**INTERNET**


**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 Government Business in the Senate—Senator Hon. Joseph William Ludwig
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
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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

Prime Minister
Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion
Treasurer
Minister for Immigration and Citizenship and Leader of the Government in the Senate
Minister for Defence and Vice President of the Executive Council
Minister for Trade
Minister for Foreign Affairs and Deputy Leader of the House
Minister for Health and Ageing
Minister for Families, Housing, Community Services and Indigenous Affairs
Minister for Finance and Deregulation
Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate
Minister for Innovation, Industry, Science and Research
Minister for Climate Change and Water
Minister for the Environment, Heritage and the Arts Attorney-General
Cabinet Secretary, Special Minister of State and Manager of Government Business in the Senate
Minister for Agriculture, Fisheries and Forestry
Minister for Resources and Energy and Minister for Tourism
Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services

[The above ministers constitute the cabinet]
RUDD MINISTRY—continued

Minister for Veterans’ Affairs
Minister for Housing and Minister for the Status of Women
Minister for Home Affairs
Minister for Indigenous Health, Rural and Regional Health and Regional Services Delivery
Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs
Assistant Treasurer
Minister for Ageing
Minister for Early Childhood Education, Childcare and Youth and Minister for Sport
Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change
Minister for Employment Participation and Minister Assisting the Prime Minister on Government Service Delivery
Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government
Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water
Parliamentary Secretary for Western and Northern Australia
Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction
Parliamentary Secretary for International Development Assistance
Parliamentary Secretary for Pacific Island Affairs
Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade
Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion
Parliamentary Secretary for Multicultural Affairs and Settlement Services
Parliamentary Secretary for Employment
Parliamentary Secretary for Health
Parliamentary Secretary for Industry and Innovation

Hon. Alan Griffin MP
Hon. Tanya Plibersek MP
Hon. Brendan O’Connor MP
Hon. Warren Snowdon MP
Hon. Dr Craig Emerson MP
Senator Hon. Nick Sherry
Hon. Justine Elliot MP
Hon. Kate Ellis MP
Hon. Greg Combet AM, MP
Senator Hon. Mark Arbib
Hon. Maxine McKew MP
Hon. Dr Mike Kelly AM, MP
Hon. Gary Gray AO, MP
Hon. Bill Shorten MP
Hon. Bob McMullan MP
Hon. Duncan Kerr SC, MP
Hon. Anthony Byrne MP
Senator Hon. Ursula Stephens
Hon. Laurie Ferguson MP
Hon. Jason Clare MP
Hon. Mark Butler MP
Hon. Richard Marles MP
**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>
</tr>
<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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<td>Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House</td>
<td>The Hon. Christopher Pyne MP</td>
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<tr>
<td>Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design</td>
<td>The Hon. Andrew Robb AO, MP</td>
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<tr>
<td>Shadow Minister for Finance, Competition Policy and Deregulation</td>
<td>Senator the Hon. Helen Coonan</td>
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<tr>
<td>Shadow Minister for Human Services and Deputy Leader of The Nationals</td>
<td>Senator the Hon. Nigel Scullion</td>
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<tr>
<td>Shadow Minister for Energy and Resources</td>
<td>The Hon. Ian Macfarlane MP</td>
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<td>Shadow Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>The Hon. Tony Abbott MP</td>
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<tr>
<td>Shadow Special Minister of State and Shadow Cabinet Secretary</td>
<td>Senator the Hon. Michael Ronaldson</td>
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<td>The Hon. Greg Hunt MP</td>
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<td>Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts</td>
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[The above constitute the shadow cabinet]
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<td>Shadow Minister for Financial Services, Superannuation</td>
<td>The Hon. Chris Pearce MP</td>
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<td>Shadow Assistant Treasurer</td>
<td>The Hon. Tony Smith MP</td>
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<td>Shadow Minister for Sustainable Development and Cities</td>
<td>The Hon. Bruce Billson MP</td>
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<td>Shadow Minister for Competition Policy and Consumer Affairs and Deputy</td>
<td>Mr Luke Hartsuyker MP</td>
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<td>Manager of Opposition Business in the House</td>
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<td>Shadow Minister for Ageing</td>
<td>Mrs Margaret May MP</td>
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<td>The Hon. Bob Baldwin MP</td>
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<td>Shadow Minister for Early Childhood Education,</td>
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<td>The Hon. Sussan Ley MP</td>
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<td>Senator the Hon. Ian Macdonald</td>
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<td>Shadow Parliamentary Secretary for Roads and Transport</td>
<td>Mr Don Randall MP</td>
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<td>Shadow Parliamentary Secretary for Regional Development</td>
<td>Mr John Forrest MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for International Development Assistance and Shadow Parliamentary Secretary for Indigenous Affairs</td>
<td>Senator Marise Payne</td>
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Wednesday, 19 August 2009

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 9.30 am and read prayers.

BUSINESS

Rearrangement

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.31 am)—by leave—I move:

That consideration of government business continue from 6.50 pm till 7.20 pm today.

Question agreed to.

RENEWABLE ENERGY (ELECTRICITY) AMENDMENT BILL 2009

RENEWABLE ENERGY (ELECTRICITY) (CHARGE) AMENDMENT BILL 2009

Second Reading

Debate resumed from 18 August, on motion by Senator Carr:

That these bills be now read a second time.

Senator IAN MACDONALD (Queensland) (9.31 am)—As my colleagues in this debate have indicated, the coalition supports a sensible renewable energy target and supports legislation which will establish the rules surrounding a renewable energy target. We do this, however, subject to the government negotiating with us to allow for the amendments that we have proposed and that we believe need to be addressed to make the Renewable Energy (Electricity) Amendment Bill 2009 and the Renewable Energy (Electricity) (Charge) Amendment Bill 2009 appropriate for Australia. I want to come to that later.

For a long time—in government and in opposition—the coalition have supported renewable energy. One reason for that is for the new generation of electricity generators out there. I want to alert the Senate to the work that Mackay Sugar is doing with renewable energy. Mackay Sugar effectively controls all of the sugar mills in the Mackay district. Mackay is one of the biggest sugar-growing districts in Australia and, indeed, the world. Mackay Sugar is a public company but is principally owned by the people of Mackay and the cane farmers of Mackay. They have a cogeneration project that I was pleased to go and have a look at when I went to Mackay with Senator Cormann’s Senate Select Committee on Fuel and Energy, looking into the ETS and renewable energy. Whilst in Mackay we had a look over Mackay Sugar and had a talk to the chairman of directors, the chief executive and other executives of the company. Mackay Sugar is proposing through a cogeneration project to put some 206,000 megawatts of renewable electricity into the Mackay grid every year. Some 33 per cent of Mackay’s power will be generated by the sugar industry in Mackay. They will, in doing this, save some 200,000 tonnes of greenhouse gases every year. This is a $100 million project, which will employ 270 workers during construction. It will have year-round operation, providing a reliable baseload power supply.

Many of proposals for renewable energy are about wind, about solar or about other areas where there is discussion about the reliability—24/7, so to speak—of the power supply. The Mackay Sugar cogeneration project will provide a reliable baseload power supply to that city. The renewable energy platform established will provide for further diversification into ethanol production. That can only be good. The whole business plan of Mackay Sugar ensures a cane payment structure to return projected profits to the cane grower shareholders in that area. So it is an exciting project. The project needs these bills to be passed to give it the impetus. Engineering design and specifications have
been completed. Construction tenders are ready to be called. The Queensland Renewable Energy Fund has awarded Mackay Sugar a grant. Finance term sheets are well advanced, a grid interconnection agreement is well advanced and development and environmental approvals are in place. But it is important for the project to secure an acceptable power purchase agreement for electricity and for the renewable energy certificates produced each year. Negotiations with the short-listed electricity retailers have been suspended in recent times because of the recent downturn in the REC price.

The 20 per cent RET legislation, which the coalition supports in amended form, is critical for recovery in the renewable energy market, and this particular project in Mackay in Northern Queensland does depend for its immediate progress on the passage of the legislation. This is why it is so essential that the government is prepared to negotiate, unlike the attitude it adopted in relation to emissions trading schemes. It is essential that the government gets off its political high horse, stops playing politics with these things and negotiates sensibly with the coalition and other parties who have a view on the matter.

Media reports tell us that those negotiations have been going on now for a couple of days. On the radio this morning I heard Mr Hunt, the coalition’s environment spokesman, saying that negotiations are not finished yet, but they are going well. I urge the government to continue with that approach. Had the government adopted this approach in relation to the emissions trading scheme, it would not have ended in the disaster that it did for the government last week in this chamber, when there was a forlorn sight—it was a happy sight, as far as I was concerned—from government members. We saw Labor members looking very forlorn as they could not get one other senator to agree with them on that stupid, rushed and politically motivated emissions trading scheme.

If we are sensible in this country about good environmental management, good renewable energy, we have to work together to get the best of everyone’s ideas. It is very clear that all wisdom does not lie in the government. In fact, the fiasco of the emissions trading scheme shows that little of the wisdom resides in the government. It is fairly clear to most commentators— it is certainly clear to most people in this chamber—that the Carbon Pollution Reduction Scheme put forward by Senator Wong and Mr Rudd was all about politics; it was nothing to do with the environment, nothing to do with greenhouse gas emissions and nothing to do with saving the Barrier Reef, as they keep telling us. It was all about politics. Four separate Senate committees looked into this and the evidence was conclusive: there would be massive job losses in Queensland, there would be massive job losses right throughout Australia. I cannot yet understand how Labor members—who claim to be supported by and supporters of the union movement and the working families we heard so much about before the last election—could possibly be corralled into supporting the Carbon Pollution Reduction Scheme proposed by Senator Wong and Mr Rudd. I know that several Labor members were very uncomfortable about it. I think they, more than we, were delighted when the legislation was knocked off last week. Any Labor member who has any interest in the jobs of working families and unionists could not help but be concerned by the Carbon Pollution Reduction Scheme. It was all about politics.

I remind the Senate that Australia produces less than 1.4 per cent of the world’s greenhouse gas emissions. Had the CPRS gone ahead, perhaps that 1.4 per cent would have been cut a couple of points. It would not have made any difference. Yet Labor
senators were running around this country saying, ‘Unless we pass this bill, the Barrier Reef is doomed.’ What absolute poppycock. I am more concerned about the Barrier Reef because I live up there. I know the people who make a living from the reef; I know what a fabulous natural resource it is and how important it is to the marine ecosystem. I know all that, but passing that legislation last week would not have made one iota of difference to the Great Barrier Reef. To make a difference to the Great Barrier Reef you need the United States, China, India, Russia, Indonesia, South Africa, Columbia and Argentina to cut their emissions. By Australia making this Don Quixote approach, tilting at windmills, if we had gone to Copenhagen and said, ‘Look at us; we’ve passed legislation and because we’ve done it, China, Russia, India and the United States, you will all follow suit,’ how would we have looked? Ridiculous. Yet Senator Wong seemed to think that her great expertise, her worldwide recognition, would have been enough, with this legislation in her pocket, to get the rest of the world to agree. How egotistical can you get?

I suggested before that Senator Wong made a complete hash of this. That is quite clear when you understand that Mr Rudd brought Mr Greg Combet in to sort out the mess. I am aware that Mr Combet was dealing with the coal companies and with other resource entities to get a solution that did something meaningful in the emissions area but, at the same time, that did not cost Australians the tens of thousands of jobs that everybody, including the Labor Party, knew would be lost. I predict that Mr Combet will take a much greater role in future negotiations of an emissions trading scheme. I think Senator Wong has been irrevocably damaged by the mess she created in the emissions trading legislation. She recognises, I am pleased to hear, and I congratulate her therefore, her errors with the ETS and is now negotiating sensibly on this renewable energy legislation. I am pleased about that. I congratulate her and Mr Combet on talking to people and getting the best ideas from everyone.

What also concerns me both with the RET and with the ETS is that Labor members up and down the coast of my state of Queensland—and I assume this happens elsewhere as well but I want to talk about Queensland and Northern Australia—whose constituents are also vitally impacted by things like emissions trading and renewable energy, have been missing in action. They have been absolutely silent. Not a word has been raised.

There is Mr Trevor in the electorate of Flynn, based around Gladstone. Gladstone is a powerhouse of a city. It has a huge aluminium and alumina plant there, one of the most efficient and energy-efficient in the world. But, aluminium being what it is, it requires a lot of energy. What did Mr Trevor do to protect jobs in his city? He voted for a CPRS which would have destroyed that city. Also in that city is a very substantial power station, a power plant whose officials were biting their nails over the possible passage of the CPRS. Because it is a power station principally powered by black coal, they knew that they would be in all sorts of trouble if that CPRS legislation had gone through. And what did Mr Trevor do? Absolutely nothing.

Also in Gladstone is one of the world’s most efficient cement industry plants, a plant that I have looked at and I know that a lot of my colleagues have looked at. I think that Mr Turnbull has had a look at it too. It is a very substantial plant in Gladstone. They had proposals for a new section of that plant. It would have been an investment, if I remember correctly—and I do not have these details—of something like three-quarters of a billion dollars in Gladstone. Hundreds of
jobs would have been created during construction, and in general operation there would have been new employment created. What did Mr Trevor do about that? He voted to shut that down. The cement company of course, looking to the future and understanding the Labor Party, cancelled that new investment. They put it on a long hold and they will not really look at it again until they can get some sense out of this government, until they know where this government is going. These real jobs in the city of Gladstone were destroyed because Mr Trevor would not stand up for his constituents.

