by Mark Dean, SC, for the prosecution and for junior counsel briefed;
(d) the costs claimed for travel taken by Mark Dean, SC, in this case, and for travel taken by CDPP solicitors in that case;
(e) the costs of all disbursements incurred by CDPP;
(f) the total expenditure by the AFP on the Operation Halophyte investigation from its commencement in January 2006 until present, including costs of all travel for the AFP and Sri Lankan Police travelling to Australia;
(g) the AFP expenditure on monitoring Tamils in Australia each year from 2002;
(h) the total expenditure of the AGS; and
(i) the total expenditure by ASIO.

(4) In regard to Mr David Hicks, can the Attorney-General confirm:
(a) the total expenditure by ASIO; and
(b) the total expenditure by the AFP.

(5) In regard to Mr Mamdouh Habib, can the Attorney-General confirm:
(a) the total expenditure by ASIO; and
(b) the total expenditure by the AFP.

Senator Wong—The Attorney-General has provided the following answer to the honourable senator’s question:

(1) (a) The Department spent $559,685.53 on legal expenses in relation to the case R v Jack Thomas. Records are not generally kept in the Department of staff time spent on specific issues, and so staff time and expenses associated with this case cannot be reliably costed.
(b) The Commonwealth Director of Public Prosecutions (CDPP) spent $865,589.01 on direct prosecution legal expenses.
(c) The Australian Government Solicitor (AGS) provides legal advice to the Government. AGS does not generate any costings itself. Rather, it bills government agencies, who seek its advice, for work undertaken.
(d) The Australian Security Intelligence Organisation (ASIO) does not provide details of operational costs or expenditure other than in its annual Report to Parliament for reasons of national security. To do so would reveal how ASIO directs resources against investigative and operational priorities, and would provide insight into ASIO’s operational capability.
The total cost to the Australian Federal Police (AFP) relating to the Jack Thomas investigation was $1,789,658.31. The separation of expenditure is not able to be provided to the degree requested as costings are not separated to this level.

The former Minister for Immigration and Citizenship cancelled Dr Haneef’s visa. The Department was not a party to the case of *Minister for Immigration and Citizenship v Haneef*.

The CDPP was not a party in the case of *Minister for Immigration and Citizenship v Haneef*.

The AGS provides legal advice to the Government. AGS does not generate any costings itself. Rather it bills government agencies, who seek its advice, for work undertaken.

ASIO does not provide details of operational costs or expenditure other than in its annual *Report to Parliament* for reasons of national security. To do so would reveal how ASIO directs resources against investigative and operational priorities, and would provide insight into ASIO’s operational capability.

The AFP was not a party in the case of *Minister for Immigration and Citizenship v Haneef*.

In this case, charges against each of the three defendants are still on foot under the Charter of the United Nations Act 1945. Legal expenses incurred by the Department as at 30 April 2009 were $17,935.58. Records are not generally kept in the Department of staff time spent on specific issues, and so staff time and expenses associated with this case cannot be reliably costed.

Legal expenses paid by the CDPP to 30 April 2009 in this matter total $1,161,287.14.

Out of the total figure provided at (3)(b), as at 30 April 2009, $964,605.85 of this was legal expenses recorded for both senior and junior counsel briefed in this case.

Out of the total figure provided at (3)(b), as at 30 April 2009, $11,092.39 was expenses recorded for the cost of counsel travel and $22,339.96 was expenses recorded for the cost of CDPP staff travel.

See answer to Question (3)(b).

Between January 2005 and April 2009, the cost to the AFP relating to Operation Halophyte was $5,271,706.91. This figure includes direct costs to the AFP of legal proceedings relevant to the case totalling $118,540.91.

The AFP Protection Intelligence area assesses unrest within community groups generally and it is not possible to provide detail as to expenditure attributable to the costs of engaging individual community groups.

See answer to Question (3)(a).

ASIO does not provide details of operational costs or expenditure other than in its annual *Report to Parliament* for reasons of national security. To do so would reveal how ASIO directs resources against investigative and operational priorities, and would provide insight into ASIO’s operational capability.

ASIO does not provide details of operational costs or expenditure other than in its annual *Report to Parliament* for reasons of national security. To do so would reveal how ASIO directs resources against investigative and operational priorities, and would provide insight into ASIO’s operational capability. Mr David Hicks and Mr Mamdouh Habib were the subjects of one operation which dealt with Australian citizens detained overseas. The total expenditure on this operation between December 2001 and April 2009 was $598,310. This figure does not include direct costs of engaging the Australian Government Solicitor (AGS) for matters relevant to Mr Hicks totalling $105,862.17 or the cost relating to imposing the control order on Mr Hicks which was
$167,909. This figure does not include direct costs of engaging the AGS for matters relevant to Mr Habib totalling $5,043.41.

**Government Websites**

*(Question No. 1492)*

Senator Minchin asked the Minister representing the Prime Minister, upon notice, on 30 April 2009:

1. How many new Government websites (i.e. additional ‘.gov.au’ domain names) have been created since 27 August 2008.
2. What are these websites.
3. Who designed these websites.
4. Who updates and maintains the content on each website.
5. How many staff in each department are employed to maintain these websites.
6. What was the total cost for the design of each website.

Senator Chris Evans—The Prime Minister has provided the following answer to the honourable senator’s question:

1. A total of 27 new Government websites (i.e. ‘.gov.au’ domain names) went live between 27 August 2008 and 30 April 2009.
2. Details for each website are provided in the attached table.
3. Details for each website are provided in the attached table.
4. Details for each website are provided in the attached table.
5. Details for each website are provided in the attached table.
6. Details for each website are provided in the attached table.

<table>
<thead>
<tr>
<th>Website name</th>
<th>Department</th>
<th>Purpose of website</th>
<th>Who designed the website?</th>
<th>Who updates and maintains content on the website?</th>
<th>Number of staff employed to maintain website</th>
<th>Total cost for the design of website to 30 Apr 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>donatelife.gov.au</td>
<td>Australian Organ and Tissue Donation and Transplantation Authority</td>
<td>Public information portal for the new Authority.</td>
<td>Internal agency staff and Ace-Hosting</td>
<td>Internal agency staff and Ace-Hosting</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>Nil</td>
</tr>
<tr>
<td>humantightsconsultation.gov.au</td>
<td>Attorney-General’s Department</td>
<td>To provide an opportunity for the public to share their views and ideas on human rights.</td>
<td>Internal agency staff and Zoo Group</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$22,120</td>
</tr>
<tr>
<td>antidiscrimination.gov.au</td>
<td>Attorney-General’s Department</td>
<td>Website for the National Anti-Discrimination Information Gateway</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$5,500</td>
</tr>
<tr>
<td>educationtaxrefund.gov.au</td>
<td>Australian Taxation Office (ATO)</td>
<td>To provide a simple site that will allow people to easily access information on the Education Tax Refund measure.</td>
<td>External – Leo Burnett</td>
<td>Internal agency staff direct changes and updates to Leo Burnett who facilitates them</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$41,057</td>
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<tr>
<td>Website name</td>
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<td>Purpose of website</td>
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<td>Total cost for the design of website to 30 Apr 09</td>
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</tr>
<tr>
<td>ties.gov.au</td>
<td>Australian Taxation Office (ATO)</td>
<td>To provide an opportunity for tax professionals and the public to raise issues relating to the care and maintenance of the Australian Government’s tax and superannuation systems. The Tax Issues Entry Systems (TIES) is an Australian Government initiative jointly managed by the ATO and the Treasury.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$43,500</td>
</tr>
<tr>
<td>src.gov.au</td>
<td>Comcare</td>
<td>Subsidiary body - Safety Rehabilitation and Compensation Commission.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$2,307</td>
</tr>
<tr>
<td>farmready.gov.au</td>
<td>Department of Agriculture, Fisheries and Forestry</td>
<td>FarmReady Reimbursement Grants. The website provides current program information, downloadable forms and a searchable database of registered courses for primary producers and training providers. To support the digital switchover communication campaign.</td>
<td>ANU Enterprise Pty Ltd</td>
<td>ANU Enterprise Pty Ltd</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$3,360</td>
</tr>
<tr>
<td>digitalready.gov.au</td>
<td>Department of Broadband, Communications and the Digital Economy</td>
<td>To support the digital switchover communication campaign.</td>
<td>Internal agency staff and BMF Advertising</td>
<td>Internal agency staff and BMF Advertising</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$95,082</td>
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<tr>
<td>civmilcoe.gov.au</td>
<td>Department of Defence</td>
<td>To disseminate work of the Asia Pacific Civil-Military Centre of Excellence.</td>
<td>Internal agency staff</td>
<td>Insitec</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$23,200</td>
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<td>buildingtheeducationrevolution.gov.au</td>
<td>Department of Education, Employment and Workplace Relations</td>
<td>To provide information on the Building the Education Revolution Program.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>Nil</td>
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<tr>
<td>studyoverseas.gov.au</td>
<td>Department of Education, Employment and Workplace Relations</td>
<td>To inform Australians about studying overseas as part of their tertiary education or training.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>Nil</td>
</tr>
<tr>
<td>otl.gov.au</td>
<td>Department of Families, Housing, Community Services and Indigenous Affairs</td>
<td>To provide public accountability information regarding the Office of Township Leasing.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$1,380</td>
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<tr>
<td>australiantransplantauthority.gov.au</td>
<td>Department of Health and Ageing</td>
<td>Built as an interim site only - provided by DoHA for the newly established Australian Organ and Tissue Donation and Transplantation Authority. This domain now links through to do.natlife.gov.au.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$6,808</td>
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<tr>
<td>nhc.gov.au</td>
<td>Department of Health and Ageing</td>
<td>To provide information on the work of the National Indigenous Health Equality Council.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$9,667</td>
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<td>Number of staff employed to maintain website.</td>
<td>Total cost for the design of website to 30 Apr 09</td>
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<tr>
<td>drinkingnightmare.gov.au</td>
<td>Department of Health and Ageing</td>
<td>To provide information on the costs and consequences of binge drinking to the target audiences (particularly parents of 13-17 year olds) and to provide links to alcohol and drug services.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$21,771</td>
</tr>
<tr>
<td>measureup.gov.au</td>
<td>Department of Health and Ageing</td>
<td>To provide information on the social marketing campaign for the Australian Better Health Initiative.</td>
<td>Internal agency staff and 303 Advertising Pty Ltd</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$77,904</td>
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<tr>
<td>healthemergency.gov.au</td>
<td>Department of Health and Ageing</td>
<td>To provide important information about Health Emergencies - currently being used to provide information about swine flu.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$12,851</td>
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<tr>
<td>flupandemic.gov.au</td>
<td>Department of Health and Ageing</td>
<td>To provide information about pandemic influenza such as bird flu and to contain the Australian Health Management Plan for Pandemic Influenza (2008).</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$11,149</td>
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<tr>
<td>natwt.gov.au</td>
<td>Department of Infrastructure, Transport, Regional Development and Local Government</td>
<td>To provide information on the Northern Australia Land and Water Taskforce.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$350</td>
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<tr>
<td>nationbuildingprogram.gov.au</td>
<td>Department of Infrastructure, Transport, Regional Development and Local Government</td>
<td>Rebranded AusLink website to match current program.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>Two</td>
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<tr>
<td>acig.gov.au</td>
<td>Department of Infrastructure, Transport, Regional Development and Local Government</td>
<td>To facilitate meetings of the Australian Council of Local Government.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$250</td>
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<tr>
<td>scienceweek.gov.au</td>
<td>Department of Innovation Industry Science and Research</td>
<td>To provide current information about National Science Week.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>Nil</td>
</tr>
<tr>
<td>marinemammals.gov.au</td>
<td>Department of the Environment, Water, Heritage and the Arts, Australian Antarctic Division, Marine Mammals Centre</td>
<td>Although the web name is new this site is simply part of the AAD’s larger web site. The purpose of a separate web address is to facilitate simple communication between the Centre and its stakeholders.</td>
<td>Internal agency staff and Vanessa Tucker, Flame Creations</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$2,660</td>
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<tr>
<td>economicstimulus-plan.gov.au</td>
<td>Department of the Prime Minister and Cabinet</td>
<td>To provide a whole of government on line program administration tool for the Australian Government’s Nation Building - Economic Stimulus Plan.</td>
<td>Internal Department of Education, Employment and Workplace Relations (DEEWR) staff in consultation with the Department of the Prime Minister and Cabinet staff</td>
<td>Internal staff and staff from key line agencies involved in the delivery of the Nation Building - Economic Stimulus Plan</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>Nil</td>
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<td>Website name</td>
<td>Department</td>
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<tr>
<td>clinicalguidelines.gov.au</td>
<td>National Health &amp; Medical Research Council</td>
<td>To provide one-stop-shop access to all current clinical practice guidelines in Australia that meet National Guideline Clearinghouse inclusion criteria (around 100 guidelines). This website will be primarily aimed at clinicians working in primary health, community care and tertiary care.</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$43,608</td>
</tr>
<tr>
<td>guaranteescheme.gov.au</td>
<td>Reserve Bank of Australia</td>
<td>To provide information on the authorised deposit-taking institutions (ADI) guarantee scheme.</td>
<td>Internal agency staff and Wunderkind</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$1,080</td>
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<td>fb.gov.au</td>
<td>The Treasury</td>
<td>Website for The Financial Literacy Board</td>
<td>Internal agency staff</td>
<td>Internal agency staff</td>
<td>Maintained by a team responsible for a number of websites</td>
<td>$1,000</td>
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### Environment, Water, Heritage and the Arts: Program Funding