And what about the next, northern seat of Capricornia, just adjoining Flynn? In the city of Rockhampton there is a cement plant. What did Ms Livermore do to protect the jobs of workers in that cement plant? What did Ms Livermore do to protect the 400 jobs that would have gone from Teyes Bros abattoirs in the city of Rockhampton? We had evidence at the Senate inquiries that 400 people in Rockhampton would lose their jobs at the abattoir if this went through. What did Ms Livermore do? She voted for a piece of legislation that would have destroyed the jobs of 400 workers in that meat factory and workers’ jobs in other industrial plants in the Rockhampton area.

Let us go a bit further north, into the seat of Dawson. What did Mr Bidgood do to save the jobs of all of those working families, many of whom live in Mackay but work in the Bowen Basin coalfield? Had this legislation gone through, it would have decimated the Bowen Basin coalmining operations. We had evidence from any number of people about that—and I cannot go through them all; there are too many to list in a 20-minute speech—and company after company came to us and demonstrated to us the issues they had with the legislation. Labor members on the committee, I might say, asked questions and then went silent when they understood that these were not rent seekers out there seeking a bit more profit. They understood that the CPRS would have made those coal mines unprofitable and that coalmine investors are not in it just for the fun of it; they are in it to make money. If the mines became unprofitable they would shut them down and tens of thousands of fellow Queenslanders would be without a job. Yet not one Queensland Labor senator stood up for those people in the vote before this chamber.

I plead with my colleagues in the Labor Party who are from Queensland not to do the same thing when it comes to the renewable energy bill. Make sure that the very sensible amendments that the coalition are seeking are in fact adopted. My colleagues in this debate have indicated, perhaps at greater length than I am going to have time to do, that to get our support and pass this bill there must be a full decoupling of this RET bill from the flawed Carbon Pollution Reduction Scheme. We have been successful in securing the principle of decoupling but, as I understand it, the government’s proposals as I hear them in the news have not quite been achieved. But let us hope that Queensland Labor senators will ensure that. We need to make sure that the aluminium sector, which is so very important to Queensland, is also included in the framework for compensation, unlike what happened in the ETS, and I beg my Queensland colleagues to support that.

We also have to ensure that food processing is categorised for assistance under the RET. We are going to be seeking to eliminate loopholes in relation to the multiplication of RETs for industrial heat pumps and we are going to move that a portion of the RETs be banded and reserved for emerging rural renewable technologies such as baseload solar, geothermal, wave, tidal and biomass. There are a couple of other things we need, and I urge the government to get involved so that
we can get this all passed this week. *(Time expired)*

**Senator FIELDING** (Victoria—Leader of the Family First Party) *(9.51 am)*—Family First support renewable energy because we believe renewable energy will be an important component of the future energy mix. However, Family First make a clear distinction between our support for renewable energy and our views on an emissions trading scheme. I also have to note that, while the renewable energy target has been on the agenda for a while, the report into the renewable energy targets was tabled only last week in the Senate, and to simply ram through the legislation—the Renewable Energy *(Electricity)* Amendment Bill 2009 and a related bill—today is stupid, especially with major amendments still coming forward.

From Family First’s perspective, the driving reasons for renewable energy targets and an emissions trading scheme are totally different, and it is a fact which the Rudd government has arrogantly overlooked. The government’s ETS is based on reducing carbon dioxide emissions and is driven by the assumption that increasing carbon dioxide emissions are the leading cause of global warming. But the Rudd government has failed to provide credible evidence that Australia needs to reduce its carbon dioxide emissions; therefore, the renewable energy targets need to be driven by a completely different rationale and can no longer be driven solely by the need to reduce carbon dioxide emissions. The only credible reason to support investment in renewable energy is that renewable energy will be an important component of the future energy mix.

Some countries, like Germany, have already invested big dollars in their renewable energy sectors and produced new technology. What role can and should Australia play in developing renewable energy technology? Which technologies are worthy of investment and why? By mandating renewable energy targets, we artificially create a viable renewable energy market. But, I stress, it is artificial, because the renewable energy sources for generating electricity are not financially viable on their own.

In Australia we already generate electricity at a very low cost by using coal as the energy source. For example, coal fired electricity is manufactured today at about $30 per megawatt hour, but solar and wind renewable energy cost upward of $60 and $70 a megawatt hour. As you can see, the cost of electricity would go up by 100 to 200 per cent if you wanted to use only renewable energy sources to generate electricity. That is double the cost. If you asked Australian families, ‘Do you want renewable energy?’ most families of course would say yes. But if you asked Australian families, ‘Would you pay 100 per cent more, in some cases 200 per cent more, on your power bill to have 100 per cent renewable energy?’ most families would say, ‘No, we can’t afford it.’ Can you imagine how much the cost of food and goods and services would go up if electricity prices went up by 100 and 200 per cent?

So, before rushing ahead and locking ourselves into high renewable energy targets, it is important to also consider the consequences they will have on Australian families, businesses and our economy. Too often, the impact on families is simply overlooked or ignored and lost in the argy-bargy of political point-scoring between the two big political players. While the Rudd government has been quick to talk up the benefits of artificially propping up a renewable energy market, little has been said about the flow-on effect of increased costs, which will ultimately be borne by ordinary Australian families—mums and dads and the next generation of kids.
We have already been told that electricity prices in this country will escalate. According to modelling performed by Access Economics, the proposed renewable energy target will cause average energy costs to rise by $12 a megawatt hour by 2020. I think that is conservative. This means power bills will skyrocket. This is hardly a small amount; it cannot be discounted and not really focused on. These are costs that will affect all Australian families and will particularly hurt those already feeling the pinch of the downturn caused by the global financial crisis.

Yet the Greens are arguing for bigger renewable energy targets. They obviously do not care about the impact on Australian families and worry even less about wrecking our economy, all for the sake of pursuing their extreme, green agenda. Let us be real: it is not the Greens that will look after families; it is not the Greens that will look after our economy—and thank goodness for that. So who will foot the bill for higher renewable energy targets? It is the mums and dads and their kids. So remember: the higher the renewable energy target is, the higher the price of power bills will be—fact.

And what about businesses that will need to pass on the cost impacts of higher electricity prices? This will flow on to food and other goods and services. Guess who pays again? That is right: Australian families—not the Rudd government. We currently have a renewable energy target of around four per cent, and the Rudd government wants to lift that to 20 per cent. Given that electricity generated by renewables is about 100 to 200 per cent more expensive than coal generated electricity, Australian families are going to foot the bill for subsidising the new renewable energy market. But why should mums and dads foot this very expensive bill and, effectively, pay a subsidy to private companies as they embark on risky renewable energy schemes? Mums and dads, not the Rudd government, are basically bearing all the investment risk in their family budgets, yet if there are any profits down the track mums and dads will get no benefit. It is the private investors who will make a killing. Why should mums and dads bear the risk? There is no accountability and it is a huge gamble.

Why should the government put all the risk onto mums and dads, especially given that mums and dads will foot the expensive bills in propping up these private companies for years and not stand a chance of reaping any of the benefits or profits? This is an important issue which the Rudd government has simply failed to address. I am really concerned that the winners from these big renewable energy targets will be the bankers and that the losers will be mums and dads who will be left to foot the bill.

One of Australia’s significant competitive advantages is our low-cost and secure electricity supply. We have enormous reserves of coal, which have helped us to build a strong and secure economy based on having low-cost electricity generation. This is a huge competitive advantage for Australia and we must be careful not to lose that in any transition. Setting higher targets has the potential to put Australia’s economy at risk. I am concerned that the government’s renewable energy target bill poses a significant risk to Australia’s economy and a big threat to our trade-exposed businesses, particularly those in energy-intensive industries such as aluminium. Whilst the bill mandates that special assistance be granted to energy-intensive industries, in many cases this will still leave many businesses exposed and at risk. The last thing we want is fewer jobs or less growth in jobs, especially given that Australian families are footing the bill.

I would like to rebalance the risk and take it away from mums and dads and put it back onto the Rudd government, which is where it
should be. Why should mums and dads foot the bill when they have no control over how the money is invested? Maybe another model should be developed where the government foots the bill and bears the risk. The government would then be held to account and would have enough clout to hold the new sector to account. If mums and dads are to be forced to pay substantially higher energy prices, maybe they should benefit directly from any profits. When the government of the day wants to develop a new industry that is a high risk and that will cost big bucks, the government or private business should bear the risk and not call on mums and dads to bear the risk. This point really has not been covered.

I would like to see the opposition show some backbone and some ticker and ensure that the legislation is either fixed or opposed. But guess what? The opposition has gone missing in action. Australia is in a very dangerous position at the moment in federal politics. Between now and the next election we will see bad policy pass through federal parliament because the Rudd government knows the opposition will roll over at the threat of an early, double-dissolution election. Come on Coalition, come on! Show some backbone, show some ticker and stand up for what is right. The opposition is in danger and can no longer be called ‘Turnbull’s party’; it can be called the ‘turncoats party’.

**Senator JOYCE** (Queensland—Leader of the Nationals in the Senate) (10.03 am)—I do not know; it is always amazing—ta-dum! We are talking here about the Renewable Energy (Electricity) Amendment Bill 2009 and a related bill. There is obviously a sense of people wanting to do the right thing, to move ahead and to try to get to a position where we can move towards using renewable energies. But we have to do that in a manner that does not put at risk the nation’s employment capacity or put extra cost on the farming sector, especially, and on working families or put at risk jobs in the aluminium and cement industries and in a whole range of other industries.

We were promised a proper decoupling of the bill. At the moment we do not have that. We have very much a hybrid form of decoupling. The aluminium industry has still not been properly dealt with. We see that the print media has been dealt with, and we know why that is: they were always going to be out, and good luck to them. Silica industries have been dealt with. But a whole range of other things have not been dealt with.

I heard Senator Fielding say something about the opposition having no backbone and that we are missing in action. That is interesting coming from a person whom you can never actually find when negotiations are required. He is just missing, full stop. It is like trying to talk to someone in North Korea: you know they are there, but you do not know what they are up to.

What the coalition is doing is in good faith trying to get a resolution on this issue. We obviously have huge problems with the emissions trading scheme, which will be an employment termination scheme and mean the destitution of regional economies. It will just be a new tax whereby Mr Rudd will be found in every facet of people’s lives. Wherever there is a power point, there will be a tax by Mr Rudd. Mr Rudd will be perched in every shopping trolley as there will be a new tax on the overheads for food. If you want to go on a holiday, Mr Rudd will be in the plane with you because there is a tax on aviation fuel. Everywhere you go and in everything you do, Mr Rudd will have a position in your life. What this will achieve we do not know because it will not actually change the climate.
We want to see whether these negotiations that are supposed to be held in good faith are concluded by the end of the committee stage of these bills and have actually dealt with the promise that the Labor Party made—that is, that there would be an authentic decoupling of the renewable energy target from the emissions trading scheme. If there is an authentic decoupling and the key industries have been dealt with, both the Nationals and the Liberal Party will do what they can to support this. But if there has not been an authentic decoupling, we will have a problem.

I know what the Labor Party are doing: they are using this as a form of wedge politics. They will basically go out there and say, ‘They won’t pass renewable energy.’ I suppose the argument for us to explain to the Australian people is that what they did in their CPRS, in their cunning little plan that will make our economy RS, was enmesh things from their renewable energy target with the emissions trading scheme so that you have to pass both in order to get either. That would be defaulting on the agreement they made before the Australian people that they would be fair dinkum in their decoupling of this bill. That is the negotiation process going on at the moment, and I commend Malcolm Turnbull and Greg Hunt in their valiant attempts to try to bring this to a conclusion.

Our main concern is for carbon-intensive, trade-exposed industries, such as the food-processing sector, especially dairy. Dairy in its current form will have a huge cost put on it. It is not, by the definition delivered, a trade-exposed, emission-intensive industry. Regardless of that, the farming sector will be lumped with a huge new cost. They cannot hand it on through the retailers, because they will just lose market share, so the only ones who will pay will be the farmers. These people are already doing it extremely tough. Remember, farmers have the problem at the moment, especially in the dairy industry, that retailers are extracting a huge margin, but the price at the farm gate keeps going down.

It will be interesting to see whether the government wanted to ever truly grasp the nettle on that issue. I think that is something that all Australian people want to know: why are the farmers getting less when we are paying more at the checkout and, apparently, everything is fine? It is not fine. People are being exploited; farmers are being exploited. This issue has never been dealt with. There are not the courage and the conviction to take on the powers that be and the substantial union membership that is involved, through such things as the SDA. There is a huge flow of income from compulsory union fees via the major retailers, Coles and Woolworths, to the SDA, which, ipso facto, is a support mechanism for the Labor Party. I would imagine there is something approaching $100 million a year in union fees. This is why these people have so much market power and why they dominate the market and the political environment.

With the renewable energy target we really should deal with all forms of energy. The fuel that drives your car is one. With this bill we could move to things such as greater use of biorenewable fuels. We know that the price of ethanol is between 70c and 80c a litre. This is a renewable which would not force the price up; it would force the price down. It is so peculiar that we are looking at including such things as electricity, which will only force the price of the product in one direction, and that is up, but we are not concentrating more on something that everybody wants, which is cheaper fuel. We can do that by greater utilisation of such things as ethanol and biodiesel. That would force the price down. But, for whatever reason, there has obviously been a form of making sure that something that would deliver a benefit to the
Australian people and the environment has been avoided in a substantive form. What we look for as we progress through this issue is whether there will be authentic decoupling of this bill. That is really the crux of why this negotiation process goes forward. The government has said they will do it in good faith. Far from not having any backbone or being missing in action, the government and the opposition—and I think it is good for the Australian people to see this—are at the negotiation table. That is what the Australian people hope to see far more of in this chamber and in the process of the parliament.

The only person who is ever missing in action is Senator Fielding. It is always a mystery where Senator Fielding is off to. In fact, most of the time it is a mystery as to where he actually is. This is a person whose position on an issue changes like the weather—it changes from hour to hour. Maybe he should have changed his position to being open to negotiation as well. The form of negotiation that the Liberal-National coalition is engaged in shows the Australian people that we do not have a belligerent stance on the environment; it is one of trying to arrive at a resolution, except when that resolution gets to a point where you hang people out to dry. You cannot do that—hanging people out to dry for no real effect.

As we move forward with a renewable energy target we have to acknowledge that a lot of people around the world are not, and these are the people we are trading with. There is no sense in just closing down our aluminium industry—having it wander over to China or somewhere else where there will be none of these imposts. Not only would we lose the capacity to employ Australian families, not only would we lose the capacity to earn income domestically; we would become the one who imports the product and contributes to the problem to a far worse extent overseas. You want to make a clear statement about what is important when you want to reduce emissions. What do we do when we get to a position where we say, ‘If the aluminium industry stays in Australia, it is a far better environmental prospect than if it sets up in China, India or Vietnam’? What is the responsible thing to do if we are being completely honest with our approach to the environment? That would be to keep this industry in Australia with the controls that we have.

The Labor Party will go on voicing their moralistic bulwark about the environment. It is a deception, because they are not actually going to do anything for the global environment. They will not change the temperature of the globe by one degree. The impact of any of these propositions is so infinitesimally small. They have no effect on climatic conditions. What they do have a huge effect on is the capacity of working families to go home with cheques in their back pockets, the capacity of people to go to the supermarket and be able to afford the groceries in their shopping baskets and the capacity for them to have a sense of dignity in their lives, where they have some cold, hard folding stuff in their wallets so that they can participate in a comparable standard of living. But we will not do anything for our nation if we move everything we have in this nation to another nation. We just cannot go on like that.

When he became Prime Minister, Mr Rudd said, ‘I want to live in a nation that produces things.’ That was his statement. But now we are seeing all these moralistic laws, one after another, that do nothing more than remove our capacity to be a nation that produces things. To be a strong, successful nation that produces things in its own right, the best thing that Australia can do is advance the ideal of maintaining industry and not losing jobs. We will prove nothing to the world if we come up with these wonderful
schemes of which the only effect is to destroy jobs. That will prove to the world that, if you go down the environmental path, you will render yourself destitute. That is not smart. We have seen what has happened in California. They had this wonderful ideal of a green nirvana, but they are broke. That is not a good recommendation to do business that way. People have spoken about Germany, with its renewable energy component, but the price of electricity there has gone through the roof. These are the issues. We have one extremely strong advantage in our nation: we have cheap power. We have to keep that advantage. The benefit of cheap power is that you can pay people more. If you have expensive power, you end up having to employ fewer people or pay people less. The only other alternative is that the industry closes down and goes somewhere else. I do not think that is the alternative we want.

The Labor Party talk about the green economy and green jobs—it is just terminology. When you ask people in the community, ‘Do you know anybody who’s employed in a green job?’ the answer is generally, ‘No, we don’t.’ Yet we are told that there are going to be tens of thousands of these jobs that will just arrive. We are not quite sure what they will be, but they will just arrive.

This renewable energy target legislation would be an open door to wind power, which is fine. It is easy to construct heaps of wind turbines—all across the landscape, everywhere you look: wind turbines. Of course, after a while, they will start to be an annoyance to people. A debate we are having at the moment is that people do not like wind turbines and find them to be a blight on the landscape. Everything has its time and its tenor and things turn against it, but, if wind turbines are all the renewable energy we have, what happens to the geothermal energy in northern South Australia and western Queensland? We have to ensure the capacity to develop that industry as we move ahead.

Why do we want renewable energy? We want to be carbon efficient. One of the most carbon-efficient forms of power is nuclear power. Last night and today, Paul Howes has been out there saying that it is madness that the Labor Party stick to this multiple position. They believe it is morally right to have uranium mines—first they choose an arbitrary number of mines that Australia should have and then all of a sudden they suggest we should have more uranium mines, so we can export uranium to countries all around the world, even to countries that produce nuclear weapons—but we are not allowed to use uranium to produce power in our own nuclear power plants. When will this complete discrepancy in philosophical positions be put aside? It looks like a farce. How can you have your feet in both camps? You either believe that uranium mining and everything to do with uranium is abhorrent and therefore ban mining it and everything to do with it—I would not support that; I think that is crazy—or you say, ‘Let’s take our nation to the forefront of nuclear technology.’ I think that move would be generally supported everywhere. The winds are changing—people are changing their position on this. And it looks even more ridiculous now when the head of the Australian Workers Union, Paul Howes, is screaming at his own party to wake up and smell the roses. He says this is where Labor should be if they want to be relevant. He has even laid down the challenge that either the Labor Party change the agenda or the coalition will change it when we get back into government. When we do, we will have the support of the AWU—we will have the support of half your own side.

I welcome Paul Howes’s contribution to this debate and I look forward to the Labor Party having some form of epiphany, dealing with the nutty Left, getting with the agenda.
and, if they are fair dinkum about reducing carbon emissions, developing a form of technology that will actually deliver that in spades rather than clinging to a 1954 Cold War mentality which the rest of the world has moved on from. In France, about 80 per cent of the power comes from nuclear power. Our neighbours—countries like Indonesia, India, China and Japan—are all using it, and Japan would have more reason than most not to. We had to get the technology for our latest reactor from Argentina. The United States, Britain, France and a myriad of European countries are all using it. Israel has it. The technology is developing around the world, yet the Labor Party insist that Australia be a world leader on climate policy. It is a crazy position. They talk about being world leaders, yet when the world is racing away from their archaic position they sit back and have internal party discussions about why we should stay mired in about 1954.

The challenge is there for the Labor Party. If they are really interested in reducing carbon emissions they have the potential to do it. There are people in their own party screaming at them to get with the program. Who is holding Australia back from this technology? As Paul Howes rightly pointed out, we can be the Middle East in our generation of wealth from nuclear energy. It would mean immense wealth coming into our nation. We could also embellish it and show how smart we can be as a nation by developing the technology to assist people around the world—to help those in surrounding countries to raise their standard of living by the development of technology from the product that we will most likely be exporting to them. But we cannot do it if we do not have a nuclear energy industry of our own. It is just lazy.

I see Minister Carr in the chamber. He is supposed to be the person leading the world down the enlightened path of doing clever things, but this is just ridiculous. Minister Carr knows in his heart that this is the way we have to go. We cannot just bog ourselves down.

The challenge I lay to the Labor Party today is that if you want to reduce carbon emissions, yes, let us look at renewable energy and do what we can but you must be authentic in your decoupling of the bill. And please get with the program. Change your party’s position and, if it is really important to save the globe, as you want to do, get with the program and bring about nuclear energy. If you do not do that, then you look completely and utterly hypocritical, foolish and perverse. None of the rest of the statements and arguments about being clever, being carbon effective, developing jobs and being a world leader stand if one of the greatest components of reducing carbon emissions is ignored by your own party.

Senator FEENEY (Victoria) (10.23 am)—It is a great pleasure to rise in support of the Renewable Energy (Electricity) Amendment Bill 2009 and the Renewable Energy (Electricity) (Charge) Amendment Bill 2009. These bills fulfil the Rudd government’s commitment to expand the Mandatory Renewable Energy Target Scheme to ensure that the equivalent of at least 20 per cent of Australia’s electricity supply is generated by renewable sources by 2020.

In April, the Council of Australian Governments agreed, following extensive community consultation, to the design of the Renewable Energy Target Scheme. That agreement represented a major step towards a low-emissions future for Australia. The RET Scheme, as it is known, will bring the Mandatory Renewable Energy Target Scheme and existing and proposed state and territory schemes into one national scheme, avoiding the inefficiencies and the unnecessary costs of there being nine different schemes operat-
The RET Scheme contained in these bills will speed up Australia’s shift away from carbon based fuels and towards renewable energy technologies like solar, wind, tidal, biomass and geothermal power, and indeed, even others. It will help transform the electricity sector and drive the low-emission technology and the low-emission electricity generation this country needs if we are to tackle dangerous climate change caused by greenhouse gas emissions. The Renewable Energy (Electricity) Amendment Bill 2009 increases the existing mandatory renewable energy target from 9,500 gigawatt hours, by stages, to 45,000 gigawatt hours in 2020. The new scheme will create a guaranteed market for additional renewable energy deployment, using the mechanism of tradeable renewable energy certificates that are created by renewable energy generators. This in turn will attract additional investment and create additional jobs in the renewable energy sector here in Australia.

It is pleasing that the opposition, or at least the Liberal Party, has decided to support this bill. I am still not clear what the position of the National Party is with respect to this bill.

Senator Williams—Protecting industry and jobs, that is where we are at!

Senator FEENEY—The interjection has not created any clarity where doubt exists. During the hearings of the Senate Select Committee on Climate Policy, I listened to Senator Boswell hold forth day after day on the horrors of a renewable energy target, not just this RET but any RET. He assured us that a RET would be the ruin of every major Australian industry and every regional area. It would therefore seem to take a fairly spectacular backflip for the National Party, let alone Senator Boswell, to now vote for a RET. We will see what happens when it comes to a vote. Whatever the Nationals do, the Liberals say they are committed to the principles of the RET legislation.

On Monday, in the House of Representatives, Mr Greg Hunt, the shadow minister for climate change, environment and water, waxed enthusiastically about the great mirror fields of California, the potential of geothermal energy and the potential of wave, tidal and algal energy to contribute to Australia’s clean energy future. I agree with him about that and so does this government. So far so good. But then Mr Hunt made his fatal slip—or rather his fatal omission. He went on to say:

Clean energy is, with green carbon, one of the two most fundamental steps to dramatically reducing Australia’s net emissions.

Clean energy is certainly what this bill is about. Green carbon? Possibly. This government’s Clean Energy Initiative includes $2.4 billion for research and development of carbon capture and storage technologies. But we do need to remember that these technologies do not exist at a commercial stage at present. If they did, the whole debate about Australia’s response to climate change would be much simpler. At present, however, we do not have green carbon. We have black and brown carbon, and that is where our problem as a carbon-emitting nation lies.

But what was missing from Mr Hunt’s enthusiastic speech? What is the elephant in the room as far as the Liberal Party’s policy on climate change is concerned? Mr Hunt said that clean energy and green carbon are the two most fundamental steps to dramatically reducing Australia’s net emissions. In fact,
there are three fundamental steps. The third fundamental step, the one that Mr Hunt could not bring himself to mention, is putting a price on carbon by means of an emissions trading scheme, such as the one contained in the government’s Carbon Pollution Reduction Scheme, the CPRS.

We all know why Mr Hunt could not mention the need to put a price on carbon. It is because his leader, Mr Turnbull, has ordered his troops to vote against the CPRS bill, a bill that establishes an emissions trading regime for Australia. Mr Hunt himself voted against the bill. Every Liberal member of this Senate voted against it. The Liberal Party has repudiated its own policy from when it was in government, as enunciated by Mr Turnbull, then the environment minister, to establish an ETS and put a price on carbon.

Why has the Liberal Party taken this extraordinary step? It is because Mr Turnbull and Mr Hunt do not have the courage and do not have the will to take on the climate change deniers in their own ranks. They do not have the courage to repudiate people like Senator Minchin, who stated flatly here last week that he rejects the scientific consensus that harmful climate change is being caused by human activity. Senator Minchin said last week:

... 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.

Senator Minchin, a lawyer with no scientific training, has stood in this place and contested the scientific consensus concerning anthropogenic climate change. He has put himself at odds with Australia’s Chief Scientist, Professor Penny Sackett; with the eminent scientists of the Royal Society; with the academies of science of all the G8 countries and with Brazil, China, India, Mexico and South Africa. And he has put himself at odds with Lord Stern, author of the Stern report. In fact he is at odds with the overwhelming majority of qualified climate scientists in almost every country in the world, all of whom have emphatically said that anthropogenic emissions of CO2 are the main drivers of global warming.

Faced with this extraordinary display of climate change scepticism, what did Mr Turnbull have to say in response? I can answer that very succinctly—nothing is the answer, not a thing. What Senator Minchin said was an outright repudiation of Liberal Party policy and of the frequently stated views of Mr Turnbull and Mr Hunt that climate change is real, that it is being caused by human activity and that the Liberal Party does in fact believe in it. A leader with any courage would have sacked a frontbencher who so boldly defied party policy on a matter of such fundamental importance. But not Mr Turnbull; he dared not sack Senator Minchin, nor contradict him or even remind him of his own party’s policy. He has meekly allowed his party and its policies to be hijacked by climate change denialists like Senator Minchin, by the troglodytes of the National Party and by the right-wing populists of the Murdoch press such as Andrew Bolt and Piers Akerman.

Mr Turnbull does not have the reputation of a meek and modest man. So why has he allowed himself to be walked over so dramatically in this manner by Senator Minchin and by fellow members of the coalition flat earth society opposite? We all know the answer to that. He is a leader whose approval rating is 31 per cent, whose preferred Prime Minister rating is 24 per cent and who has only 17 per cent of his own party’s voters wanting him as their leader. He is a man who is much less preferred as Liberal leader than someone who has insisted he is retiring from politics, and he is in no position to take a
strong stand on anything. Mr Turnbull is a leader on sufferance. He is tolerated only because there is at present no-one else. Australia and future generations of Australians must pay the price for Mr Turnbull’s recklessness and poor judgment in the forged email affair, which has now fatally undermined his public standing and his standing within his own party, and has meant that he has failed the test of leadership action on climate change.