(Question No. 1497)

**Senator Abetz** asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 6 May 2009:

With reference to the answer to question on notice no. 1069 and the underspend in the program, A Sustainable Future Tasmania - Mole Creek:

1. How many hectares have been covenanted under this program.
2. What was the average price per hectare for the conservation covenant.
3. Will the underspend of $207,000 be available for future conservation covenants in the Mole Creek area, or has the money been returned to consolidated revenue.

**Senator Wong**—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

The $3.6 million Mole Creek Forest Karst Program, part of the Tasmanian Supplementary Regional Forest Agreement, was voluntary and supported private landowners who were willing to sell or place a conservation covenant on their forested land (the allocation included $360,000 for administration). The Program concluded on 30 June 2008.

With regards to questions 1 and 2:

- Two conservation covenants were funded at a total cost of $174,316 for 99 hectares (average of $1,761/ per hectare).
- In addition, seven land purchases were funded at a total cost of $2,790,973 for 438 hectares (average of $6,372 per hectare). Five of these properties are being added to the Mole Creek Karst National Park, administered by the Tasmanian Government, and the remaining two properties have been purchased through a revolving property fund administered by the Tasmanian Land Conservancy.

With regards to question 3:

- The Program underspend was returned to consolidated revenue.
Carbon Pollution Reduction Scheme
(Question No. 1498)

Senator Abetz asked the Minister for Climate Change and Water, upon notice on 8 May 2009:

(1) With reference to the last dot point on page 14 of the 2009 Exposure draft: Carbon Pollution Reduction Scheme Bill 2009: Commentary: (a) can a list be provided of what are the 'major economies' in question; (b) can 'substantially restrain' be defined; (c) can a list be provided of what are the 'advanced economies' in question; and (d) can 'comparable', in this context, be defined (does this mean overall cuts or per capita).

(2) Is the Carbon Pollution Reduction Scheme (CPRS) a tax or not a tax.

(3) With reference to the statement on page 12 of the exposure draft that 'in case the charge for Australian emissions units issued as a result of an auction or for a fixed charge is, at some time in the future, considered to be taxation', how does the department envisage this potential change in definition taking place.

(4) (a) Why is it necessary to have exposure drafts of the Carbon Pollution Reduction Scheme (Charges – General) Bill 2009, the Carbon Pollution Reduction Scheme (Charges – Customs) Bill 2009, and the Carbon Pollution Reduction Scheme (Charges – Excise) Bill 2009; and (b) what would be the consequence of not having these three bills passed into law.

(5) Has the Government sought any legal advice on whether the CPRS is a tax or is not a tax; if so, what was the total cost of that advice; if not, why not.

(6) How many regulations will be required to fully enact the CPRS.

(7) On what date will the first, and last, of these regulations be made.

(8) (a) How many regulations will be created under Chapter 4 of the bill which deals with emissions intensive, trade exposed industries; and (b) on what date will the first, and last, of these regulations be made.

(9) What is the estimated cost to business: (a) of determining their eligibility; and (b) of complying with the reporting requirements, under the emissions intensive, trade exposed assistance program.

(10) In regard to example 1.2 on page 40 of the exposure draft commentary where it states that 'Company A is only liable for the fugitive emissions of 23 000 tonnes of CO2-e', would company A be exempt from the CPRS because it is below the 25 000 tonne threshold; if not, why not.

(11) In regard to carbon sequestration rights, who owns the right in the case of a managed investment scheme.

(12) What is the estimated cost of the computer program/system to work out the unit entitlement to be specified in a certificate of reforestation.

(13) In regard to example 6.2 on page 186 of the exposure draft commentary, is the Minister stating that eligible reforestation projects will reduce the value of the farm land on which it is planted.

(14) In regard to section 9.26 in Chapter 9 ‘Compliance and enforcement’ of the exposure draft commentary, does the ‘assistant’ to an inspector require any form of appointment, certification or training.

(15) In regard to section 312 of the exposure draft, can other examples be provided (e.g. authorities, agencies etc) where inspectors can compel persons to answer questions on threat of imprisonment, with no exemption on the grounds of self-incrimination.

(16) What is Government’s projected total annual administrative budget for operating the CPRS.
(17) (a) What is the total number of Government employees that will be required to oversee the operation of the CPRS; and (b) what are the Australian Public Service classifications of these employees.

(18) (a) What will be the total cost of establishing the Australian Climate Change Regulatory Authority (ACCRA); (b) what will be the total annual cost of running the ACCRA; and (c) how many staff will ACCRA employ.

(19) Has the department identified the estimated 1,000 emitters who will be covered by the CPRS; if not, when will this be done.

(20) (a) How many small businesses and sub-contractors will have to report their emissions by virtue of a controlling contract/business being covered by the CPRS; and (b) what will be the annual cost to these small businesses and sub-contractors of having to report their emissions.

(21) What effect does the Government expect the current world recession will have on the world’s emissions and if emissions growth slow, to what degree and for how long.

(22) Given that it is accepted that the early 1990s recession had a measurable effect in reducing Australia’s emissions, what is the expected effect that the current economic slowdown in Australia will have on Australia’s emissions.

(23) Does the department have access to any modelling which explicitly models this legislation, that is, a five per cent emissions cut regardless of any action other countries do or do not take; if so, will the Government release this modelling; if not: (a) why not; and (b) will the Government commit to commissioning such modelling.

(24) How will free permits be treated for taxation and accounting purposes, i.e. will free permits be taxable.

Senator Wong—The answer to the honourable senator’s question is as follows:

(1) (a) A list of the ‘major economies’ was circulated in the Senate Standing Committee on Economics on 29 May 2009. The ‘major economies’ are the members of the US-led Major Economies Forum on Energy and Climate:

- Australia
- Brazil
- Canada
- China
- European Union
- France
- Germany
- India
- Indonesia
- Italy
- Japan
- Korea
- Mexico
- Russia
- South Africa
- United Kingdom
- United States of America
(b) Committing to ‘substantially restrain’ greenhouse gas emissions is widely understood as meaning that countries should take actions that will result in deviations below their business-as-usual emission trajectories.

(c) Advanced economies’ refers to Annex I parties to the United Nations Framework Convention on Climate Change (UNFCCC) and at least some other high/middle income economies. Annex I Parties are:
- Australia
- Austria
- Belarus
- Belgium
- Bulgaria
- Canada
- Croatia
- Czech Republic
- Denmark
- European Economic Community
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Italy
- Japan
- Latvia
- Liechtenstein
- Lithuania
- Luxembourg
- Monaco
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Romania
- Russian Federation
- Slovakia
- Slovenia
‘High or middle-income countries’ are countries that have similar national circumstances based on objective economic and developmental indicators. Indicators that could be used to differentiate countries include gross domestic product per capita, and ranking on the Human Development Index. Australia’s submission to the UNFCCC in November 2008 on ‘Mitigation’ provides an indication of the change in national development circumstances since 1992, when Annex I was established. In our submission we noted that a significant number of ‘advanced economies’ are not members of Annex I, such as Singapore, Malta and Korea. This submission is available at: http://www.climatechange.gov.au/international/unfccc-submissions.html.

(d) ‘Comparable’ refers to the evaluation of relative effort required by different countries to achieve any given mitigation goal. A number of factors are relevant to assessing comparability and no single indicator can by itself provide a comprehensive picture of the particular national circumstances of each country. Indicators such as capacity to pay, economic costs, emission reduction potential and population trends may be useful in assessing national circumstances and the relative ambition of country’s mitigation commitments.

Assessing ‘comparability’ in this context, therefore, requires the use of indicators that assess, amongst other things, ‘overall cuts’ and ‘per capita’ reductions.

(2) The Commonwealth does not consider that the charges for the auction of Australian emissions units or for the issue of units at a fixed charge (under the ‘price cap’) are taxes for constitutional purposes. However, the Government has taken an approach of abundant caution, with the charges Bills providing safeguards in case a court reaches a different view on this question.

Companies should seek advice as to the impact of the Carbon Pollution Reduction Scheme (CPRS) legislation, including the charges Bills, on their particular contractual or other business arrangements.

(3) Please see answer to part (2) above.

(4) (a) As these Bills are included as a safeguard, there would be no consequences unless a court found that the imposition of charges for emissions units was a tax for constitutional purposes.

(b) If the charges Bills were not passed into law and a court found that the imposition of charges for emissions units was a tax for constitutional purposes, the CPRS would be unworkable, as the provisions within the Bill imposing charges for emissions units would be inoperative, and there would be no alternative mechanism to deliver units at cost into the market.

(5) Yes, legal advice on this matter has been sought. The advice was largely formulated by a lawyer from the Australian Government Solicitor who was out-posted to the Department of Climate Change. In accordance with the written agreement, the Department received invoices for the lawyer’s services at a daily rate and therefore did not receive invoices reflecting the cost of particular advice she worked on during this period.

(6) The Bill includes approximately 90 clauses that provide for regulations to be made. Some regulations will be essential for the operation of the CPRS, such as those on the emissions-intensive trade-exposed (EITE) assistance program and CPRS caps. Other regulations may be made only if a
need arises during the operation of the CPRS. As is common practice in Commonwealth legisla-
tion, the regulation-making power has been included to allow flexibility in the administration of the
legislation and to avoid future regulatory gaps.

(7) The first of the essential regulations are likely to be made within three months after the passage of
the Bills. The last of the essential regulations are likely to be made by mid-2010. It is expected that
regulations will be added and amended over time during the operation of the CPRS, as the need
arises.

(8) The regulations will contain a program for the delivery of Australian emission units to eligible per-
sons who conduct EITE activities. The regulations will consist of procedural requirements for ap-
plying for Australian emission units, a list of eligible activities along with their baselines for alloca-
tion per unit of product and requirements around the closure of an activity.