I hear senators opposite cry: what has the tragic spectacle of Mr Turnbull’s humiliation at the hands of his own party got to do with the RET bill which is before us, a bill which the Liberal party is supporting? It has a great deal to do with it because the RET bill in fact could be characterised as a complementary measure to the CPRS legislation. It is a bill that will only be effective and ultimately achieve its purpose if there is a price put on the use of carbon based energy sources. The whole point of an ETS is to raise or create the price of carbon so as to create an economic incentive for individuals, companies and communities to make the shift from carbon based energy sources to renewable energy.

I would have thought a party which believes in the superiority of market forces over government prescription would readily grasp the point that the best way to get people to shift to renewable energy sources is to create a genuine market incentive for them to do so, not to simply bribe them with taxpayer dollars. For most of its history Australia has had some of the world’s lowest prices for carbon based fuels, particularly coal. Senator Joyce made this point moments ago. That has had its advantages but now we see its disadvantages as well. The main disadvantage is that a low carbon price destroys any incentive to move away from carbon, no matter what the long-term cost of burning carbon based fuels may be.

It’s not good enough for Mr Turnbull and Mr Hunt to tell us how much they support renewable energy and how much they support the RET scheme contained in this legislation. That support is meaningless unless it is accompanied by support as to an ETS, because without an ETS the RET bill will not be effective. It will not achieve its ultimate mission. Senators opposite cannot clothe themselves in virtue because they are supporting the easy part of the government’s strategy to combat climate change while dodging shared responsibility for the difficult part. They cannot claim in the parliament to be supporters of renewable energy or of effective action against climate change while at the same time they travel around the regions whipping up opposition against the very idea of an effective ETS, against the CPRS legislation put by this government into this parliament. Of course those opposite certainly cannot clothe themselves in the guise of people interested in action on climate change or interested in a renewable energy sector while they continue to do nothing against those articulating climate change denialist views within the coalition; and we know there are many.

The Australian people are not impressed by the Liberal Party’s double act on renewable energy and climate change. They are not fooled by the tactic of supporting the easy part while blaming the government for the hard part. The tactics of delay and obfuscation by those opposite have gained them nothing. What does this week’s Nielsen poll tell us about the Australian people’s views on this very important matter and, indeed, their views on this national debate? It tells us that 55 per cent of Australians want the government to reintroduce the CPRS bill into this parliament in November, while only 29 per cent share Mr Turnbull’s view that we should wait until early next year to see what happens at Copenhagen. Popular support for the
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Liberal Party’s strategy of delay, delay, delay is, of course, being fatally weakened because the Liberal Party has failed to articulate a view, a rationale, a plan. Only 12 per cent of Australians want the CPRS scheme abandoned altogether. Those opposite can be certain that we, the government, will be doing what 55 per cent of the Australian people want us to do. We will be bringing the CPRS bill back to this Senate in November. We will force those opposite to face up to their responsibilities. We will force them to stand up and be counted where the Australian people can see them—right here in the Senate.

Come November, the Liberal Party will have the unenviable choice of executing a humiliating backflip or of putting themselves in opposition to the express wish of the majority of the Australian people, putting themselves in opposition to action on climate change with all of the political consequences that will flow from that. These are consequences that I am sure those opposite are increasingly beginning to comprehend, political consequences that many a commentator in our newspapers is becoming ever more enthusiastic about modelling—modelling the political consequences of a Liberal Party decision to oppose action on climate change because they know it will shatter them. But I will have no sympathy for them as they face the unpalatable choice of either doing what they cannot stomach doing or facing the wrath of the electorate. This is a rod they have made for their own backs. They have chosen to play cheap populist politics with this issue, they have chosen to move around Australia undermining support and understanding of the government’s proposals in terms of action on climate change, and these factors have come back to bite them. The simple fact is that the Australian people are not as gullible as those opposite seem to think. In passing this legislation, we are passing what can be categorised as a complementary measure of our CPRS legislation, and the real test will come when we pass the CPRS itself.

Senator McEWEN (South Australia) (10.38 am)—I am very pleased to have the opportunity to express my support for the government’s Renewable Energy (Electricity) Amendment Bill 2009 and the Renewable Energy (Electricity) (Charge) Amendment Bill 2009 and the Renewable Energy Target Scheme as a whole. Australia should and can lower our carbon emissions by making more use of renewable sources to generate electricity. Currently the nation has a relatively high use of fossil fuels for its electricity, and that use accounts for over one-third of Australia’s emissions of greenhouse gases. This no longer needs to be the case. The government’s Renewable Energy Target Scheme will set us on a pathway to a low-pollution future.

In what I believe is a necessary and crucial piece of legislation, the Renewable Energy (Electricity) Amendment Bill seeks to give effect to the government’s commitment to amend the existing Mandatory Renewable Energy Target Scheme with a national Renewable Energy Target Scheme, as well as increasing the annual targets for renewable energy generation. The national Renewable Energy Target Scheme will bring the Mandatory Renewable Energy Target and the proposed state and territory schemes in line with one another, thereby eradicating inefficiencies and avoiding the multiple administration and compliance costs that come from having a number of similar schemes operating across the country. We should of course congratulate state governments who have made the move to introduce renewable energy targets as well. State governments, unlike some of the opposition, understand the importance of acting quickly on climate change.
The federal Labor government has always been a government of action. We do not neglect issues and we do not fail to act. We are not divided on this matter and we are not dithering. We have a goal and we are going to get there. We are acting appropriately and in the best interests of the nation and its people. The government has shown initiative and drive in addressing the issues that face Australians and our environment. I was so pleased to be a part of this government when one of its first acts when it took office in 2007 was to ratify the Kyoto protocol. That early action set the tone and the framework for the government’s approach to matters to do with climate change and the environment. Since that early initiative, I am glad to note that we have acted decisively against the onset of global warming through the introduction of the ministerial portfolio of Climate Change and Water, and a number of subsequent pieces of legislation that are intended to fight the battle against climate change.

Last week’s vote against the Carbon Pollution Reduction Scheme did not surprise me. I have come to expect nothing less from those opposite me, especially considering they sat idle for some 11 years, ignoring the science of climate change and ignoring the facts. In rejecting the CPRS bill, the coalition has forced the government to make some changes to our Renewable Energy Target Scheme. The climate change deniers opposite may have thrown a spanner into the government’s original plans, but they have not stopped us from taking the steps towards a lower carbon emission future and Australia’s low-pollution future. Today, with the anticipated passage of these amendments to the MRET Scheme, we will move a step closer to that low-pollution future.

The Renewable Energy (Electricity) Amendment Bill 2009 will amend the Renewable Energy (Electricity) Act 2000 to implement the Commonwealth government’s election commitment to expand the Mandatory Renewable Energy Target Scheme, including increasing the target to 45,000 gigawatt hours by the year 2020. The goal is to ensure that a minimum of 20 per cent of Australia’s electricity will come from renewable energy sources by 2020. The amendment also mandates a review of the operation of the legislation and regulations underpinning the scheme to ensure that we are on track to meet our targets. It is very important that while we can set targets and legislation we do need to monitor closely whether we are achieving them.

The Renewable Energy (Electricity) (Charge) Amendment Bill covers the tax issues to do with the amendments. It amends the charge act to increase the shortfall charge potentially payable by certain liable entities—generally our electricity retailers and other large buyers of electricity. The shortfall charge should encourage greater compliance with the scheme as those companies who do not meet their obligations to purchase renewable energy certificates will need to pay the fee. In increasing the charge, this will act as a greater incentive for investment in renewable energy resources. Data published by the Office of the Renewable Energy Regulator has shown that since the Mandatory Renewable Energy Target Scheme began in 2001, very few liable entities have needed to pay the shortfall fee.

The passage of this bill will aid the nation’s fight against climate change. The Renewable Energy Target Scheme will accelerate the deployment of a range of renewable energy technologies like wind, solar, biomass and geothermal power over the next two decades. Passage of the legislation will provide renewable energy investors with legislative certainty. As I have said before in this place, if there is one thing that industry and business in Australia want from government,
it is certainty. It was very disappointing that the opposition, which claims to be the party that represents business, failed to give business that certainty when they rejected the CPRS bills last week. Obviously the best way for us to create certainty and tackle climate change would have been to pass the CPRS legislation in the first instance. However, that will not stop us from pursuing this portion of our plans to address climate change and reduce Australia’s carbon emissions. The Renewable Energy Target Scheme will help transform our electricity sector and drive the low pollution energy generation that we need. Australia really needs both pieces of legislation to effect that goal of a low carbon emission future.

The renewable energy target will increase investment in renewable energy, but Australia’s carbon pollution levels will continue to rise without an emissions trading scheme. While the renewable energy target bill was originally dependent on the passage of the CPRS, the government has split these bills. We have had to resort to plan B because of the intransigence of those opposite. So while it is not quite as sensible an arrangement in terms of assistance to industry, the option that we are debating here today is the right option to at least give business and industry some greater certainty with regard to the renewable energy targets. The decoupling of the CPRS and the RET bills should be seen only as an interim arrangement, and while it is a less than perfect way of tackling climate change, it is still a necessary and essential course of action. But we will be back, as senators from this side have said before me, to pursue the Carbon Pollution Reduction Scheme. In November when those bills are returned to this place, we can only hope that the opposition sees sense or at least comes here with a position that is coherent and based on science, not on hysteria, division and a lack of leadership from those in charge of the opposition parties.

In the absence of the CPRS legislation, the scope and basis for the renewable legislation has had to be reconsidered. On its own the RET target will specifically affect those businesses that use a significant amount of electricity as part of their production process. Therefore, amendments are proposed to the bill to enable partial exemptions for those eligible emissions-intensive trade-exposed activities, as defined under the EITE Assistance Program in the CPRS legislation. In the absence of legislation to implement carbon price assistance, the RET is targeted at those EITE activities that are highly electricity intensive and therefore face a high-cost impact from the RET alone. Companies that will be eligible for interim assistance will be a subset of EITE activities that have previously been assessed as having electricity intensity above 3,000 megawatt hours per $1 million revenue. The government will undertake a formal data collection process to assess eligible activities, which are likely to include smelting silicon production and newsprint manufacturing.

The Rudd government are serious about delivering on their election commitment to Australians, a commitment made during the pre-election period. We committed to the public that we would increase the usage of renewable energy in Australia. The Renewable Energy Target Scheme will enable us to do that by taking a comprehensive approach to this issue. Across the country the RET Scheme will help transform the electricity sector. A further announcement earlier this week by Minister Wong in relation to the RET Scheme was made in order to assist existing waste coalmine gas projects to remain viable. The RET will be topped up and, in topping up the scheme, waste-coalmine-gas projects will be able to generate renewable energy certificates. That change was a
result of the government listening carefully to businesses that will be affected by the renewable energy target legislation and indeed by the CPRS legislation. Throughout this process we know that the government has consulted widely, particularly with those industries that are going to be affected by all of our schemes to reduce our carbon emissions. I am very pleased to know that the minister, who has just joined us here in the chamber, has been actively out there supporting Australia’s industries during this incredibly important but also very difficult transition from a high-emission country to one that is concerned about the level of carbon pollution that we are emitting. As I said before, Minister Wong has taken bold and strong action to set the nation on a path to a different future, a future which takes into account the concerns we all have for our families and our children.

As a senator for South Australia, I know that the Renewable Energy Target Scheme will impact on my state’s burgeoning renewable energy sector, and South Australia is uniquely placed to take advantage of a low-pollution future. Our location, combined with our weather conditions, provides excellent opportunities for renewable energy sources. While only eight per cent of the nation’s population lives in South Australia, the state has around 58 per cent of the nation’s wind capacity. That has come about, I have to say, because of very strong support from the state Labor government for that new form of energy. Anybody from South Australia who travels in our regional areas looks with interest and pride at the wind farms that have been established in our regional areas. As a frequent visitor to the York Peninsula I know the importance of the establishment of wind farms there for the local farming community and the various small businesses that are located on the York Peninsula. I also note that a solar farm is already under construction near the outback town of Coober Pedy, which once completed will generate about 13 per cent of Coober Pedy’s total electricity requirements. Those are just some of the innovations that have already been adopted in South Australia. Similar sorts of schemes will be encouraged if the Senate passes this renewable energy target legislation today.

As I said at the beginning, the federal government is committed to creating and supporting innovation in the renewable energy sector, and these bills are part of the government’s multifaceted scheme and part of our policy to change the direction of power and energy supply in Australia so that whatever actions we take in the future will be taken with a mind to the future of the environment, to our nation and to a low-pollution future. We are leaders in the world, in many instances, in what we have done so far, and there is an opportunity for us to continue to be leaders in this very important public policy area.

(Quorum formed)

Senator ABETZ (Tasmania) (10.55 am)—The Senate is currently discussing the Renewable Energy (Electricity) Amendment Bill 2009. My mind was set to think, ‘Well, if this is an amendment bill, there must in fact already be a piece of legislation in existence that this bill is seeking to amend.’ And in fact it is seeking to amend the Renewable Energy (Electricity) Act 2000. I was wondering, ‘Who on earth would have introduced this renewable energy legislation in the year 2000?’ Because, if you listen to those opposite you would believe that the Howard government did nothing in relation to renewable energy and trying to reduce our carbon dependent economy. But, yes, the Renewable Energy (Electricity) Act 2000 was in fact introduced by the Howard government. Its long title is ‘An Act for the establishment and administration of a scheme to encourage additional electricity generation from renewable energy sources’. The Howard govern-
ment established this scheme for renewable energy in Australia. It is about time those opposite, and certain people in the media commentariat, acknowledged that fact.