The volume of the regulations will depend upon how many activities are found eligible under the
Government’s threshold for assistance set out in the White Paper.

(9) (a) The Government has indicated its preference to provide assistance to entities conducting EITE
activities on the basis of the historic industry average emissions from entities conducting the activ-
ity in Australia. The provision of appropriately audited data will enable determination of the alloca-
tive baselines under the program. (The provision of audited data would be required for any alloca-
tive methodology which is linked to historic emissions performances of currently operating enti-
ties.) The Bill does not, however, require entities to provide information to the Government as a
pre-condition for receiving support under the EITE assistance program.

For firms that choose to submit data to allow the determination of Australian average emissions per
unit of production, we expect that there may be considerable variability in the costs that would be
faced. The variability could arise because of differences in a business’s previous participation in
emissions reporting or energy efficiency opportunities programs, differences in corporate structure
and location, differences in operational systems and record keeping, differences in the complexity
and structure of production processes and differences in the costs associated with verifying the in-
formation that is being provided to Government to underpin the allocation of free permits.

(b) Costs for EITE reporting will also vary considerably because of the factors identified in (a)
above. The EITE assistance program is designed to minimise the compliance cost to business. The
program will use production parameters that are readily accessible to firms in the ordinary course
of their business and financial reporting requirement.

(10) The basic principle is that all emissions count toward the facility threshold, but that a facility would
not be liable for emissions for which an upstream fuel supplier has already incurred a liability.

The no double counting provisions state that the emissions from fuel for which a person did not
quote their obligation transfer number do count for the purposes of determining whether the emis-
sions from a facility meet the threshold (see clauses 17(7)(e), 18(6)(e), 19(6)(e), 20(9)(e), 21(9)(e),
22(8)(e) of the Carbon Pollution Reduction Scheme Bill).

The no double counting provisions state that the emissions from fuel for which a person did not
quote their obligation transfer number do not count for the purposes of determining their provi-
sional emissions number (see clauses 17(7)(d), 18(6)(d), 19(6)(d), 20(9)(d), 21(9)(d), 22(8)(d) of
the Carbon Pollution Reduction Scheme Bill).

Therefore Company A’s total emissions of 26,000 tonnes of carbon dioxide equivalent would be
counted for the purpose of determining whether it breached the “small facilities” threshold.

Company A would not be exempt from the liable entity provisions. However, Company A would
not incur a liability for the 3,000 tonnes of carbon dioxide equivalent emissions from the diesel fuel
that it was supplied without quoting an obligation transfer number.
(11) In essence, under the CPRS a carbon sequestration right will be defined as the exclusive legal right to obtain the benefit of sequestration of carbon dioxide by trees to which an eligible reforestation project relates. The CPRS will not create a new set of property rights but will recognise existing rights where they meet certain requirements. The ownership of these rights may differ between forest activities (including in relation to Managed Investment Schemes), for example, the carbon sequestration right may be held by:
- the holder of the estate in fee simple unless he or she has granted to another person an interest in the land (such as, for example, a lease) which gives them that right; or
- the holder of a lease under which the lessee has exclusive possession of the area; or
- the entity granted a carbon sequestration right by the land owner, as provided for under legislation in certain states.

(12) It is envisaged that the computer program will be an updated version of the National Carbon Accounting Toolbox, developed by the Australian Government. This computer program will be made available to the Australian Climate Change Regulatory Authority (ACCRA). Access to the computer program will be made available, free of charge, to CPRS participants via an on-line interface.

(13) Example 6.2 has been included in the commentary for illustrative purposes only. The price paid for property that includes an eligible reforestation project will be determined by market forces. For example, prospective buyers may pay less for a property that includes a reforestation project because they intend to clear the forest (in which case they would be required to relinquish units). However, the existing owners would have received a benefit during the period that the forest was earning CPRS credits. In another example, a prospective buyer may pay more for a property that includes a reforestation project because they expect the forest to continue growing and earning CPRS units.

(14) Clause 310 of the Bill provides for an inspector to be assisted by other persons in entering premises and exercising monitoring powers in relation to premises. A person assisting the inspector may only exercise monitoring powers in accordance with a direction given by the inspector. This arrangement ensures that any inspections will be undertaken by, and under the direction of, an inspector who must have suitable qualifications and experience, under clause 306(2) of the Carbon Pollution Reduction Scheme Bill. Clause 310 will also enable inspectors to draw on a wider range of expertise that may be necessary to conduct inspections effectively. For example, it is envisaged under clause 317 of the Bill that an inspector may need expert assistance to operate electronic equipment on premises being inspected.

(15) Provisions under which a person may be required to answer questions or to produce information or documents are a common enforcement mechanism in Commonwealth legislation. They are often referred to as ‘notice to produce’ provisions, although in most cases they provide for attendance to answer questions as well. These provisions are appropriate when such powers will assist in the administration of Commonwealth legislation. Clause 312 overrides an individual’s privilege against self-incrimination, but provides an individual with immunity such that self-incriminatory disclosures cannot be used against the person who makes the disclosure, either directly in court (known as ‘use’ immunity) or indirectly to gather other evidence against the person (known as ‘derivative use’ immunity). However, the information could be used against a third party, such as an accomplice. This approach is consistent with the Guide to Framing Commonwealth Offences, Civil Penalties and Enforcement Powers, approved by the Minister for Home Affairs.

The Senate Scrutiny of Bills Committee expressed the following views on the privilege against self-incrimination at pages 26-27 of its report on The Work of the Committee during the 41st Parliament November 2004 – October 2007:
“2.45 At common law, people can decline to answer a question on the grounds that their reply might tend to incriminate them. Legislation that interferes with this common law entitlement trespasses on personal rights and liberties and causes the Committee considerable concern.

2.46 At the same time, the Committee is conscious of the Government’s need to have sufficient information to enable it to properly carry out its duties to the community. Good administration in some circumstances might necessitate the obtaining of information that can only be obtained, or can best be obtained, by forcing someone to answer questions even though this means that he or she must provide information showing that he or she may be guilty of an offence. Those proposing a Bill that affects or removes a person’s right to silence usually do so on this basis.

2.47 The Committee does not see the privilege against self-incrimination as absolute. Before it accepts legislation that includes a provision affecting this privilege, however, the Committee must be convinced that the public benefit that will follow from its negation will decisively outweigh the resultant harm to the maintenance of civil rights.

2.48 One of the factors the Committee considers is the subsequent use that may be made of any incriminating disclosures. The Committee generally holds to the view that the interest of having Government properly informed can more easily prevail where the loss of a person’s right to silence is balanced by a prohibition against both the direct and indirect use of the forced disclosure. The Committee is concerned to limit exceptions to the prohibition against such use. In principle, a forced disclosure should be available for use in criminal proceedings only when they are proceedings for giving false or misleading information in the statement that the person has been compelled to make.”

The effective administration of the CPRS is an issue of major public importance with a significant impact on the Australian community and business. Non-compliance could undermine the capacity of the CPRS to drive cuts in greenhouse gas emissions and meet its international climate change obligations, result in unfair competition between compliant and non-compliant businesses, and reduce auction revenues which are used to assist households and businesses adjust to the CPRS. Clause 312 would enhance the ability of the ACCRA to monitor and ensure compliance with the CPRS in a way that is consistent with the views of the Scrutiny of Bills Committee, as well as Commonwealth legal policy, regarding the privilege against self-incrimination.

Precedents for overriding the privilege against self-incrimination as outlined in the Carbon Pollution Reduction Scheme Bill include:

- Environment Protection and Biodiversity Conservation Act 1999 (sections 486E, 486F, and 486J);
- Telecommunications Act 1997 (section 524); and
- Retirement Savings Act 1997 (section 117).

(16) The annual administrative budget for operating the CPRS will form part of the annual budget for operating the Australian Climate Change Regulatory Authority. A Bill to establish the Authority is currently before the Parliament. The Authority’s annual operating budget will be finalised when the legislation is enacted and is expected to be included in the 2009-10 Additional Estimates.

(17) The staff numbers required for future operations of ACCRA, and hence the CPRS, are still being assessed against the functions proposed for ACCRA in the White Paper and the draft legislation. At this stage, we anticipate that the final number of employees (including those currently employed in GERo and RER) will involve a significant increase to around 300 at full resourcing. Once settled, these resources will be provided in the Department’s Portfolio Budget Statement.

(18) (a) The 2009-10 Budget provided $81.9 million to establish ACCRA.

(b) A Bill to establish the ACCRA is currently before the Parliament. The ACCRAs annual operating budget will be finalised when the legislation is enacted and is expected to be included in the 2009-10 Additional Estimates.
(c) It is expected that, when fully established, ACCRA will employ around 300 staff, including those currently working in the Department of Climate Change in the Greenhouse and Energy Reporting Office Division.

(19) This number is an initial upper estimate; more accurate estimates of the number of liable entities will be possible following registrations under the National Greenhouse and Energy Reporting Act 2007, following passage of the Bill.

This estimate is informed by analysis undertaken for the Government in development of the National Greenhouse and Energy Reporting System, as well as for the former Task Group on Emissions Trading and Department of Climate Change analysis.

The Government proposes to include waste and synthetic greenhouse gases, and all excise and customs remitters through the fuel tax system, which were not included in data considered by the Task Group.

This figure counts only those firms with obligations under the CPRS. Forestry entities may choose to opt-in to the CPRS and are not included in this number.

(20) The CPRS draws on the National Greenhouse and Energy Reporting System for reporting obligations, and does not add to the reporting load for direct emitters, in and of itself. Existing requirements for reporting under the National Greenhouse and Energy Act 2007, which apply to controlling corporations and, in some cases contractors, will continue to apply.

The coverage of upstream fuel suppliers and synthetic greenhouse gases will add some smaller businesses, but these generally have reporting obligations under existing legislation, so the additional reporting cost is expected to be minor.

(21) The global climate change challenge relates to the stock of greenhouse gases in the atmosphere and longer term emissions trends (or flow). Stabilisation of greenhouse gas concentrations at levels between 450 parts per million (ppm) or 550 ppm, or lower, will require substantial reductions in emissions over coming decades.

Movements in world emissions are influenced by both structural and cyclical factors. Trend global emissions, in the absence of a global agreement to reduce emissions, are projected to continue to grow strongly reflecting continued trend global economic growth, rising per capita incomes, and the continued reliance on fossil fuels for energy. These trends suggest substantial structural increases in global emissions, even with an expected slowing in world population growth and an overall decline in the emission intensity of the global economy.

Some components of global emissions are influenced by cyclical factors, such as emissions arising from industrial production processes. To the extent that the current slow-down in the world economy affects emission-intensive output there will be a slowing in world emissions growth. However, as the world economy recovers from this cyclical slow down, as expected by international organisations such as the International Monetary Fund, world emissions growth would also be expected to go return to its trend growth rate. For example, China’s electricity output has declined by 13 per cent over the twelve months to January 2009. However, in 2007 China’s electricity output had grown by 13 per cent.

Global emissions have grown rapidly over the past decade, and at a faster rate than assumed in the highest growth scenarios in the most commonly used global emissions projections. As a result, any slowing in global emissions growth is only likely to fall back towards the highest rates of trend emissions growth in the global projections.

(22) The link between emissions and GDP growth is not straightforward, and varies significantly from year to year. For example, in 1991, the most recent year in which Australian GDP growth was negative, emissions excluding land use and land-use change rose by 1 million tonnes carbon dioxide equivalent (Mt CO2e). Emissions from stationary energy sources grew by 2.9 per cent in 1991.
offsetting slight emission falls in other sectors such as transport, fugitives, industrial processes and agriculture. Excluding land use and land-use change emissions is important for any cyclical analysis as emissions from these two sectors are unlikely to be significantly influenced by short-term economic output.