The amendment bill we are discussing today is in fact building on that legacy of the Howard government—a legacy, I might say, which was very good and very strong in the environmental area. Let us not forget that the Liberal-National Party coalition was the first government in Australia that established a minister for the environment. So we can see that the coalition has a very proud history in this area. It showed vision and a genuine concern for the environment, dealing with it in a steady, sensible, secure way; bringing the Australian people, and most importantly Australian jobs and the Australian economy, with it. That is vitally important to consider.

Let us have a look at what we say in relation to this bill and what we have done in the space of renewable energy. It was the coalition that introduced the $8,000 solar rebate, and Labor then broke their election promise and means-tested it. It was the coalition that introduced the solar rebate, which the Rudd government then completely abolished without notice on 9 June. So, on budget night 2008, they means tested the solar rebate and on 9 June 2009 they completely abolished it.

Then have a look at the LPG rebate, a rebate that the Howard government introduced to help people with gas guzzlers to convert their vehicles from petrol to LPG, which allowed them to buy cheaper fuel and leave less of a carbon footprint. That was a good, practical environmental measure. What has Labor done to it? Slashed the rebate. Who can forget the completely dishonest and unprincipled campaign that the Labor Party ran against the introduction of biofuels? Remember that? Mr McMullan, for the Labor Party, said that it would wreck engines and that car warranties would be thrown out and completely shattered community confidence in biofuels, something which we as a coalition government were seeking to foster and encourage within the community.

Those opposite, those in the government, who seek to somehow suggest that they tread the moral high ground in relation to the environment should ask themselves the following fundamental questions. Who introduced the first greenhouse gas office in the world? Which government did that? It was the Howard government. Which is one of the very few governments that will be able to stand and say that they have met the Kyoto targets? It is Australia. Why? Because of the legacy of the Howard government. Who introduced solar rebates? The Howard government. Who abolished them? The Rudd government. Who introduced the LPG rebate for motor vehicles?

Senator Brandis—Who?

Senator ABETZ—The Howard government, Senator Brandis. Who is now reducing those rebates? The Rudd government. Which was the party that ran that dishonest campaign against the introduction of biofuels for our motor vehicles? It was the Labor Party. Let us get some of these facts on the record before we debate this issue further. As Labor recognise, they are amending and building on the Renewable Energy (Electricity) Act 2000, which the Howard government introduced and which for the first time in the Australian context established a scheme to encourage additional electricity generation from renewable resources.

We come to this debate as a coalition with a very proud record and we in fact support the overall intent of this legislation, which is to put in place a target for 20 per cent of the Australian community’s electricity to be generated by renewable energy by 2020. We say to the Australian people and to the government that our credentials are in place in
this area. They are enshrined in tangible and effective actions, which the current government is now unfortunately desperate to deny but on which they are in fact building. May I add that they are building on them in the way that we too would have done, in general terms—and I will get to the details later—that we have been re-elected.

But our approach to these things has been to deal with them in a stepped and staggered manner so that we can achieve a number of things. We believe that we need to assist in the transition to a lower carbon economy without mugging our economy and without mugging jobs. Seeing Australian jobs and Australian wealth being exported by too rapidly expanding renewable energy targets within Australia would have had a perverse environmental impact. What would have happened was that our major electricity users—such as the aluminium sector, the food processing sector, the pulp and paper sector, the concrete sector, and the list goes on and on—would have simply moved all their processing plants offshore to countries that did not have renewable energy targets. As a result the pollution put into the world environment would have in fact been exacerbated. The way to do these things is to move in a sensible, staged way to ensure that you do not have the loss of jobs and wealth along with an extra carbon footprint courtesy of us exporting our jobs. That is why we have always approached these things in a sensible, steady, staged and safe manner.

In principle, this legislation has our support. Those from Tasmania, such as you, Acting Deputy President Carol Brown, would be very well aware that Tasmania has a very proud record of renewable energy through the hydro-electric schemes. I say to my friends in the Greens—and I am not sure that there are that many of them, just quietly, but nevertheless I am speaking to those who might exist—that those who champion renewable energy should be mindful of the fact that it was in fact the renewable energy source of the hydro-electric commission that enticed my family to Tasmania. So renewable energy has a lot of answer for, in fact, because but for it I would not be in this place today. It goes to show that renewable energy does have its benefits. Senator Wong might be changing her mind and wanting to withdraw the legislation, but I am sure that we can negotiate our way out of that.

I point out that while we agree in principle with the legislation there are some matters that have exercised our minds and about which we have expressed genuine concerns. Those concerns are, in brief, that there needs to be a full decoupling of the renewable energy target from the flawed emissions trading scheme that the Senate wisely voted down. We also believe that more coverage of the aluminium sector, for both its existing renewable energy targets and its expanded target liabilities, than the 90 per cent already offered by the government for the latter is required. We also believe that food processing should be categorised for assistance under the renewable energy target. The coalition also seeks to eliminate a loophole in relation to the multiplication of RETs for industrial heat pumps. We believe that heat pumps should remain included but what could be considered to be somewhat of a multiplication of the RETs should be dealt with and rectified.

We also believe that a proportion of the RET should be banded and reserved for emerging renewable technologies such as baseload solar, geothermal, wave, tidal and biomass. This would allow for about 25 per cent of the additional 35,500 gigawatt hours of renewable energy being reserved for emerging technologies.

We also believe that renewable gas, or waste coalmine gas, should be recognised as
a zero emissions source of energy, as it is in the United States and Germany. We as a coalition and my colleagues, in particular the Hon. Ian Macfarlane, our spokesman on energy and resources matters, and the Hon. Greg Hunt, our shadow minister for the environment, have been in detailed negotiations with the government and I understand that the government has made a number of concessions in relation to the areas that I have just outlined.

We look forward to what those negotiations have meant, because we have engaged in this debate—as we have in relation to the emissions trading scheme, might I add—on the basis that we want to do what is best for Australian jobs, for Australian wealth and for the world’s environment. Unfortunately we hear from others in this chamber, especially from the Greens, that somehow those objectives are mutually exclusive—that somehow you cannot have all three. But, as I have sought to point out on a number of occasions, you can in fact have all three.

We need to look after Australian jobs and Australian wealth. If these manufacturing plants, be they cement, food processing, aluminium production, zinc production in my own home state of Tasmania—the Rio Tinto plant at Bell Bay—and all the others that I have mentioned, were to move offshore because they were no longer competitive in the world market due to higher electricity prices, that would mean that those materials would be processed in countries like China, India, Brazil, Russia, Indonesia and Vietnam which do not have the environmental standards that we do in Australia. As a result the world environment would be worse off. That is something that the Greens, unfortunately, have not been able to grapple with in some of these debates. They have not been able to come to an understanding that, if we simply price industries out of the world market, it will in fact add to the totality of the world’s, or human, carbon production and, as a result, be of detriment to the world’s environment.

So we can have protection of Australian jobs, protection of Australian wealth and protection of the world environment if we go down the track of a sensible, staged and safe process. We in the coalition started such a process way back in 1998 when we established the first greenhouse office of any government in the world—a very proud record. We then established the first renewable energy target for Australia, a first for our country, but we did it on a modest basis because we knew that industry and the community had to follow. To do it with a big bang would have literally meant a big bang for our economy, for jobs and for the world environment.

We have entered our discussions with Senator Wong and Labor in relation to this renewable energy bill with good faith and, as I have said, have been negotiating with her, those negotiations being undertaken by the Hon. Ian Macfarlane and the Hon. Greg Hunt—

Senator Wong interjecting—

Senator ABETZ—and the Hon. Andrew Robb. I thank Senator Wong for reminding me of that most important person, because he actually has responsibility for the emissions trading scheme and I of course represent him in this place on behalf of the coalition. We look forward to the outcomes. We believe those discussions are still taking place.

We look forward to the committee stages of this legislation, hoping that we will be able to come to a sensible conclusion for the benefit of Australian jobs, Australian industry and our environment. When I say ‘our environment’, it is not only Australia’s production of carbon that we have to be concerned about; it is also the world’s that we have to be concerned about, to ensure that we do not simply pass our pollution offshore. So we look forward to the committee stages
because we believe that there is a sensible way forward with this legislation which will build on those very solid blocks and foundation first laid by the Howard government in 2000. In principle we support the bill, but we do have many reservations which, we trust, will be able to be resolved by amendment through the committee stages.

Senator WONG (South Australia—Minister for Climate Change and Water) (11.13 am) —I thank all senators for their contribution to this debate on the two pieces of legislation before the chamber: the Renewable Energy (Electricity) Amendment Bill 2009 and the Renewable Energy (Electricity) (Charge) Amendment Bill 2009, which have come to the Senate after passage through the House. I want to first acknowledge the work of all the officials within the government who have worked so hard to get the bills to this point and also the contribution of the Senate through its consideration of this legislation.

If the Senate passes these bills, it will deliver the largest increase in renewable energy in the country’s history. I want to go through briefly, in summarising this debate, a number of the policy issues that are contained in the legislation before the Senate.

But before I turn to that I want to briefly respond to two points that Senator Abetz made. Firstly, his proposition is that we should be congratulating, supporting or lauding the Howard government’s record on the environment, and he pointed to two issues. One is the establishment of the Australian Greenhouse Office and the second is the introduction of the renewable energy target. I want to talk about those two things because it was a step to establish the Greenhouse Office; unfortunately, it was a step that was followed by the government’s proceeding to ignore the reports and the policy advice of that office—particularly its approach to climate change policy. Senators may recall that I have mentioned in this chamber previously that this year we saw the 10th anniversary of the then Howard government first receiving a report—which I recall was from AGO; if it was not, there were certainly many other reports from there—in relation to the introduction of an emissions trading scheme. So it is one thing to establish an office that has ‘greenhouse’ in the title and it is another thing, in government, to introduce policy that is aimed at tackling climate change. I think that the judgement of history on the Howard government’s approach to climate change issues has not been, and will not be, good.

The second point that Senator Abetz made—and this is correct—is that the Howard government introduced the renewable energy target. My recollection is that it was Minister Hill that did that. It is to be acknowledged that it was the first national market mechanism to drive investment in renewable energy. But again that reform was not followed up in terms of subsequent reforms or subsequent policy decisions to preserve the benefit of that policy. In fact, the figures demonstrate that renewable energy, by the end of the term of the Howard government, had gone backwards as a proportion of our energy use. The then government ignored a range of advice about amendment of the renewable energy target to avoid that policy outcome and to improve policy outcomes. So, on the two issues that Senator Abetz raises I can say that it was not a bad start but that there was no follow-up. And that has been the unfortunate reality of the coalition’s approach to these issues in government.

As I said earlier, if the Senate passes this legislation the bill will deliver the largest increase in renewable energy in the nation’s history. It will be the largest increase in renewable energy in Australia’s history. This target, brought forward by the government,
will deliver a more than fourfold increase in renewable energy by 2020. We went to the election with this commitment—a commitment to ensure that 20 per cent of Australia’s electricity comes from renewable sources by 2020, and the bill before the chamber is brought forward in order to implement that election commitment.

The objective we are aiming for is that in 10 years time the amount of electricity coming from sources like solar, wind and geothermal, will be around the same as all of Australia’s current electricity use. This is a remarkable transformation—one that is overdue. It should have occurred before but it does demonstrate that we can set a target, we can drive to achieve that target, and we can exploit the enormous range of renewable energy sources with which we are blessed here in Australia.

I am often asked about the future for electricity in Australia and I make this point: we have wind, solar, wave and geothermal resources. We want Australia, at 2020 or before, to be a world leader in these technologies. As the world moves to a global carbon constraint we want Australian businesses—Australian firms—to be placed to take advantage of the technologies that we have developed. To do that we have to drive innovation and investment in that sector today. This is about Australian jobs, Australian know-how and Australian innovation. It is good for the environment but it is also good for Australian business.

I welcome what I think is the coalition’s support for our renewable energy target. I suppose that I am glad, despite the history that I have outlined in terms of their failure to adopt this type of policy in government, that in opposition they appear to be coming around to the view that it is a good thing to support renewable energy. I again remind the Senate that whilst this bill is necessary to increase our investment in renewable energy in Australia, of itself it is not enough, because if we are serious about tackling climate change this nation needs to do much more. Even with this renewable energy target in place and even with one-fifth of our energy coming from renewable sources Australia’s carbon pollution will be 20 per cent higher by the end of the next decade—by 2020—than it was in the year 2000.

So, even with this massive fourfold increase in investment in solar, wind, geothermal, wave and other renewable sources, Australia’s contribution to climate change will be 20 per cent higher in 2020 than it was in the year 2000. So, you cannot tackle climate change only by investment in renewable energy. That is an important and key part of the equation—we need to drive that investment in our energy sector—but it will not be enough. The only way we are going to be able to turn around the growth in our carbon pollution that is causing, or contributing to, climate change is with a carbon pollution reduction scheme. The only way we are going to turn around the growth that is causing and worsening climate change is to put a firm legislated limit on the amount of carbon that we produce and make those who create the pollution pay for it. So I urge those opposite, who appear to have become supporters of renewable energy in recent times, also to join the bigger fight—

Senator Brandis—We were there before you were, Minister.

Senator WONG—I will take that interjection, Senator Brandis. He says they were there before we were. I have acknowledged, Senator, that you introduced the first renewable energy target—you then failed to follow it up. You may have missed my introduction,
but it is not enough to simply start a policy and then fail to take advice that is very clear about the need to adjust that policy to achieve the outcomes. What occurred eventually under you is that renewables as a proportion of total energy usage went backwards.