Slower economic growth in Australia in the short-term would be expected to reduce the short-term rate of emissions growth. Reliable estimates of short-term emission forecasts requires reliable sector level estimates of changes in the quantity of output (rather than the value of output), and any changes in sector level emissions intensity.

However, given that the Australian economy is likely to return to trend economic growth over time, Australian emissions are expected to continue trending up, not down, in the absence of policies to constrain emissions growth.

(23) The Garnaut Climate Change Review undertook two economic modelling scenarios, identified as the Copenhagen Compromise and the Waiting Game scenarios in their Supplementary Draft Report released in September 2008. These scenarios explored the implications of Australia reducing emissions regardless of limited or no action by other countries. These scenarios suggested that Australia’s GNP level could be 1.4 and 0.9 per cent below the reference levels in 2020, respectively. The lower economic costs reported in the Waiting Game scenario, relative to those contained in the Governments CPRS scenarios, arise due to the continued strong demand for Australia’s emission intensive exports, such as coal, in the absence of international action to reduce emissions.

The comprehensive economic modelling report Australia’s Low Pollution Future: The Economics of Climate Change Mitigation, released by the Government in October 2008, was designed to assist with the development of policy and to facilitate community input into the White Paper decision making process.

We note that many of the ‘unilateral action’ scenarios, such as those modelled by Frontier Economics for the NSW Government and the Centre of International Economics (CIE) for the Australian Farm Institute do not include all aspects of the White Paper CPRS design features. In particular, these scenarios do not account for the full range of assistance to shield the EITEs sectors proposed by the Government.

The published modelling by the Government and the Garnaut Climate Change Review provide a number of important insights that were taken into account by the Government before policy decisions were taken:

- Fair and effective global action that stabilises global greenhouse gas emissions at 450 ppm CO2e, or lower, is in Australia’s long-term economic interest.
- Delayed action to achieve the same cumulative emissions reduction is more disruptive and costly than steady early action, at the national and global levels.
- Nations that reduce emissions earlier have lower adjustment costs than if they delay action, if emissions restraint and carbon prices spread over time.
- At the global level, the economic costs of accelerating emissions reductions are larger than the economic benefits (or avoided costs) of an equivalent deceleration, indicating that it is better to begin by setting more ambitious targets than to ratchet these up over time.
- The shielding arrangements outlined in the CPRS White Paper for EITEs eases their transition to a low-emission economy.

These insights are consistent with a broad range of national and international economic modelling.

(24) **Income tax**

If an entity with an emissions liability (a ‘liable entity’) receives a free Australian emissions unit and surrenders that unit in the same income year, there are no income tax implications.

If a liable entity receives a free Australian emissions unit and surrenders that unit in a later income year, the overall income tax position is essentially neutral. An amount may be effectively added to taxable income in the year the unit is received but, if so, this is balanced by the reduction of taxable income by a similar amount in the year of surrender. There is a special ‘no disadvantage’ rule for EITE entities to prevent any timing disadvantage that might otherwise arise in these circumstances (for more detail see the Explanatory Memorandum to the Carbon Pollution Reduction Scheme (Consequential Amendments) Bill 2009, especially at paragraphs 2.88 to 2.92).

If a liable entity sells a free Australian emissions unit, the proceeds are assessable income. However, the entity deducts the amounts it expends in purchasing the necessary units at a later date to meet its emissions liability.

If an entity with no emissions liability sells a free Australian emissions unit, the proceeds are assessable income. This will be balanced by the additional amounts that the entity can deduct for increased costs associated with the use of electricity or other fuels for which an upstream CPRS obligation is imposed.

**Goods and services tax**

In general, the goods and services tax will not apply to free Australian emissions units because supplies made for no consideration are not taxable supplies.

**Accounting**

Accounting systems will need to take into account emissions-related assets, including free Australian emissions units, and liabilities.

Subject to priorities associated with their response to the global financial crisis, the International Accounting Standards Board (IASB) is planning to issue an exposure draft of a new standard covering emissions trading schemes in quarter four this year with a final standard expected to be issued in the second half of 2010.

The Australian Accounting Standards Board (AASB) is also working with public sector stakeholders in Australia (eg the Department of Finance and Deregulation and the Australian Bureau of Statistics) to determine how emissions units will be valued and accounted for by the Government as the issuer – the AASB is aiming to link the timing of this work with that of the IASB.

**Export Finance and Insurance Corporation**

*Senator Bob Brown* asked the Minister representing the Minister for Trade, upon notice, on 12 May 2009:

With reference to the countries that are indebted to Australia: (a) which countries have debts generated by the Export Finance and Insurance Corporation (EFIC); and (b) for each country, what is the Australian dollar amount of its debt.

*Senator Carr*—The Minister for Trade has provided the following answer to the honourable senator’s question:
Sovereign debt in relation to EFIC, by country and amount¹, is provided below:

<table>
<thead>
<tr>
<th>Country</th>
<th>A$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>45.8</td>
</tr>
<tr>
<td>Cuba</td>
<td>9.7</td>
</tr>
<tr>
<td>Egypt²</td>
<td>203.6</td>
</tr>
<tr>
<td>Indonesia</td>
<td>958.0</td>
</tr>
<tr>
<td>Iraq¹</td>
<td>365.1</td>
</tr>
<tr>
<td>Philippines</td>
<td>140.0</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>80.1</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>57.4</td>
</tr>
<tr>
<td>Turkey⁴</td>
<td>100.8</td>
</tr>
<tr>
<td>Vietnam</td>
<td>17.2</td>
</tr>
</tbody>
</table>

¹ The above exposures are as at 30 April 2009, and reflect exchange rate conversions to Australian dollars on that date. The exposures cover loans and export finance guarantees.
² Egypt exposure includes debt due to the Australian Government, EFIC and Australian exporters.
³ Iraq exposure includes debt due to the Australian Government, EFIC and Australian exporters.
⁴ Municipality of Istanbul (sub-sovereign) risk.

Export Finance and Insurance Corporation  
(Question No. 1503)

Senator Bob Brown asked the Minister representing the Minister for Trade, upon notice, on 12 May 2009:

(1) With reference to Indonesia’s debts to Australia: (a) what percentage of its Export Finance and Insurance Corporation (EFIC) debt was generated from the Development Import Finance Facility Scheme through the National Interest Account; (b) what percentage of its EFIC debt has been rescheduled through the Paris Club; and (c) for each group of rescheduled Paris Club loans, can details be provided of:
   (i) the company name,
   (ii) the date of the original facility,
   (iii) the name of the project,
   (iv) the name of the beneficiary,
   (v) the dollar amount still outstanding, and
   (vi) the terms of agreement (including current rate of interest charged).

(2) What percentage of Indonesia’s total rescheduled payments relate to transactions involving Transfield Construction’s steel bridge projects.

Senator Carr—The Minister for Trade has provided the following answer to the honourable senator’s question:

(1) (a) The current proportion of outstanding debt classified as Development Import Finance Facility Scheme debt on the National Interest Account is 66 per cent.
(b) The current proportion of outstanding debt that has been rescheduled through the Paris Club is 34 per cent.
(c) Details of company name, date of the original facility, name of the project and name of the beneficiary for each group of rescheduled Paris Club loans are provided in the table below.
(i) to (iv)—

<table>
<thead>
<tr>
<th>Australian Exporter</th>
<th>Date of Original Facility</th>
<th>Project</th>
<th>Indonesian Contract Party</th>
<th>Paris Club Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westinghouse Brake &amp; Signal Pty Ltd</td>
<td>31 May 1993</td>
<td>Railway signalling equipment</td>
<td>Ministry of Communication Republic of Indonesia</td>
<td>2000, 2002</td>
</tr>
<tr>
<td>Relpar Pty Ltd</td>
<td>14 February 1994</td>
<td>Education equipment</td>
<td>Ministry of Education and Culture Republic of Indonesia</td>
<td>2000, 2002</td>
</tr>
<tr>
<td>ABB EPT Construction Pty Ltd</td>
<td>7 June 1994</td>
<td>Electricity transmission lines</td>
<td>Perusahaan Umum Listrik Negara</td>
<td>2000, 2002</td>
</tr>
</tbody>
</table>
EFIC’s loans to the Indonesian Government have been rescheduled on three occasions through the Paris Club. These rescheduling agreements covered payments originally due from Indonesia between August 1998 and December 2003. In the aftermath of the December 2004 tsunami, the Paris Club provided further debt relief, including deferring payments due in 2005 on previously rescheduled debt.

The current amount outstanding and terms of agreement (including the rate of interest charged) for each group of Paris Club rescheduled debts are as follows:

<table>
<thead>
<tr>
<th>Paris Club rescheduling</th>
<th>A$ million</th>
<th>Interest rate*</th>
<th>Final maturity date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris Club I September 1998</td>
<td>45.1</td>
<td>Libor plus 0.5% per annum, and effective Libor/Euribor rate.</td>
<td>June 2019</td>
</tr>
<tr>
<td>Paris Club II April 2000</td>
<td>102.9</td>
<td>Euribor plus 0.5% per annum, and Libor plus 0.5% per annum.</td>
<td>June 2021</td>
</tr>
<tr>
<td>Paris Club III April 2002</td>
<td>170.7</td>
<td>Euribor plus 0.5% per annum, and Libor plus 0.5% per annum.</td>
<td>June 2021</td>
</tr>
</tbody>
</table>
Tuesday, 11 August 2009

SENATE

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<table>
<thead>
<tr>
<th>Paris Club rescheduling</th>
<th>A$ million</th>
<th>Interest rate*</th>
<th>Final maturity date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris Club 2004 Tsunami Debt Relief</td>
<td>5.0</td>
<td>The Government of Indonesia is not charged interest on these rescheduled amounts.</td>
<td>December 2009</td>
</tr>
</tbody>
</table>

* The original loans to Indonesia were denominated in US dollars and Dutch Guilders. Under the Rescheduling Deed, EFIC made disbursements to Indonesia, in the same currency as the original loans, which were used to pay off earlier unpaid loans. These disbursements were to be repaid to EFIC using the appropriate interest rate. The Libor rate applies to the US Dollar component and Euribor rate for the Dutch Guilder component.

The amounts remaining owing under each facility are not recorded as the loans are grouped such that they lose their separate identity, and rescheduled payments are not recorded by reference to the original loan facility.

(2) As a result of the Paris Club processes, the rescheduled debt of each Transfield Construction Pty Ltd loan was grouped and rescheduled with other loans. Accordingly these loans no longer retain their separate identity and rescheduled payments are not recorded by reference to the original loan facility.

Transfield Construction’s steel bridge projects accounted for the following proportions of the total stock of debt rescheduled through each Paris Club debt treatment (in dollar terms):

- Paris Club rescheduling 1 58%  
- Paris Club rescheduling 2 52%  
- Paris Club rescheduling 3 39%

However, it is not possible to identify the percentage of rescheduled debt payments attributable to Transfield Construction’s steel bridge projects for the reasons set out above.

Export Finance and Insurance Corporation  
(1504)

Senator Bob Brown asked the Minister representing the Minister for Trade, upon notice, on 12 May 2009:

With reference to the Development Import Finance Facility loans provided by the Export Finance and Insurance Corporation, what is the percentage still outstanding, the percentage that has been rescheduled and the current rate of interest charged for each of the following Transfield Construction Pty Ltd projects:

(a) 1988 Steel Bridges II ($42.9 million);
(b) 1990 Steel Bridges III ($67.6 million); and
(c) 1993 Steel Bridges IV ($10.1 million).