I urge those opposite who have become supporters of renewable energy in recent times to join this bigger fight, the fight against climate change, and, when the government next presents the Carbon Pollution Reduction Scheme, I urge them to support that bill. I want to make this commitment again in this place: if the opposition come forward with serious and credible amendments—

Senator Boswell—We have.

Senator WONG—that reflect their party’s position, we will negotiate, and we have been doing so.

Senator Boswell—What do you think we’ve done?

Senator WONG—I will make the point, Senator Boswell, that you have put forward amendments and that your representatives in your shadow ministry and I, as the relevant minister, have been negotiating, just as we said we would. What a difference between the way in which the coalition has sought to engage with this legislation and the coalition’s abject, complete, refusal to engage with the Carbon Pollution Reduction Scheme.

We have delivered on our commitment to negotiate in relation to the renewable energy target, as Senator Abetz said. I thank those shadow ministers with whom I have been dealing and I hope that we can resolve these issues through the committee process. I also thank Senator Milne, acting on behalf of the Greens, and Senator Xenophon for the discussions with me and my office on their views. This is the way we could have approached the Carbon Pollution Reduction Scheme. I again remind those opposite that, unlike in relation to this renewable energy legislation, they did not come forward with a consolidated position. The opposition did not come forward with any amendments that had the support of the party room; in fact, the opposition did not come forward with any amendments whatsoever.

I want to briefly address some of the issues which have been raised in this debate. I know a range of amendments have been moved and I suspect we will discuss those issues in the context of the committee stage. The first is the relationship between the renewable energy target and the Carbon Pollution Reduction Scheme and the assistance available to industries. I want to make this point very clear as the relevant minister: the reason we put forward assistance to industry through the renewable energy target in a way that reflected the assistance under the Carbon Pollution Reduction Scheme was that we thought that was the best policy.

There have been a lot of allegations in this place and, I note, in the Senate committee report from a number of parties, including the Greens, about intention—sometimes governments actually do things because they think they are the right policy. That may come as a surprise to cynical people, but that is what governments do seek to do. We reflected in the design that we put forward in this legislation the reality that a range of firms in different industries said to us, ‘We need you to consider the cumulative cost of the carbon price as well as the additional electricity cost as a result of the renewable energy target.’ It was with that in mind that we took to COAG the proposition: ‘Let’s use the broader base and the architecture of assistance that we have put out under the Carbon Pollution Reduction Scheme and in the white paper after long consultation with industry. Let’s use those thresholds and that
architecture and on that build exemptions or partial exemptions and assistance for the renewable energy target. Those opposite may recall that that agreement was taken to COAG in April 2009 and that is what was announced then. I note that there was no outcry from any of the parties in this chamber when that was announced in the COAG communique.

The government is in discussions with other parties in relation to this issue. We announced last weekend an interim de-linking arrangement that provides some assistance to industry until the Carbon Pollution Reduction Scheme comes into place. I make it very clear that that is a less than perfect way of tackling climate change and a less than perfect way of delivering assistance to industry. We still believe the best policy approach is to reflect the CPRS architecture for assistance because that gives industry a very clear understanding of the cumulative cost and the cumulative level of assistance. That is why we initially proposed that, and we remain of the view that the best way of providing assistance is to build on that which was set out in the government’s decision on the Carbon Pollution Reduction Scheme.

Senator Milne has suggested, amongst other things, an increase in the renewable energy target to 30 per cent. Obviously, the government is delivering on a commitment we took to the Australian people at the last election which will deliver a fourfold increase by 2020. This is a challenge but it is achievable and affordable and, as I said, it will drive investment in Australia’s renewable energy sources, such as wind, solar and geothermal.

There has also been a suggestion that the RET, the renewable energy target, should be banded to ensure the deployment of less mature renewable energy technologies. I suspect this will be a live issue in the context of the committee debate. The way the government has approached this is to recognise that the scheme should encourage the deployment of renewable energy without picking winners within the target. The government’s modelling indicates that, due to the large size of the renewable energy target, it will in fact pull through a range of technologies, including wind, biomass, solar and geothermal. It is also the case—and this is important—that over time the carbon price will be the primary driver of renewable energy and will provide significant support over the next two decades in addition to the renewable energy target.

Our view is that there is a case, in terms of emerging renewable technologies, for other forms of assistance. We believe the best policy is to provide that assistance not via what is a market mechanism but via other policy mechanisms. I would refer those in this chamber to the 2009-10 budget initiatives, which include the Clean Energy Initiative, which includes about $1.5 billion to support R&D, research and development, in solar technologies and $465 million to establish the Australian Centre for Renewable Energy. This is on top of the previous election commitment that we made in relation to the Renewable Energy Fund. In combination with support under the renewable energy target, these policies will promote a diverse portfolio of renewable energy technologies.

There has also been discussion about a national feed-in tariff. I have had quite a number of discussions with Senator Milne on this issue. I recognise that it is the Greens policy. As I previously indicated, we believe that these are alternative policy mechanisms for promoting a renewable energy uptake. Obviously a renewable energy target sets a quantity of renewable energy as the target. A feed-in tariff provides a certain amount of support for specified technologies. We took a renewable energy target as our preferred pol-
icy option to the election and, of course, the Council of Australian Governments also decided in November 2008 not to implement a national feed-in tariff but to agree that jurisdictions could implement such schemes. A range of principles were agreed by COAG in relation to that, including whether or not such schemes would be funded on or off budget was a matter for those jurisdictions.

There has also been some discussion of the government’s decision to include waste coalmine gas in the RET. I emphasise this is intended as a transitional measure and is intended to underpin the viability of projects that have already been committed whilst maintaining the integrity of the renewable energy generation target by including higher annual targets to ensure no renewable energy is displaced. The government agrees waste coalmine gas is not a renewable energy source. We do not intend it to contribute to the 20 per cent renewable energy target by 2020. The amendments proposed by the government in this legislation will increase the annual targets under the RET for the years 2011 to 2020 inclusive to ensure the inclusion of this gas does not displace renewable energy generation. To clearly differentiate waste coalmine gas from renewable energy sources, the amendment creates a new concept of eligible energy source that comprises the current list of eligible renewable energy sources and separately eligible waste coalmine gas. Again, I emphasise, this eligibility will be limited. It will be limited to waste coalmine gas fuelled power stations currently in operation. Annual limits will be placed on these power stations’ ability to create renewable energy certificates based on their 2008 output levels.

To ensure the inclusion of waste coalmine gas under the renewable energy target does not crowd out renewable energy generation, the amendment will increase annual targets under the expanded RET Scheme for the years 2011-20. The target in 2011 will be increased by 425 gigawatt hours to account for the half-year of eligible generation and the annual targets for 2012-2020 will be increased by 850 gigawatt hours. Total eligible waste coalmine gas generation will be capped at 425 gigawatt hours in 2011 and 850 gigawatt hours for the years 2012-2020, equal to the amount by which the annual targets are increased under the renewable energy target.

In conclusion, the renewable energy target is part of the government’s economically responsible approach to tackling climate change and to moving Australia to a low-pollution future. It will drive significant investment, accelerating the deployment of a broad range of renewable energy technologies like wind, solar and geothermal. Through a single national scheme this renewable energy target will transform our electricity sector and ensure that 20 per cent of our electricity supply comes from renewable sources by 2020. But I again remind senators that, whilst this bill is worthwhile and whilst this bill is necessary to increase renewable energy in Australia, it is not enough and if we are to tackle climate change we need to do much more. I look forward to the Senate’s cooperation in that task.

Question agreed to.

Bills read a second time.

In Committee

RENEWABLE ENERGY (ELECTRICITY) AMENDMENT BILL 2009

Bill—by leave—taken as a whole.

Senator WONG (South Australia—Minister for Climate Change and Water) (11.34 am)—I table the supplementary explanatory memorandum relating to government amendments being moved to this bill. This memorandum was circulated in the chamber earlier today.

CHAMBER
Senator MILNE (Tasmania) (11.34 am)—I rise to move the first group of Australian Greens amendments, which remove solar hot water heaters and heat pumps from the renewable energy legislation. This may seem counterintuitive and I want to explain why it is critical that this actually occurs. The Australian Greens totally support the rollout of solar hot water from one end of the country to the other. We would love to see it on every rooftop in the country, which is why we have a policy position to retrofit all of Australia’s houses with solar hot water. The government has not adopted a systemic approach such as the one the Greens advance. We want to see a national energy efficiency target and we want to see assistance for energy efficiency measures clearly go with that target. That is the place that solar hot water should have in an energy efficiency scheme. By lumping it in with the renewable energy target you are actually reducing the amount of energy that you are generating under the scheme—and I will get to that in a minute. If the government does not want to have a national energy efficiency target and a scheme of financial mechanisms to support it, then the very least the government should be doing is increasing the renewable energy target to at least 30 per cent in order to accommodate solar hot water in the system but still leave room for the expansion of those technologies that actually generate renewable energy. The failure to have an energy efficiency scheme means we are crowding out the ability of generators of renewable energy to come in in the 20 per cent target. There are many academics who have put forward substantial papers on that.

One of the submitters to the Senate inquiry, Hugh Sadler, who has a huge amount of experience in this field, has pointed out that under the current MRET Scheme the installation of solar and heat-pump water heaters earns renewable energy certificates and they are equal to the additional number of megawatt hours of electricity that is deemed would have been consumed over the lifetime of the water heater had an electric resistance water heater been installed instead. The current bill retains this aspect of the scheme. But that is not consistent with the policy objectives of the renewable energy target. It will distort markets for water heaters and discriminate against other forms of water heating which have the same—or, in many cases, lower—levels of greenhouse gas emissions.

Data available shows that solar and water-pump heaters account for 24 per cent of all renewable energy certificates generated to the end of 2008. That means that the quantity of renewable electricity actually generated under MRET legislation is 24 per cent less than the normal program target. If this trend continues to next year, it will mean that renewable electricity generated is not 9,500 gigawatt hours in that year but 7,220 gigawatt hours. Indeed, the proportion of generated renewable energy certificates from this source has been steadily increasing over the last few years, which is consistent with the ABS data on the increasing market share of solar hot water, suggesting that the overall proportion of solar and heat-pumps generated certificates in 2010 may be more than 24 per cent. Because COAG has endorsed the National Strategy on Energy Efficiency, which includes a provision to phase out conventional electric resistance water heaters, we are going to see a huge expansion in the market. If it is assumed that solar and heat-pump systems will take 50 per cent of the new build and mandated replacement market, notwithstanding the target being four times larger than the current MRET, solar and heat-pump water heaters could account for nearly 20 per cent of the cumulative renewable energy certificates generated up to 2020.
That is not what this scheme was meant to be about. We do not want 20 per cent of the renewable energy target taken up by what is effectively an energy efficiency measure. That measure should be on top. If you are going to increase the target effectively by putting coal-seam methane on top, because it is not a renewable energy source, then you should be putting solar hot water on top because it too is an energy efficiency measure rather than a generator of renewable energy. It is a displacement mechanism rather than a generator of renewable energy. So I cannot see the consistency in saying we will bring in a non-renewable energy source and put it on top of the target, but we will not take out the energy efficiency measures and put it on top of the target. One can only assume it is because you understand clearly that by leaving it in there you are reducing the amount of renewable energy space for those technologies to roll out. That has to be a deliberate government measure, and it is a bad idea. Everybody in the renewable energy industry knows it is a bad idea.

We are also seeing incredible rorts with the heat pump market whereby some retailers are giving them away because of the generosity of the renewable energy certificate arrangements. That is nothing but a total rort going on out there. What we want to see is a genuine 20 per cent of renewable energy by 2020 being delivered by the government. The Greens want to go further by saying it should be 30 per cent. If you were genuine about it you would add on that energy efficiency measures on top of the 20 per cent if you are doing it for coal-seam methane.

I would like to ask the minister, in responding to this amendment: what percentage of the 20 per cent does she estimate is going to be taken up by solar hot water and heat pumps and how much, therefore, are we actually going to get in terms of renewable energy generation? Deeming an energy efficiency measure to be a renewable energy measure does not work. What if someone puts something in the wrong place? What if you do not get the levels of efficiency, and so on? I would just like to know from the minister, given the changes in COAG in relation to this and the deeming provisions: what amount of renewable energy does she actually expect to get from her target, given that the estimation is 20 per cent of the cumulative RETs generated up to 2020 are going to come from this particular energy efficiency measure and not renewables?

Senator BOSWELL (Queensland) (11.42 am)—I have been told that I can ask some questions before we go on to the amendments. I want to ask this question of Senator Wong. I think it is very important. Senator Wong, in their submission on RET to the committee that investigated it, Catholic Health put that it was going to cost them, on RET only, $650,000 in the first year and by 2020 that would go up to $1.685 million. That was just for the hospitals. When you add aged care onto that, it would cost Catholic aged care $355,841, and in 2020 it would be $1,350,000. If you total those two costs, in the first year Catholic Health has to fork out $1,022,436 for aged care and that goes up to $2.7 million in 2020. Then if you add onto that the cost of the CPRS, the cost goes to $10.8 million— that is, the renewable energy target combined with the CPRS.

I ask the minister: has she considered how this will affect non-profit organisations? Has she responded to Catholic Health? What does she advise Catholic Health to do? Is the minister aware of the cost impacts of the CPRS where Catholic hospitals are likely to face an additional cost of $10.8 million? How will Catholic Health meet the cost of both the CPRS and the RET? Is there any provision to assist non-profit organisations such as Catholic Health? I assume these costs will be faced by Catholic Health and I understand they
represent about 10 per cent of the non-profit health and aged-care industry. By a simple multiplication, that would suggest that the RET would represent a cost to the industry of $27 million.