Senator Carr—The Minister for Trade has provided the following answer to the honourable senator’s question:

<table>
<thead>
<tr>
<th>Project</th>
<th>Percentage of total original facility</th>
</tr>
</thead>
</table>
| (a) 1988 Steel Bridges II | 22%  
| - Current exposure (excluding amount rescheduled) | 31%  
| - Amount rescheduled | 2%  
| (b) 1990 Steel Bridges III | 33%  
| - Current exposure (excluding amount rescheduled) | 22%  

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(a) 1988 Steel Bridges II
- Amount rescheduled: 28%
- Current rate of interest on original loan: 2%

(c) 1993 Steel Bridges IV
- Current exposure (excluding amount rescheduled): 53%
- Amount rescheduled: 19%
- Current rate of interest on original loan: 0.5% above 6 month Libor

Prime Minister: Statutory Reviews
(Question No. 1509)

Senator Minchin asked the Minister representing the Prime Minister in the Senate, upon notice, on 18 May 2009:
With reference to all legislation administered within your portfolio:
(1) (a) How many and which statutory reviews are due to commence and/or conclude in 2009; and
(b) What are the specified timelines for the commencement and conclusion of each of these reviews.
(2) (a) How many and which statutory reviews are due to commence and/or conclude in 2010; and
(b) What are the specified timelines for the commencement and conclusion of each of these reviews.

Senator Chris Evans—The Prime Minister has provided the following answer to the honourable senator’s question:
(1) (a) Nil.
(b) Nil.
(2) (a) Nil.
(b) Nil.

Special Minister of State: Statutory Reviews
(Question No. 1515)

Senator Minchin asked the Special Minister of State, upon notice, on 18 May 2009:
(1) (a) How many and which statutory reviews are due to commence and/or conclude in 2009; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.
(2) (a) How many and which statutory reviews are due to commence and/or conclude in 2010; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

Senator Ludwig—The answer to the honourable senator’s question is as follows:
Please refer to the answer of the Minister representing the Minister for Finance and Deregulation (QoN 1521).

Foreign Affairs and Trade: Statutory Reviews
(Question Nos 1516 and 1517)

Senator Minchin asked the Minister representing the Minister for Foreign Affairs and the Minister for Trade, upon notice, on 18 May 2009:
With reference to all legislation administered within your portfolio:
(1) (a) How many and which statutory reviews are due to commence and/or conclude in 2009; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.
(2) (a) How many and which statutory reviews are due to commence and/or conclude in 2010; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

Senator Faulkner—The Minister for Foreign Affairs and the Minister for Trade have provided the following answer to the honourable senator’s question:

Department of Foreign Affairs and Trade (DFAT)
Nil.

Australian Centre for International Agricultural Research (ACIAR)
Nil.

Austrade
Nil.

Export Finance and Insurance Corporation (EFIC)
Nil.

AusAID
Nil.

Defence: Statutory Reviews
(Question Nos 1518 and 1539)

Senator Minchin asked the Minister for Defence, upon notice, on 18th May 2009:

With reference to all legislation administered within your portfolio:

(1) (a) How many and which statutory reviews are due to commence and/or conclude in 2009; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

(2) (a) How many and which statutory reviews are due to commence and/or conclude in 2010; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

Senator Faulkner—The answer to the honourable senator’s question is as follows:

(1) and (2) Defence: None.

Defence Housing Australia: Not applicable.

Families, Housing, Community Services and Indigenous Affairs: Statutory Reviews
(Question No. 1520)

Senator Minchin asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 18 May 2009:

With reference to all legislation administered within your portfolio:

(1) (a) How many and which statutory reviews are due to commence and/or conclude in 2009; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

(2) (a) How many and which statutory reviews are due to commence and/or conclude in 2010; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

Senator Chris Evans—The Minister for Families, Housing, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

The following answers are provided in relation to legislation administered by the Minister for Families, Housing, Community Services and Indigenous Affairs:

(1) (a) There are no statutory reviews due to commence and/or conclude in 2009. (1) (b) N/A.
(2) (a) There is one statutory review due to commence and conclude in 2010. This is an independent review of the amendments made by the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2008 Budget and Other Measures) Act 2008 (see section 4). The Minister for Families, Housing, Community Services and Indigenous Affairs is responsible for those amendments which relate to FaHCSIA payments and measures. (b) The legislation provides that the review referred to in paragraph (a) is to be undertaken and completed by 30 June 2010.

Finance and Deregulation: Statutory Reviews
(Question No. 1521)

Senator Minchin asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 18 May 2009:

(1) (a) How many and which statutory reviews are due to commence and/or conclude in 2009; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

(2) (a) How many and which statutory reviews are due to commence and/or conclude in 2010; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

Senator Conroy—The Minister for Finance and Deregulation has supplied the following answer to the honourable senator’s question:

(1) (a) One, the NSW & QLD Federal Redistribution Statutory Review. (b) This review commenced on 19 February 2009 and is likely to conclude in December 2009.

(2) (a) One, the VIC Federal Redistribution Statutory Review. (b) This review is likely to commence January or February 2010 and conclude in January or February 2011.

Climate Change and Water: Statutory Reviews
(Question No. 1525)

Senator Minchin asked the Minister for Climate Change and Water, upon notice, on 18 May 2009:

(1) (a) How many and which statutory reviews are due to commence and/or conclude in 2009; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

(2) (a) How many and which statutory reviews are due to commence and/or conclude in 2010; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

Senator Wong—The answer to the honourable senator’s question is as follows:

Climate Change
No legislation administered by the agencies in the climate change portfolio includes a statutory review process for 2009 or 2010.

Water
In relation to my ministerial responsibilities, there are no statutory reviews due to commence and/or conclude under the Water Act 2007 in 2009 or 2010.

Attorney-General: Statutory Reviews
(Question Nos 1527 and 1532)

Senator Minchin asked the Minister representing the Attorney-General and the Minister representing the Minister for Home Affairs, upon notice, on 18 May 2009:

With reference to all legislation administered within your portfolio:
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(1) (a) How many and which statutory reviews are due to commence and/or conclude in 2009; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.
(2) (a) How many and which statutory reviews are due to commence and/or conclude in 2010; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

Senator Wong—The Attorney-General and the Minister for Home Affairs have provided the following answer to the honourable senator’s question:

Statutory Reviews commencing and/or concluding in 2009/10 (Total = 6)

<table>
<thead>
<tr>
<th>Title</th>
<th>Commencement</th>
<th>Conclusion / Expected Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity – Inquiry into the operation of the Law Enforcement Integrity Commissioner Act 2006</td>
<td>14 May 2008</td>
<td>23 February 09</td>
</tr>
<tr>
<td>Parliamentary Joint Committee on Intelligence and Security - Review of Administration and Expenditure No. 6</td>
<td>2008</td>
<td>2009</td>
</tr>
<tr>
<td>Parliamentary Joint Committee on Intelligence and Security - Review of Administration and Expenditure No. 7</td>
<td>2009</td>
<td>2009</td>
</tr>
<tr>
<td>Statutory Review of Part 1D of the Crimes Act 1914</td>
<td>November 2009</td>
<td>Unknown</td>
</tr>
</tbody>
</table>

Resources and Energy: Statutory Reviews
(Question Nos 1530 and 1531)

Senator Minchin asked the Minister representing the Minister for Resources and Energy and the Minister representing the Minister for Tourism, upon notice, on 18 May 2009:
With reference to all legislation administered within your portfolio:
(1) (a) How many and which statutory reviews are due to commence and/or conclude in 2009; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.
(2) (a) How many and which statutory reviews are due to commence and/or conclude in 2010; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

Senator Carr—The Minister for Resources and Energy and the Minister for Tourism have provided the following reanswers to the honourable senator’s questions:
(2) (a) Currently there are no anticipated statutory reviews due to commence or conclude in 2010. (b) Not applicable.
Housing, Status of Women: Statutory Reviews
(Question Nos 1536 and 1537)

Senator Minchin asked the Minister representing the Minister for Housing and the Minis-
ter representing the Minister for the Status of Women, upon notice, on 18 May 2009:
With reference to all legislation administered within your portfolio:
(1) (a) How many and which statutory reviews are due to commence and/or conclude in 2009; and (b)
what are the specified timelines for the commencement and conclusion of each these reviews.
(2) (a) How many and which statutory reviews are due to commence and/or conclude in 2010; and (b)
what are the specified timelines for the commencement and conclusion of each these reviews.

Senator Wong—The Minister for Housing and Minister for the Status of Women has pro-
vided the following answer to the honourable senator’s question:
Please refer to Senator Evans’ response to Question No. 1520 on behalf of the Minister for Families,
Housing, Community Services and Indigenous Affairs.

Small Business, Independent Contractors and the Service Economy: Statutory Reviews
(Question No. 1540)

Senator Minchin asked the Minister representing the Minister for Small Business, Inde-
pendent Contractors and the Service Economy, upon notice, on 18 May 2009:
With reference to all legislation administered within your portfolio:
(1) (a) How many and which statutory reviews are due to commence and/or conclude in 2009; and (b)
what are the specified timelines for the commencement and conclusion of each these reviews.
(2) (a) How many and which statutory reviews are due to commence and/or conclude in 2010; and (b)
what are the specified timelines for the commencement and conclusion of each these reviews.

Senator Carr—The Minister for Small Business, Independent Contractors and the Service
Economy has provided the following answer to the honourable senator’s question:
(1) (a) There are no statutory reviews due to commence and/or conclude in 2009. (b) As the answer to
part (a) of this question is in the negative, it is not necessary to answer part (b) of this question.
(2) (a) There are no statutory reviews due to commence and/or conclude in 2010. (b) As the answer to
part (a) of this question is in the negative, it is not necessary to answer part (b) of this question.

Health and Ageing: Patents
(Question No. 1547)

Senator Cormann asked the Minister representing the Minister for Health and Ageing,
upon notice, on 19 May 2009:
(1) With reference to any genetic test or biopharmaceutical, has the department ever considered apply-
ing for a compulsory license under section 133 of the Patents Act 1990; if so, can details be pro-
vided identifying the test or biopharmaceutical and the respective patent or patents applying
thereto.
(2) Was any application by the department for a compulsory license successful; if so, can details be
provided in order to identify the application and an accurate summary of the terms of the compul-
sory license; if not, can an explanation be provided in relation to each unsuccessful application.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer
to the honourable senator’s question:
(1) No.
(1) Not applicable.

Health and Ageing: Health Tests
(Question No. 1548)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 20 May 2009:

(1) What genetic tests are funded, directly or indirectly, by the Commonwealth for the provision of health care in Australia.

(2) For each test identified in (1) above:
   (a) what is the relevant disease, illness, or condition being tested;
   (b) what has been the total amount of Commonwealth expenditure to date to fund the test and can that amount be broken down into:
      (i) expenditure for 2008, and
      (ii) anticipated funding for 2009; and
   (c) does a patent application or patent apply to, or is associated with, that test; if so, can details be provided on that patent application or patent.

(3) Can a list be provided identifying any documents which are in the possession of the department referring or relating to the impact that such genetic tests have on:
   (a) the provision and cost of health care in Australia;
   (b) the provision of training and accreditation for health care professions;
   (c) the progress in medical research; and
   (d) the health and wellbeing of the Australian people.

(4) For each document identified in (3) above, can an accurate summary of its contents be provided.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) There are 16 genetic tests funded directly by the Department of Health and Ageing under the Medical Benefits Schedule (MBS). Further information is available at: http://www.health.gov.au/internet/mbsonline/publishing.nsf/Content/B1597A1010C947C3CA2579900203FB/$File/200905-Cat6.pdf (see Group P7 - Genetics) The Australian Government also indirectly contributes to other genetic tests and services which are funded by States and Territories through the National Healthcare Agreements (NHA). However, expenditure on genetic testing through NHAs is not identified separately so a specific breakdown cannot be provided.

Genetic tests may also be funded through private health insurance. Private health insurance is indirectly funded by the Commonwealth Government through the private health insurance rebate. However, expenditure on genetic testing through private health insurance is not identified separately in the Private Health Insurance Administration Commission data collection, so a specific breakdown cannot be provided.

(2) Commonwealth Expenditure on Genetic Testing under the MBS
   2007-08: $20,538,574 (including safety net)
   2008-09: $21,408,455 (projected benefits including safety net)

Private health insurers may pay benefits for genetic tests as part of hospital treatment or general treatment. Where a person holds a policy covering hospital treatment for a genetic test for which a
Medicare benefit is payable the private health insurer will have to pay at least 25% of the MBS fee, (or the balance payable after the first 75% is paid by Medicare if the charge is less than 100% of the schedule fee).

Private health insurers can choose to pay benefits for genetic testing in respect of general treatment. However, benefits cannot be paid in respect of general treatment where the test is listed on the MBS.

Further information regarding the relevant diseases, illnesses, conditions, or funding and any patients associated with genetic tests is not available in an aggregated format and its compilation would involve a significant diversion of resources, which I am not prepared to authorise.

(3) The Department is unable to provide this level of detail as the considerable work involved would require a significant diversion of resources from other departmental operations which I am not prepared to authorise. Part 3 draws directly from the Terms of Reference for the Senate Inquiry into Gene Patenting. The Department’s submission to the Inquiry provides a summary of the key issues addressed in the Terms of Reference. It is available on the website of the Senate Community Affairs Committee at http://www.aph.gov.au/senate/committee/clac_ctte/index.htm.

(4) Refer to Part 3.

**Health and Ageing: Health Tests**

(Question No. 1549)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 20 May 2009:

(1) What diagnostic tests are funded, directly or indirectly, by the Commonwealth for the provision of health care in Australia.

(2) For each test identified in (1) above:

(a) what is the relevant disease, illness, or condition being tested;

(b) what has been the total amount of Commonwealth expenditure to date to fund the test and can that amount be broken down into:

(i) expenditure for 2008, and

(ii) anticipated funding for 2009; and

(c) does a patent application or patent apply to, or is associated with, that test; if so, can details be provided on that patent application or patent.

(3) Can a list be provided identifying any documents which are in the possession of the department referring or relating to the impact that such diagnostic tests have on:

(a) the provision and cost of health care in Australia;

(b) the provision of training and accreditation for health care professions;

(c) the progress in medical research; and

(d) the health and wellbeing of the Australian people.

(4) For each document identified in (3) above, can an accurate summary of its contents be provided.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) There are approximately 470 items on the Pathology Services Table of the Medicare Benefits Schedule (MBS). These tests are widely used in the diagnosis and management of a range of conditions. There are approximately 580 items on the Diagnostic Imaging Services Table of the MBS.
These tests are widely used in the diagnosis and management of a range of conditions. Further information is available at:
http://www.health.gov.au/internet/mbsonline/publishing.nsf/Content/B1597A1010C947C3CA257599000203FB/$File/200905-Cat6.pdf (pathology services) and

The Australian Government indirectly contributes to other diagnostic tests which are funded by States and Territories through the National Healthcare Agreements (NHA). However, expenditure on diagnostic testing through NHAs is not identified separately so a specific breakdown cannot be provided.

Diagnostic tests may also be funded through private health insurance. Private health insurance is indirectly funded by the Commonwealth Government through the private health insurance rebate. However, expenditure on diagnostic testing through private health insurance, is not identified separately in the Private Health Insurance Administration Commission data collection, so a specific breakdown cannot be provided.

(2) Commonwealth Expenditure on the Pathology Services Table of the MBS
2007-08: $1,875,784,758.99 (includes safety net)
2008-2009: $1,994,955,590.16 (projected benefits)

Commonwealth Expenditure on the Diagnostic Imaging Services Table of the MBS
2007-08: $1,825,548,529 (includes safety net)
2008-09: $1,939,233,274 (projected benefits including safety net)

Private health insurers may pay benefits for diagnostic tests as part of hospital treatment or general treatment. Where a person holds a policy covering hospital treatment for a genetic test for which a medicare benefit is payable, the private health insurer will have to pay at least 25% of the MBS fee, (or the balance payable after the first 75% is paid by Medicare if the charge is less than 100% of the schedule fee).

Private health insurers can choose to pay benefits for diagnostic testing in respect of general treatment. However, benefits cannot be paid in respect of general treatment where the test is listed on the MBS.

Further information regarding the relevant diseases, illnesses, conditions, or funding and any patients associated with diagnostic tests is not available in an aggregated format and its compilation would involve a significant diversion of resources, which I am not prepared to authorise.

(3) The Department is unable to provide this level of detail as the considerable work involved would require a significant diversion of resources from other departmental operations which I am not prepared to authorise. Part 3 draws directly from the Terms ofReference for the Senate Inquiry into Gene Patenting. The Department’s submission to the Inquiry provides a summary of the key issues addressed in the Terms of Reference. It is available on the website of the Senate Community Affairs Committee at:

(4) Refer to Part 3.

Health and Ageing: Biopharmaceutical Funding
(Question No. 1550)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 20 May 2009:
(1) What biopharmaceuticals are funded, directly or indirectly, by the Commonwealth for the provision of health care in Australia.

(2) For each biopharmaceutical identified in (1) above:
   (a) what is the relevant disease, illness, or condition being tested;
   (b) what has been the total amount of Commonwealth expenditure to date to fund the biopharmaceutical and can that amount be broken down into:
      (i) expenditure for 2008, and
      (ii) anticipated funding for 2009; and
   (c) does a patent application or patent apply to, or is associated with, that biopharmaceutical; if so, can details be provided on that patent application or patent.

(3) Can a list be provided identifying any documents which are in the possession of the department referring or relating to the impact that such biopharmaceuticals have on:
   (a) the provision and cost of health care in Australia;
   (b) the provision of training and accreditation for health care professions;
   (c) the progress in medical research; and
   (d) the health and wellbeing of the Australian people.

(4) For each document identified in (3) above, can an accurate summary of its contents be provided.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) Information regarding the direct Commonwealth funding of biopharmaceuticals is not available in an aggregated format and its compilation would involve a significant diversion of resources which I am not prepared to authorise.

The Australian Government also indirectly contributes to other biopharmaceuticals, which are funded by States and Territories through the National Healthcare Agreements (NHA). However, expenditure on biopharmaceuticals through NHAs is not identified separately so a specific breakdown cannot be provided.

Biopharmaceuticals may also be funded through private health insurance. Private health insurance is indirectly funded by the Commonwealth Government through the private health insurance rebate. However, expenditure on biopharmaceuticals through private health insurance, is not identified separately in the Private Health Insurance Administration Commission data collection, so a specific breakdown cannot be provided.

If a pharmaceutical forms part of general treatment and there is a ‘supply’ of that drug to an individual on the Pharmaceutical Benefits Scheme (PBS), a private health insurance benefit cannot be payable. However, if there is no ‘supply’ of that drug, a health insurer may choose whether or not to pay a benefit.

In many cases private health insurers choose to pay a limited general treatment benefit for pharmaceuticals that are not listed on the PBS and do not pay anything for pharmaceuticals that are listed on the PBS, regardless of whether they are ‘supplied’ on the PBS.

If a pharmaceutical which is supplied on the PBS is covered in a policy for hospital treatment or hospital-substitute treatment, a benefit may be payable in respect of the co-payment.

(2) Refer to Part 1.

(3) Part 3 draws directly from the Terms of Reference for the Senate Inquiry into Gene Patenting. The Department is unable to provide this level of detail as the considerable work involved would require a significant diversion of resources from other departmental operations which I am not pre-
pared to authorise. The Department’s submission to the Inquiry provides a summary of the key issues addressed in the Terms of Reference. It is available on the website of the Senate Community Affairs Committee at http://www.aph.gov.au/senate/committee/clac_ctte/index.htm.

(4) Refer to Part 3.

Health and Ageing: Patents
(Question No. 1551)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 20 May 2009:

With reference to any genetic test or biopharmaceutical, has the department ever considered invoking Crown use under section 163 of the Patents Act 1990; if not, why not; if so: (a) what was the test or biopharmaceutical and the respective patent or patents applying thereto; and (b) what were the terms of the Crown use in each instance.

Senator Ludwig—the Minister for Health and Ageing has provided the following answer to the honourable senator’s question:
The Department has not sought agreement from the Minister to exploit an invention by the crown under section 163 of the Patents Act 1990. This action has not been necessary to achieve affordable access to healthcare.

Health and Ageing: Patents
(Question No. 1552)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 20 May 2009:

(1) Has the department considered opposing the grant of any patent, or applying to revoke any granted patent, concerning or relating to a: (a) biopharmaceutical; (b) genetic test; or (c) diagnostic test.

(2) For each instance where the department considered opposing the grant of any patent, or applying to revoke any granted patent in (1) above, can details be provided of deliberations and reasons why action was/was not taken.

Senator Ludwig—the Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) No.

(2) Not applicable.

Prime Minister: Appointed Groups
(Question Nos 1553 to 1588)

Senator Cormann asked the Minister representing the Prime Minister in the Senate and other ministers, upon notice, on 20 May 2009:

Can details be provided, as at 2 February 2009, of the place of residence, by state or territory, of all appointees to the following appointed groups across the Minister’s portfolio:

(a) authorities;

(b) committees;

(c) boards;

(d) working groups; and

(e) any similar groups appointed by the Minister or the department.
Senator Chris Evans—The Prime Minister has provided the following answer on behalf of all ministers to the honourable senator’s question:
To supply the State place of residence, by State or Territory, of appointees as requested in the Honourable Senator’s question, where the information is not readily available, would be a resource intensive exercise. I am therefore not prepared to authorise the considerable resources and effort required to provide the information requested.

Australian Federal Police
(Question No. 1589)

Senator Cormann asked the Minister representing the Minister for Home Affairs, upon notice, on 20 May 2009:

1. How do secondment arrangements to the Australian Federal Police (AFP), including airport uniformed police officers, differ between the various states and territories.
2. Do different rates of pay apply to seconded officers from different jurisdictions; if so, what are the standard rates of pay for each jurisdiction, that apply to officers seconded to the AFP.
3. In regard to (1) above, are there any differences, financial or otherwise, in arrangements between the Commonwealth and individual state and territory jurisdictions at government to government level.
4. Has any consideration been given to standardising secondment pay and other arrangements between the Commonwealth and the states and territories; if not, why not.
5. How do pay rates vary between seconded and non-seconded sworn officers.
6. How are the components of the remuneration package of seconded officers divided between the Commonwealth and the states and territories (i.e. including accrued leave, long-service, personal leave, wages, superannuation and any other non-financial benefits) for sworn offices from each state and territory jurisdiction.