This is a non-profit organisation. How are you going to respond to this? You cannot simply say, ‘We’ll pass the cost on to the aged-care people,’ or, ‘We’ll slug the pensioners another $5 or $6 for their accommodation,’ or, ‘We’ll close down some of the hostels.’ You cannot just inflict a cost like this on non-profit organisations—and it does not just apply to Catholic Health; this would affect many thousands of non-profit organisations. Have you considered this? What is your advice to them? I would like a response on behalf of the many hundreds of thousands of people who find themselves in aged care and those who are confined to hospital or use hospital facilities. The Catholic Health organisation is going to have to write a cheque for $10.8 million off their bottom line for an energy cost increase. How are you going to respond to that? Are there any avenues through the federal budget or state budgets whereby that cost can be picked up? This, I believe, is just one of the costs that have been overlooked by those promoting the CPRS. It is a cost that I think should be dealt with in the RET legislation before the chamber.

Senator IAN MACDONALD (Queensland) (11.47 am)—We seem to be speaking in reverse order here, but Senator Boswell’s questions are very good questions and I would also like to hear the answers to them. Whilst the minister is on her feet, I wonder if she would elaborate on some issues for me. I tried to listen to the minister’s speech in reply to the second reading debate. Unfortunately I was in a meeting and only heard the second part of the speech, so I wonder if she would elaborate on whether the government is proposing to move amendments dealing with aluminium and at what stage those are at.

Also, perhaps the minister mentioned this in the first part of her speech, but I ask that she assist me by briefly outlining what the government will be doing about decoupling the renewable energy target from the ETS. Perhaps she has mentioned that, but if she has not perhaps she could respond now. I am interested in whether there will be a replication of the framework of compensation and qualification under the ETS but with a decoupling of the start date completely so as to begin on 1 January 2010, irrespective of whether the ETS legislation has been passed by then. I am also interested in whether the aluminium sector is going to face an expanded RET liability to 90 per cent and whether the government intends moving amendments on the food-processing area.

Once I get those initial responses from the minister, I also want to make some more specific inquiries—as I know Senator Boswell does. I am interested in the government’s position on gas being used as an abatement of carbon. Whilst it is not, strictly speaking, a renewable energy, it certainly will help in the abatement of greenhouse gases. I wonder if it is the government’s intention to look seriously at gas, perhaps on a smaller percentage of abatement than for renewable energies. I might perhaps explore those issues at greater length later, but I am initially interested in the minister’s intentions regarding amendments on the major issues I have raised.

Senator WONG (South Australia—Minister for Climate Change and Water) (11.50 am)—For ease of the debate I might respond now to what has just been put by senators. I am sure that senators will return to some issues later. The last thing that Senator Macdonald raised was the inclusion of
gas. I assume he means not waste coalmine gas but natural gas.

Senator Boswell—No, he meant waste coalmine gas.

Senator WONG—I am sorry, Senator Boswell; I do not know if you want to get to your feet. I recall that the inclusion of gas was the coalition’s election commitment. They had, from memory, a 15 per cent clean energy target, including gas and renewables. The government’s election commitment was for a renewable energy target which comprised renewable energy, not gas.

We do recognise the importance of gas. Gas will be an extremely important fuel after the introduction of a carbon price. I think experience around the world demonstrates that. Gas has been one of the major and important contributors to baseload energy in the transition which occurred in the United Kingdom. The government would anticipate that gas in a world where there is a carbon price will become comparatively more competitive. Certainly I have had good discussions with various companies and organisations that operate in this field and they do see significant commercial benefit to them flowing from a situation where there is a carbon price. For example, Santos, which is located in my home state, has made some public comments about that.

Senator Macdonald is right: there is some greenhouse gas displacement and that it is a cleaner field than other fossil fuels. But we did go to the election with a renewable energy target commitment. We believe that once a carbon price is introduced that will certainly support the deployment of gas. I think that if you talk to industry there is a similar view there too—not that I want to speak for all of them, but that has certainly been some of their public statements.

Senator Boswell made a number of comments and asked about price impacts. The modelling the government has done in relation to the renewable energy target suggests that, between 2010 and 2020, as a result of this renewable energy target policy the likely impact would be an increase in electricity prices of around four per cent over the decade. Obviously, electricity prices may move for other reasons. State governments have made various decisions about retail prices, but as a result of this policy measure that is the estimation the government has been provided. There is a more significant impact from carbon price, which I know the senator has raised in various ways in this chamber. We have been upfront about this, and so was former Prime Minister Howard, to give him his due: you cannot introduce a carbon price and make something that was previously free have a cost without having some cost impact. We have been very conscious of that, Senator Boswell.

In the package that the Prime Minister announced at the National Press Club in December, half of the auction revenue from the permits will go back to Australian households—I will come to your non-government organisation issue in a moment, because we also had some discussions with that sector. That is a conscious policy decision by government; to prioritise particularly in low- and middle-income Australia, to enable assistance to be provided to adjust to the impact of a carbon price. My recollection is that, as a result of what the government announced, we will deliver through the tax and welfare system, if the CPRS is passed, to reflect our desire to assist low- and middle-income Australia, a package which ensures that around 90 per cent of low-income households will receive about 120 per cent of the likely cost impact, and around 97 per cent of middle-income households will receive some form of assistance. The policy that was announced by the Prime Minister enables that assistance to be delivered through the tax and welfare
system. I can provide Senator Boswell the definitions and thresholds of low and middle income that were canvassed at that time, if he would like.

The senator raises the issue of non-profit organisations. This was an issue we discussed with the welfare sector. I am not sure I can respond specifically on the precise dollar figures you have put forth, Senator Boswell, because I do not have that submission in front of me. I again go back to our four per cent modelling, which is the advice to government. We have ensured that the Climate Change Action Fund does have a stream, which would also enable assistance to be provided to non-government organisations. That was in direct response to the representations made by that sector.

Senator Milne asked a number of questions. She referred to a national energy efficiency target and financial mechanism to underpin that. I have previously indicated in public discussions in various forums that we are reluctant as a government to set up yet another market based scheme to drive these policy outcomes, given that there are a whole range of changes that we anticipate as a result of the introduction of a carbon price. There is the National Strategy for Energy Efficiency which COAG has signed off on, which does look particularly at new commercial buildings. We also announced the Australian Carbon Trust. We want to showcase and encourage the retrofitting of existing buildings by business to drive those energy efficiency outcomes. Energy efficiency is an area which requires a range of policy mechanisms, and the government is conscious of that. We have implemented a range of those and we also believe that the introduction of a carbon price through the Carbon Pollution Reduction Scheme will be of benefit to that.

Senator Milne’s contribution also called for an increase to 30 per cent of the government’s renewable energy target. We believe a four-fold increase by 2020 is a very substantial investment. It is also consistent with what we took to the Australian people. The senator raises a very reasonable point, which is about the operation of aspects of the current eligibility criteria insofar as they relate to heat pumps. The evidence, or the suggestion, that has been made to a number of senators in this place, and also to the government, is that the operation of the heat pump aspect of the renewable energy target is problematic. I place on record that we do understand that those concerns are being raised by industry. The government is minded to consider how we manage changes such that we could restrict the arguable misuse of the renewable energy target in relation to heat pumps.

I also want to say publicly on this issue and on other issues associated with solar, which is another issue that the senator raised, that the Council of Australian Governments has agreed that by the end of this year some of the eligibility provisions of the renewable energy target for new small-scale technologies as well as heat pumps should be examined to ensure that the eligibility rules remain relevant over time to reflect new technologies and recent developments in renewable technology. We would anticipate that by year’s end COAG would have considered some of the issues that the senator has raised and the government, after considering the COAG review, would be in a position to have a more comprehensive response. The government is minded to consider interim measures, pending the finalisation of that review, designed to ensure the integrity of the renewable energy target and the way in which heat pumps, in particular, are assisted under this legislation.
The senator asked me a specific question about the amount of renewable energy that would be displaced by these technologies. She made a number of assertions based on modelling which assume no policy change and make a range of other assumptions about which I cannot comment. I can say to the senator that the modelling the government commissioned through MMA indicates that less than five per cent of the renewable energy target would be taken up by solar hot water and by heat pumps. But, of course, the ultimate proportion of the 20 per cent target by 2020 would depend on whether or not there are any changes as a result of the COAG review and also any changes as a result of the mooted 2014 review that the government has flagged.

Finally, the senator raised the issue of coal-seam methane—I think she means waste coalmine gas—and the assertion that that is not a renewable energy. The government does not disagree. I think in my summing up I made clear that it is not a renewable energy source. This is a transitional measure to reflect that there are a range of companies who are engaged in utilising this waste gas. There is an environmental benefit as well as employment in that sector. We believe this transitional measure is a sensible way forward and, to ensure that renewable energy is not crowded out, we have proposed that this component of energy be above the 20 per cent target. I think that addresses the issues that were raised by senators in the debate.

Senator MILNE (Tasmania) (12.02 pm)—by leave—I move Australian Greens amendments (1) to (6), (9), (11) and (19) on sheet 5816 revised together:

(1) Clause 2, page 2 (at the end of the table), add:

10. Schedule 4 The day on which this Act receives the Royal Assent.

(2) Clause 3, page 3 (lines 1 to 5), omit the clause, substitute:

3 Schedule(s)

(1) Each Act, and each set of regulations, that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

(2) The amendment of any regulation under subsection (1) does not prevent the regulation, as so amended, from being amended or repealed by the Governor-General.

(3) Schedule 1, page 4 (after line 25), after item 3, insert:

3AAA Subsection 5(1) (definition of solar water heater)

Repeal the definition, substitute:

solar water heater means a device that heats water using solar energy and includes heat pump water heaters.

(4) Schedule 1, page 5 (after line 2), after item 3A, insert:

3AA Section 8

Omit “solar water heaters or”.

(5) Schedule 1, page 6 (after line 12), after item 3L, insert:

3LA At the end of subsection 17(2)

Add:

; (c) solar energy used by solar water heaters, including heat pump water heaters;

(d) biomass from native vegetation of any kind.

(6) Schedule 1, page 7 (after line 14), after item 3Q, insert:

3R Subdivision B of Division 4 of Part 2

Repeal the Subdivision.

(9) Schedule 1, page 8 (after line 10), after item 7, insert:
7AA  Subdivision BB of Division 4 of Part 2

Repeal the Subdivision, substitute:

Subdivision BB—Small generation unit return

23F  Small generation unit return

(1) If the sum of the number of certificates created by a person during a year under Subdivision BA exceeds 250, the person must give a return for the year to the Regulator on or before:

(a) 14 February in the following year; or

(b) any later day allowed by the Regulator.

(2) The return must include details of:

(a) the number of certificates the person created under that Subdivision during the year; and

(b) the number of certificates the person is entitled to create that Subdivision because of rights assigned to the person under subsection 23C(2) during the year; and

(c) any other information specified by the regulations.

(11) Schedule 1, page 8 (lines 14 to 16), omit item 7B, substitute:

7B  Section 25A

Repeal the section, substitute:

25A  Form and content of certificates—small generation units

(1) Certificates under Subdivision BA of Division 4 are to be created in an electronic form approved in writing by the Regulator.

(2) Each certificate is to contain:

(a) the registered person’s registration number; and

(b) the year; and

(c) a number in an unbroken sequence that is used for all certificates created in respect of the small generation unit concerned in that year and that starts at one and has increments of one; and

(d) the electronic signature of the registered person who created the certificate; and

(e) the date on which the small generation unit concerned was installed; and

(f) details of the eligible energy source in respect of which the certificate was created; and

(g) the date on which the certificate was created.

(19) Page 24 (after line 20), at the end of the bill, add:

Schedule 4—Amendment of the Renewable Energy (Electricity) Regulations 2001

Part 1—Solar water heaters

1  Subregulation 3(1) (definition of accredited body)

Repeal the definition.

2  Subregulation 3(1) (definition of component certification)

Repeal the definition.

3  Subregulation 3(1) (definition of product certification)

Repeal the definition.

4  Subregulation 3(1) (definition of Register of solar water heaters)

Repeal the definition.

5  Regulation 3A

Repeal the regulation.

6  Subdivision 2.3.2

Repeal the Subdivision.

7  Application of item 6

To avoid doubt, the repeal of Subdivision 2.3.2 of the Renewable Energy (Electricity) Regulations 2001 made by item 6 means that certificates can no longer be created for the installation of heat pump water heaters.
8 Division 2.4
   Repeal the Division, substitute:
   
   Division 2.4 Small generation unit returns
   
   20C Information to be included in return (Act s 23F)
   
   For paragraph 23F (2) (d) of the Act, a small generation unit return must include
   the following information:
   
   (a) the year to which the return relates;
   
   (b) the person’s registration number;
   
   (c) the telephone number, fax number and e-mail address (if any) of the person;
   
   (d) the number and type of unit for which a certificate was created in the year
   and the period of time for which the certificate was created;
   
   (e) details of any certificates assigned under subsection 23C (2) of the Act;
   
   (f) the number of certificates found ineligible for registration in the year;
   
   (g) the reasons for certificates being found ineligible for registration in the year;
   
   (h) the process used by the person to ensure that certificates created or assigned
   under Subdivision BA of Division 4 of Part 2 of the Act are eligible for registration.
   
   Note For other information that must also be included in the return, see Act, subsection 23F (2).