Senator Wong—The Minister for Home Affairs has provided the following answer to the honourable senator’s question:

1. There are two current models of employment under the Airport Uniformed Policing (AUP).
   (a) The first arrangement is the Secondment Model where members from state and territory police services are appointed as special members of the Australian Federal Police (AFP) under section 40E of the Australian Federal Police Act 1979 (the AFP Act) to assist the AFP in the performance of its functions under the Unified Policing Model. These special members remain employed under their home jurisdiction’s terms and conditions of employment. Currently the police services under this employment model consist of Tasmania Police, Northern Territory Police and the New South Wales Police Force.
   (b) The second arrangement is the Leave Without Pay (LWOP) model where members are appointed as AFP special members under section 40E of the AFP Act. These special members are governed by a Determination made under subsection 40E(1) of the AFP Act, which sets out the terms and conditions of employment similar to those in the AFP Collective Agreement 2007-2011. Currently the state and territories on the LWOP model consist of Victoria Police, South Australia Police, Western Australia Police and Queensland Police.

2. Yes, different rates of pay apply to AUP members depending on their mode of employment.
   (a) Rates of pay for members under the Secondment Model are individually governed by their home jurisdiction terms and conditions of employment and pay.
(b) The special members on the LWOP model are governed in accordance with the AFP Collective Agreement pay scales.

(3) Financial arrangements between the AFP and the respective state and territory police services are governed by individual Memoranda of Understanding between the agencies, rather than at the government level. Under these arrangements, there are differences in administrative and on-costs. The differences are based upon what is individually agreed between the AFP and each state/territory jurisdiction. The variances between jurisdictions are largely based on whether administrative and on-costs are based on a nominal amount or an agreed base wage percentage. With respect to base salary expenses for seconded state and territory police under the LWOP model, a no-disadvantage test is applied in translating the officers’ base salary from their home jurisdiction to the AFP salary scale.

(4) Yes, the AFP has commenced activities including negotiation with respective state and territory police jurisdictions to standardise overall terms and conditions of seconded officers, where this is cost-effective and achievable.

(5) Non-seconded AFP personnel and seconded state police under the LWOP model are remunerated consistently in accordance with the pay rates contained in the AFP Collective Agreement 2007-2011. Seconded state and territory police under the Secondment Model are remunerated in accordance with the distinct arrangements made by their home jurisdiction police force.

(6) Components of the remuneration package of the seconded officers vary according to the model they are seconded under. For example, if the special member remains under their home jurisdiction they would maintain their accrued leave, wages, personal leave and superannuation as they would have they remained working in their home jurisdiction.

_Employment and Workplace Relations: Superannuation Fees_  
(Question No. 1596)

_Senator Cormann_ asked the Minister representing the Minister for Employment and Workplace Relations, upon notice, on 22 May 2009:

(1) With reference to the Minister’s repeatedly stated concern about superannuation fees and charges, does the Minister, the Minister’s office or the department actively monitor fee increases in the industry.

(2) Is the Minister aware that one of the major funds nominated as a default fund in many awards announced a 50 per cent increase in fees with effect from 1 January 2009.

(3) Is the Minister concerned about this fee increase.

(4) Is the Minister concerned that Australian workers will be automatically enrolled in this fund without their express consent.

(5) Will the Minister communicate to the Australian Industrial Relations Commission and/or Fair Work Australia: (a) his concern about this cost increase; and (b) that at least four or five funds should be nominated in each modern award to ensure employers have a choice and can avoid funds that inappropriately raise fees; if not, why not.

(6) Has the Minister sought and received any advice from the department about default fund fee increases; if not, why not.

(7) Did the Minister receive advice about default fund fee increases; if so, can a copy of that advice be provided; if not, why not.

_Senator Arbib_—The answer to the honourable senator’s question is as follows:

(1) Portfolio responsibility for superannuation matters rests with The Hon Chris Bowen MP, Minister for Superannuation and Corporate Law. Minister Bowen has asked APRA to enhance its superan-
nation statistical collections and publications, including data on superannuation fees and charges at the fund level. On 25 May 2009, APRA released a discussion paper which invited comments on a range of options for developing improved collections and reports.

I note that the Australian Securities and Investments Commission (ASIC) automatically collects some superannuation fee data in product disclosure statements when product issuers update or roll these over and advise ASIC.

The Minister has asked the Australian Prudential Regulation Authority (APRA) to examine and report on the extent to which superannuation funds are charging increased fees on employee’s superannuation when they are retrenched or change employers.

(2) I am aware that AustralianSuper announced an increase in its weekly fees from $1 to $1.50 which took effect on 1 January 2009. I understand that this increase represented the first increase in several years.

I note that a Super Ratings Media release dated 2 April 2009 reports that over the last five years, AustralianSuper’s balanced option returned, on average, 6.1 per cent per annum compared to an industry average of 3.7 per cent.

I also note that if an employee is concerned about the fee increase they can choose another fund to which their superannuation contributions are paid.

(3) The Government is conscious of the impact that fees have on the retirement savings of working Australians. This is why it has announced the Review into the governance, efficiency and structure and operation of Australia’s superannuation system. The Review will examine ways to boost the retirement savings of all Australians by increasing efficiencies, reducing costs and fees and in turn lifting long-term rates of return. I note that if an employee is concerned about the fee increase they can choose another fund into which their superannuation contributions are paid.

(4) The Australian Industrial Relations Commission (the Commission), following extensive stakeholder consultation, arrived at the decision to nominate certain default funds. Default funds are a key aspect of the superannuation system which ensures employees can receive their compulsory superannuation guarantee contributions where they do not exercise their right to choose a fund. Employees are still able to nominate any superannuation fund they choose under Choice of Fund legislation and are also free to include a different superannuation fund in a collective agreement.

(5) The variation of arrangements within superannuation funds over time is to be expected and it would not be appropriate to write to the Commission every time such a variation occurs. A regular review process exists in the Fair Work Act 2009 to ensure that modern awards remain appropriate and best reflect the objects underpinning their creation.

(6) I have not sought, nor received, advice for my department about default fund fee increases. This is a matter appropriately dealt with by the Minister for Superannuation and Corporate Law.

(7) I have not received advice on default fund fee increases.

**Carbon Pollution Reduction Scheme**

(Question No. 1598)

Senator Cormann asked the Minister for Climate Change and Water, upon notice, on 25 May 2009:

(1) (a) Since November 2007, which peak industry associations representing the gold industry have met the Minister, her office or the department to discuss the Government’s Carbon Pollution Reduction Scheme; and (b) for each meeting, on what date was the meeting held and who were the attendees.
(2) Has the Minister, her office or the department met with the Gold Forum, established by the Minerals Council of Australia, to discuss the emissions-intensive trade-exposed definitions under the proposed Carbon Pollution Reduction Scheme; if so, for each meeting, on what date was the meeting held and who were the attendees.

(3) When will the department commence the gold industry activity definitions workshop (ADW) in relation to sectoral activities definition under the Carbon Pollution Reduction Scheme.

(4) How did the Minister determine priorities when scheduling ADW’s.

(5) Given the gold industry’s place as Australia’s third largest export earner for the 2008-09 financial year, did the Minister take into account the relative value of industry when failing to prioritise for an ADW.

Senator Wong—The answer to the honourable senator’s question is as follows:

(1) I have met with representatives of the minerals industry on several occasions. Meetings with industry are conducted with the expectation that the privacy of the meeting will be respected.

My office and the Department of Climate Change have met with representatives of the gold industry to discuss the eligibility of gold mining for emissions-intensive trade-exposed (EITE) assistance under the Carbon Pollution Reduction Scheme (CPRS).

On 10 November 2008, the Secretary of the Department of Climate Change, Dr Martin Parkinson, and the First Assistant Secretary, Mr Barry Sterland, met with Mr Mitch Hooke from the MCA to discuss the proposed CPRS as outlined in the Government’s Green Paper.

On 25 November 2008, the Deputy Secretary of the Department of Climate Change, Mr Blair Comley, met with Mr Brendan Pearson and Mr Stephen Deady from the MCA to discuss the MCA’s proposed approach to emissions-intensive trade-exposed (EITE) assistance.

(2) On 2 September 2008, the Department of Climate Change (the Department) held a workshop with Australian non-ferrous metal producers, including Mr Brendan Pearson from the Minerals Council of Australia and Mr Graham Ehm and Mr Mike LeRoy from AngloGold Ashanti, to discuss the proposed approach for identifying EITE activities and key data being sought by the Department.

On 27 February 2009, the Department held a teleconference with the Gold Forum to discuss data requirements for the preliminary EITE assessment process and to gain an understanding of the potential activity of gold mining and processing. Attendees from the Gold Forum included Mr Mike LeRoy from AngloGold Ashanti, Mr Phil Duce from Barrick Gold of Australia, Mr Greg Morris from Newcrest Mining, Mr Bryan Williams from Newmont Asia Pacific, Mr Jeff Waddington from St Barbara, and Mr Mark Zeptner from Goldfields Australia.

(3) The Government is committed to ensuring that regulations in relation to the EITE assistance program are made by 1 July 2010. To achieve this goal, tranches of draft regulations will be released in the intervening period. This is important to provide investment certainty to industry in the lead up to the commencement of the CPRS on 1 July 2011.

The Department is continuing to work closely with stakeholders to determine the activities that will be eligible for EITE assistance and included in the regulations. The Department is continuing to work through activities that were initially listed in the Guidance Paper as potentially eligible EITE activities and activities that have been brought forward in the preliminary assessment process.

The Department is currently analysing the data submitted by the gold industry for the purpose of the preliminary assessment of the proposed activity of gold mining and processing. On the completion of this analysis, the Department will make a recommendation to the industry as to whether the activity of gold mining and processing demonstrates the potential to be eligible for EITE assistance. Following this recommendation, if the industry decides to proceed to a formal assessment, a workshop will be scheduled to develop an activity definition.
(4) In the CPRS Green Paper, the Government requested information from entities pertaining to the emissions intensities of parts of their production processes. The Government examined these data carefully during the latter half of 2008 and, in some cases assessed that it was very likely that certain activities demonstrated the potential to meet the EITE eligibility criteria. The production processes the Government believed were likely to be activities eligible for EITE assistance were listed in the Guidance Paper: Assessment of activities for the purpose of the emissions-intensive trade-exposed assistance program.

The Department has conducted workshops for all listed activities in the weeks following the release of the Guidance Paper.

Entities conducting production processes that were not listed in the Guidance Paper, who wish to have their activities considered for EITE assistance, may request a preliminary assessment. The Department will conduct workshops for activities that are advised of the outcome of their preliminary assessment and decide to proceed to formal assessment.

(5) The Government received useful emissions and production data from many industries following the release of the Green Paper. Industries that provided comprehensive and transparent data demonstrating clear potential to be eligible for EITE assistance were listed as priorities for assessment in the Guidance Paper.

All other activities are required to undertake a preliminary assessment. The preliminary assessment process is designed to avoid entities expending resources unnecessarily on the rigorous formal assessment process if they are unlikely to be conducting activities that will meet the eligibility criteria for EITE assistance.

As indicated in question three above, the EITE assessment process is being conducted to meet the Government’s commitment to ensuring regulations are made by 1 July 2010.

Energy

(Question No. 1600)

Senator Milne asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 26 May 2009:

(1) Is it the case that body corporates are not eligible to receive any Federal Government solar rebate funding for the installation of solar panels for energy use in common areas; if so: (a) why do they not meet established eligibility criteria; and (b) why have they been excluded.

(2) Does the Government support body corporates adopting solar technology in common areas; if so, what mechanisms and/or initiatives are in place to demonstrate such a commitment; if not, why not.

(3) Given that a home owner and/or landlord may apply for solar rebate funding under a variety of initiatives, including the Solar Homes and Communities Plan and that, in contrast, body corporate unit owners are required to pay part of electricity costs to body corporates, who in turn are ineligible themselves for a rebate for the installation of solar panels for energy use in common areas, will the Government reconsider the eligibility of body corporates for solar rebate funding; if not, why not.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

(1) Yes. Body corporates were not eligible for a rebate under the Solar Homes and Communities Plan as a rebate would only be paid to owner occupiers who own the entire system. The program guidelines state:
“Owner occupied houses and owner occupied units within a body corporate may be principal places of residence. An owner of a unit within an existing multi-unit development may be eligible for a rebate where he or she is the owner occupier of an individual unit and will be the owner of the entire photovoltaic system.”

The eligibility criteria excluded body corporates, as the Solar Homes and Communities Plan was primarily aimed at assisting individual households with the upfront cost of solar photovoltaic ownership.

(2) Yes. The Government supports the installation of photovoltaic systems and is providing ongoing support through the Renewable Energy Target scheme.

(3) No, as the Solar Homes and Communities Plan is no longer accepting applications.

Under the Renewable Energy Target, if the body corporate is a legal person and is the owner of the Small Generation Unit at the time it is still installed, they are eligible to create Renewable Energy Certificates (RECs) or assign the RECs to a Registered Agent. If the body corporate is not a legal person, a legal person must act on behalf of the body corporate to be eligible to create RECs or assign the RECs to a Registered Agent.

Tasmania: Richmond Bridge
(Question No. 1602)

Senator Milne asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 26 May 2009:

With reference to the answer to question on notice no. 1389 (Senate Hansard, 14 May 2009, p.125):

(1) In the interests of ensuring Commonwealth Government compliance with the spirit and intent of the Environment Protection and Biodiversity Conservation Act 1999 and in the interests of applying Commonwealth controls to the potentially-threatening activity of heavy vehicle traffic across the Richmond Bridge, will the Commonwealth Government ensure that a reduced load limit is placed on the bridge by the Tasmanian Government as a condition of finalising the management plan; if not, why not.

(2) In regard to the Commonwealth Government’s allocation of funds in 2007 to assist the Tasmanian Government in conducting laser scans of the Richmond Bridge:
(a) how were the details and structural findings of the laser scan incorporated into the current draft conservation management plan and/or the final conservation management plan; and
(b) was any structural analysis a requirement for the preparation of the draft and/or final management plans; if not, why not.

(3) What rights, obligations and/or responsibilities does the Commonwealth Government have regarding:
(a) the protection of structures, for example Richmond Bridge, which are listed on the National Heritage List (NHL) and owned by state governments; and
(b) the protection of structures such as buildings that are privately-owned and listed on the NHL.

(4) Given that the current draft conservation management plan for the Richmond Bridge has recommended the current load limit of 25 tonnes remain the same:
(a) when did the Commonwealth Government express its concern to the Tasmanian Government regarding heavy vehicles being driven across the bridge;
(b) what Commonwealth Government key concerns were expressed to the Tasmanian Government;
(c) what action, if any, did the Commonwealth Government request the Tasmanian Government to undertake to mitigate and/or eliminate expressed concerns; and
(d) what was the Tasmanian Government’s response to these expressed concerns and is the Commonwealth Government satisfied with its response; if not, why not.

(5) In regard to the allocation of funds for the 2007-08 financial year to prepare a new conservation management plan for the Richmond Bridge:
(a) who or which department informed the Commonwealth Government that a structural analysis of the bridge was not required and/or necessary;
(b) what reasons were provided to demonstrate that a structural analysis was not required or necessary; and
(c) when did such discussions, either written or verbal, take place.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

(1) Under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) the Commonwealth must use its best endeavours to ensure that the responsible State or self-governing Territory makes a management plan for a National Heritage place in the State or Territory. However, the Commonwealth has no statutory power to approve the plan. The Commonwealth Government does not, therefore, have power under the EPBC Act to require that the conservation management plan for Richmond Bridge include a reduced traffic load. The provisions regarding National Heritage in the EPBC Act which are discussed further below in relation to questions 3(a) and 3(b) reflect the scope of the Commonwealth’s constitutional power in relation to National Heritage. This is less extensive than its constitutional power in other areas regulated by the Act such as, for example, World Heritage.

(2) (a) Discussion on the use of the laser scan results can be found in a number of sections of the current draft conservation management plan (June 2008 version), but particularly in Section 7.5.3 (pg 174) and Table 15 (pg 183).
(b) See the answer to question 1 above that refers to the extent of Commonwealth power in this regard.

(3) (a) The EPBC Act prohibits certain actions that will have or are likely to have a significant impact on the National Heritage values of a National Heritage place unless the action has been referred under the Act and the Minister has approved the action (or some other provision in the Act allows the action to be taken). The National Heritage provisions apply to a range of actions including actions by constitutional corporations or by the Commonwealth, actions taken for the purpose of interstate and international trade and commerce, actions taken in a Commonwealth area (defined by section 525) or a Territory, and actions that are likely to affect an area protected by Article 8 of the Convention on Biological Diversity. While there is no general provision in the Act which applies to National Heritage places owned by State governments, some actions in relation to State owned places may be subject to the Act because they fall within the specific provisions.
(b) Whether an action that affects a privately owned building or structure in a National Heritage place requires approval under the Act will depend on whether the action falls within the classes of actions prohibited by the National Heritage provisions, for example, because the action was taken by a constitutional corporation or because the property is in a Commonwealth area or a Territory.
The Commonwealth Minister for the Environment, Heritage and the Arts is responsible for making a National Heritage management plan for any National Heritage place (privately or...
publicly owned) that is wholly located in a Commonwealth area. The Commonwealth and Commonwealth agencies must not contravene, or authorise any other person to contravene the plan. If there is no plan in place the Commonwealth and Commonwealth agencies must take all reasonable steps to ensure that any actions that they take relating to the place are consistent with the National Heritage management principles.

If a National Heritage place (whether privately or publicly owned) is located in a State or Territory the Commonwealth and Commonwealth agencies must take all reasonable steps to ensure that their powers and functions in relation to the place are exercised consistently with a National Heritage management plan made by the responsible State or Territory, or if no plan has been prepared, the National Heritage management principles (found in the Environment Protection and Biodiversity Conservation Regulations).

The provisions of the Act which prohibit the taking of any action that will have or is likely to have a significant impact on the National Heritage values of a National Heritage place apply to the Commonwealth and Commonwealth agencies. In addition a Commonwealth agency must not take any action that is likely to have an adverse impact on the National Heritage place unless there is no feasible and prudent alternative to taking the action, and all measures that can reasonably be taken to mitigate the impact of the action are taken.

(4) (a) and (b) As early as 1999 the Commonwealth Government notified the Tasmanian Department of Infrastructure, Energy and Resources (DIER) of the Commonwealth’s concern over the passage of heavy traffic across Richmond Bridge. After the listing of Richmond Bridge in the National Heritage List, my Department formally wrote to DIER in July 2007 to express concern over speed limits, vehicle loading, and damage caused by vehicle accidents on the bridge. In comments sent to DIER in June 2008 on the draft conservation management plan (April 2008 version), my Department again raised the issue of damage to the fabric of the bridge by ongoing vehicle traffic.

(c) and (d) In the letter of July 2007, my Department requested that DIER reply with a statement of measures that DIER intended to immediately introduce to protect the heritage values of Richmond Bridge. A DIER response in August 2007 included a statement that traffic management in the precinct of the bridge was being reviewed, and that the findings would be incorporated into their review of the conservation management plan. A subsequent review of the draft conservation management plan received by my Department in May 2008 found deficiencies in the policies relating to managing the impact of vehicle traffic on the bridge. These concerns were forwarded to DIER in June 2008. DIER has subsequently informed my Department that revised traffic management policies are being incorporated into the final conservation management plan.

(5) (a), (b) and (c) My Department has not been informed that a structural analysis of Richmond Bridge is not required or is unnecessary. However, the draft conservation management plan includes the results of previous structural analyses, and recommends that vibration monitoring rather than a further structural study be employed for assessing the impact of vehicle load limits (pg 173).

Telstra

(Question No. 1603)

Senator Bob Brown asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 27 May 2009:

(1) Is there any requirement for Telstra to provide a free directory assistance number to the public?

(2) Is Telstra replacing the 12456 free directory assistance number with the Sensis 1234 number which will have a connection fee of 40 cents and 4 cents per second thereafter; if so, will the Government
act to ensure that Telstra also provides access to a free service and makes that number known to the public?

Senator Conroy—The answer to the honourable senator’s question is as follows:

(1) and (2) The provision of directory assistance services is regulated by the Telecommunications Act 1997 (the Act). Under the Act, every standard telephone service provider is required to make directory assistance services available to its customers.

The charge for directory assistance services is a commercial matter for the relevant service provider to decide, and the cost of directory assistance services may vary according to the service chosen and the service provider used to access the service.

The Numbering Plan 1997, which is administered by the Australian Communications and Media Authority (ACMA), specifies that 1223 is a low charge number. This means that calls to 1223 from any landline telephone service may not be charged above the cost of the highest Telstra local call charge. Currently, calls to 1223 are free for Telstra residential landline and payphone customers, while calls to 1223 from Telstra business and mobile customers are charged $0.50.

Under the Telstra Carrier Charges — Price Control Arrangements, Notification and Disallowance Determination No. 1 of 2005, Telstra is not permitted to increase its directory assistance charges without first seeking approval from the Government.

In addition to the 1223 number, Telstra offers several other directory assistance numbers for customers seeking value-added services. The 12456 directory assistance number offers an option to connect the caller to the requested number.

Telstra’s 1234 service is a personally assisted search service where callers can speak to an operator to request directory assistance as well as other information including travel directions, weather reports and movie times. The charge for calling this service is $1.40 per call. Standard rates apply to the connected call and additional charges apply to calls to 1234 from mobiles. A further charge of $0.88 applies if the caller wishes to be connected to the number requested.

Calls to Telstra’s 12456 and 1234 are charged at rates determined by the carrier, and have never been free services. The two services have coexisted for some time. We are unaware of any proposal by Telstra to change these arrangements. Further enquiries on this issue should be made to Telstra.

Prime Minister: Expenditure Review Committee
(Question No. 1604)

Senator Abetz asked the Minister representing the Prime Minister in the Senate, upon notice, on 27 May 2009:
(a) How many meetings of the Expenditure Review Committee have been held since the 2008-09 Budget.
(b) What were the dates of these meetings, and
(c) How many and which of these meetings did the Prime Minister attend.

Senator Chris Evans—The Prime Minister has provided the following answer to the honourable senator’s question:

There were 32 meetings of the Expenditure Review Committee of Cabinet between 13 May 2008 and 27 May 2009. The Prime Minister attended nine of these meetings.
Expenditure Review Committee
(Question No. 1605)

Senator Abetz asked the Minister representing the Treasurer, upon notice, on 27 May 2009:
(a) How many meetings of the Expenditure Review Committee have been held since the 2008-09 Budget;
(b) what were the dates of these meetings; and
(c) how many and which of these meetings did the Treasurer attend.

Senator Sherry—The Treasurer has provided the following answer to the honourable senator’s question:
There were 32 meetings of the Expenditure Review Committee of Cabinet (ERC) between the 2008-09 Budget night (13 May 2008) and 27 May 2009. The Treasurer attended all but three of the meetings.

Expenditure Review Committee
(Question No. 1606)

Senator Abetz asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 27 May 2009:
With reference to Expenditure Review Committee meetings since the 2008-09 Budget, how many and which of these meetings did the Minister attend.

Senator Conroy—The Minister for Finance and Deregulation has supplied the following answer to the honourable senator’s question:
There were 32 meetings of the Expenditure Review Committee of Cabinet between the 2008-09 Budget night (13 May 2008) and 27 May 2009. The Minister for Finance and Deregulation attended all but one of the meetings.