9 Paragraph 28(1)(b)
   Omit “23 (2) or”.

10 Subregulation 28(2) (table)
   Omit “or solar water heater” (twice occurring).

11 Subregulation 28(2) (table item 1)
   Omit “23 (2) or”.

12 Schedule 4
   Repeal the Schedule.

Part 2—Wood waste

13 Paragraph 8(1)(d)
   Omit “; and”, substitute “.”.

14 Paragraph 8(1)(e)
   Repeal the paragraph.

15 Subregulations 8(2), (3) and (4)
   Repeal the subregulations.

16 Subregulation 9(2)
   Repeal the subregulation, substitute:
   
   (2) For section 17 of the Act, biomass from native vegetation is not an energy crop.

Senator Boswell—Mr Temporary Chairman, if Senator Milne moves her amendments, does that cut out all further general debate on this bill or can we continue? Senator Macdonald and I want to debate some of these issues that are not related to the Greens amendments.

The TEMPORARY CHAIRMAN (Senator Bernardi)—The call is with Senator Milne. There is a relevance question, of course, related to the debate but chairs have previously interpreted relevance quite widely and I would anticipate that we will continue to do so.

Senator MILNE—I return to the amendments, which the Greens have moved, and the two components of these amendments. Solar water heaters and heat pumps are no longer eligible to create certificates, and biomass from native vegetation is no longer an eligible renewable energy source. I just want to go back to the minister’s response in relation to what I had to say about heat pumps and solar hot water crowding out, from the renewable energy target, new renewable energy generation technologies.
Those that are likely to be impacted most are things like concentrating solar thermal and hot-rock geothermal because, to date, these technologies have not played a significant part in the MRET to the end of 2008. In fact it is around 0.01 per cent of the total from geothermal anyway. But they are seen as having great potential in the longer term. What the minister said was that her modelling does not suggest it is going to be a problem. It seems to me that if you have academics saying it is going to be 20 per cent of the RETs to 2020 that are going to be taken up by these technologies, there is a vast difference between what that modelling shows and what the government says. So I would like to have further detail about whether the government can confirm that, to date, about 24 per cent of all the RETs generated to the end of 2008 have come from solar and heat-pump water heaters. If that is the case they are going to crowd out renewable energy, and I return to my point that it should be over the top, as indeed the coal gas is, because it is not renewable energy. It is energy efficiency—we like it, we love it and we want it to be there—but we do not want it to crowd out renewable energy. We want 20 per cent of renewables.

The other point I want to make is taking out the burning of native forests to generate energy. This is an absolute disgrace and it ought not to be classified as a renewable energy source. We have the largest carbon stores in the Southern Hemisphere being logged. Just because the industry can say, ‘Our intention is to log them for sawlog,’ the other 90 per cent of the forest therefore goes as woodchips and is eligible to be burnt in a furnace. I want a guarantee from the minister that not one single renewable energy certificate is going to be generated from native forests that are logged in Tasmania, Victoria or New South Wales.

We have had many forest campaigners say that they are ready to go into action over this. As soon as the government tries to continue this rort by encouraging the logging of native forests to burn there will be court cases. And, of course, there will be court cases over this because it is so wrong. It is doublespeak and doublethink to go to Copenhagen and say that we are interested in reducing emissions from deforestation and degradation. We tell the Indonesians we are going to provide $200 million to stop them logging their forests and here we are putting the logging and burning of native forests into a so-called renewable energy target.

This is nothing more than a propping-up program for failing native forest businesses. That is what this is. It is the loggers saying they can no longer sell native forest woodchips overseas because the world does not want them and the result is that the price has dropped. This is a propping-up mechanism and it should not be tolerated. Apart from just saying it is government policy to log native forests and to support regional forest agreements, which destroy biodiversity, which destroy native forests, I would like to hear a justification for destroying ecosystems for supposedly renewable energy. It is not renewable energy; it is ecosystem destruction.

Senator IAN MACDONALD (Queensland) (12.07 pm)—I indicate that the coalition will be opposing Senator Milne’s amendments. Amongst other things, if the amendments were passed, I am advised they would destroy many, many jobs. Given the particular state of our economy, that is the last thing we want to do. Senator Milne demonstrates why the Greens will continue to be an irrelevancy in the political scene in Australia. Their inconsistency and hypocrisy are seen by most Australians, and indeed voting results in recent elections—the Queensland state election, for example—
clearly show that the vote of the Greens political party has fallen quite substantially. They have lost seats at recent federal elections and have not—

Senator Milne—Mr Temporary Chairman, I rise on a point of order on relevance. We are debating an amendment to take the logging and burning of native forests out of the renewable energy target. Senator Macdonald is straying into an analysis of election results, which I do not see as having any relevance to a renewable energy target and a government decision to log native forest—apart from being totally wrong, of course.

The TEMPORARY CHAIRMAN (Senator Bernardi)—Thank you, Senator Milne. I did indicate that there would be a wide range of interpretation given to relevance. I think that Senator Macdonald is being relevant.

Senator IAN MACDONALD—I have been speaking for 1½ minutes of my 15 minutes in relation to this amendment, and I was simply indicating the Greens were a political irrelevancy because of their inconsistency on many issues, including this one.

I want to address the particular comments made by Senator Milne on the amendment. There is in Australia a very good sawlog industry. It is an industry that does employ a lot of people, but it also provides a valuable resource of carbon storage for Australia. Our sawlog industry is one of the most sustainable in the world and it is an industry that assists in construction within Australia. If we did not have a sawlog industry like this within Australia, we would be importing all of our sawlogs from places overseas that have an awful record of dealing with their forests. They deal with them in unsustainable ways, whereas the Australian forests are very sustainable. In fact, they are amongst the most sustainable forests in the world.

Senator Milne—Seventeen species on the endangered species list is a brilliant record!

Senator IAN MACDONALD—Senator Milne, I did not quite hear the interjection, but it is typical of the Greens: destroy the forest industries at all costs. It has been the thing that spawned and converted the Greens from the old very ultra left-wing Communist Party of Australia into a Greens party. Here was a way they could perhaps do what the old communists used to do: destroy industries and jobs by using the veneer of an environmental approach.

As I was saying before I was interrupted, we have a sawlog industry that is sustainable. It is very, very useful. Of course, if you do not use logs in construction, what do you use, Senator Milne? Steel? Concrete? Those sorts of resources, rather than a renewable resource like timber? I talked about hypocrisy before. The Greens would have us build everything with cement and steel rather than renewable timber.

There is a very good, very sustainable job-creating sawlog industry in Australia. When you saw a log, you have waste: there are leaves, there are branches, there is bark. There is a lot of the tree that cannot exist in the sawlog that is being created. What do you do with that? Let it rot on the ground?

Senator Boswell—No, you bury it!

Senator IAN MACDONALD—Sorry?

Senator Boswell—The Greens would want you to bury it!

Senator IAN MACDONALD—Bury it? I accept that some of that is needed for the ecology. Some little lizards do like living in those sorts of things, I understand that. But it is a resource. It is there, it is the waste product from a sawlog industry. It should be able to be used as part of a renewable resource, a renewable electricity-generating activity. I can never quite understand the Greens’ oppo-
sition to this. We have, for a long period of time now, accepted that waste product from sawlogs can be used to create energy, and that should continue. That is one of the reasons the coalition will not be supporting this amendment.

In fact there are many calls for the facilitation of and an increase in the use of wood waste for the creation of electricity. It is a renewable resource; it will grow again and it has grown again. If you look at the forests around Australia, in many cases they have been logged for sawlogs for over 100 years and those forests are still magnificent. Compare that with the forests in Victoria that were decimated in those horrific bushfires earlier this year. One of the reasons that the bushfires were so intense was that pressure from people like the Greens political party had stopped the proper management of fuel in those forests. Because fuel could not be managed as it should have been, those fires were more intense and more destructive than would have otherwise been the case. The number of trees in the forests that were destroyed in the bushfires as a result of bad management of the forests—that is, not being able to manage fuel—is just mind-boggling.

If the Greens want to talk about the destruction of forests in Australia, perhaps they could give us a bit of a lecture on what happens when those intense fires go through the native forest and the intensity increases because people like the Greens political party will not allow proper management of the fuel and the understorey system. I might also say that, in the days when these forests were sustainably managed, you had on the spot a workforce of trained, experienced people who watched out for fires and who, at the first indication of a fire, had a team of people, trucks and equipment there to put the fires out. Unfortunately those days are long gone because logging is not allowed in most Australian native forests now.

In the old days, there were logging tracks through the forests. They were there to enable the selective logging of timber and for the timber to be hauled out. They provided egress and ingress for the industry’s vehicles. But they also had a very important role in firefighting. If fires were around, there were trained people able to use these tracks to get in and deal with the fires straight away. Yet the Greens have succeeded in persuading governments—I might say mainly Labor governments, although one or two coalition governments have been confused or conned by the Greens into thinking they would get preferences if they shut the forests down or created some reserves—to shut down many native forests. It has never worked, although I am pleased to say the Labor Party has now realised that you cannot keep shutting down these sustainable forests.

But when you do have sustainable forestry, as we do in Australia, there is wood waste which should be used for creation of renewable energy, amongst other things. For that reason, amongst other reasons, and because of the job-destroying nature of these amendments, the coalition will be opposing the Greens’ amendment.

Senator BOSWELL (Queensland) (12.18 pm)—Before I address Senator Milne’s proposition, I would like to continue my questioning of Senator Wong. I pointed out to Senator Wong that the RET was going to cost Catholic Health Australia about $2.72 million in 2020. Virtually what she told me was that you cannot have an omelette unless you crack an egg. Then she referred to something called the climate action stream. Senator Wong, have you discussed the climate action stream—I presume it includes some money somewhere—with Catholic Health and assured them that they have a way to
access the climate action stream? How would they go about accessing some compensation for their $10.8 million claim under the CPRS and under RET?

I understand that Catholic Health have asked you—not you personally, but your department, which is sitting next to you—but they have not received any response. In fact, I believe that you have not even acknowledged their problem. We are not talking about Catholic Health as a standalone entity, we are talking about Catholic Health in its capacity representing about 10 per cent of non-profit organisations. If $10.8 million represents about 10 per cent of the non-profit organisations, we are now talking about $100 million that will have to be passed on to either age pensioners in aged-care homes or people in public or private hospitals. You cannot add $100 million to the costs of non-profit organisations and expect them to be able to pass it on.

You were very flippant in saying, ‘Senator Boswell, don’t worry about it because we’ve got a climate action stream.’ But be more specific. How do people—whether they be Presbyterians, Methodists, Catholics, Brethren—access this climate access stream? Where does your legislation say that there is a way to fund these costs of $10.8 million? While on this subject, you made reference to the fact that you were going to compensate low-income or middle-income people. What is the cut-off point—is it $100,000, $10,000, $55,000? What is a low-income family?

Senator Milne—Mr Temporary Chairman, I rise on a point of order. I understand we are debating the Greens’ amendment which is to remove solar hot water, heat pumps and native forests from getting renewable energy certificates. Can I ask that, if Senator Boswell wishes to address that issue, he do so, but this is elsewhere in the legislation.

The TEMPORARY CHAIRMAN—Thank you, Senator Boswell is coming to addressing his remarks in regard to the amendment.

Senator Boswell—On the point of order: Senator Milne sought leave to move her amendments and I then asked whether I could speak, and whether Senator Macdonald and I could make references to this bill that did not necessarily refer to Senator Milne’s amendment. I would have denied Senator Milne leave had I thought she was going to prevent further debate on this. Mr Temporary Chairman, your interpretation, as you told the Senate, was that we could have a wide ranging debate. I accepted that. If I did not believe you—and I know you are an honourable person—I would have denied Senator Milne leave.

The TEMPORARY CHAIRMAN—Thank you, Senator Boswell. I have already ruled on this. You did indicate that you were going to be addressing the amendments. You are in order; continue.

Senator Boswell—Thank you. I will address the amendments, but I want to ask: what is the cut-off point that Senator Wong considers middle income? I think that is a very important point. I understand it is not a very high figure. Is that household income? Is it a primary earner or a combined primary and secondary earner making up a total? I would like you to recommit—not ‘recommit’, because you have not committed at all—or to explain your position to the Senate in relation to the hundreds of thousands of people who are living in aged-care homes or forced into hospitals. I would like you to advise the Catholic health organisation, and any other non-profit organisations, how they access this climate action stream. It seems it is a magic pudding, that it will fund anything that you want—but where does it say in the legislation, ‘If you are impacted by these
increased costs, this is how you address that? Can you explain that to me, to the Senate and to those hundreds and thousands of people who continue to be worried about this, particularly those people who are in these non-profit organisations that have to pay their bills on a yearly basis? They are particularly worried about this.

I will address Senator Milne’s amendments. We cannot support these amendments because they do not allow the use of forest by-products. As Senator Macdonald correctly said, when you saw a log into planks, you create sawdust. That by-product—the sawdust, bark or whatever it is—goes to refire the generators of Visy, who are trying to do what they can to get their carbon footprint down. What do you do with it? I want to draw your attention to a situation I am aware of. I actually reported this in the Australian. At Eidsvold at Allies Creek there was a little saw mill—in fact, it was a little village. It had 18 houses, two-men single quarters, big machinery sheds; it was a home for probably 30 or 40 people. Some people had lived there for 40 years. One guy had even retired, but it was his home. The owners of the mill said, ‘You’ve been a good and faithful servant for 40 years; you can stay in the home as long as you want to.’ So he pottered around the mill and he would not retire. But along came—her name escapes me at the moment, but she is embedded with the—

Senator Ian Macdonald—Ailsa Keto.

Senator BOSWELL—Ailsa Keto. She is embedded with the Labor Party government. It was her wish that—

Senator Milne—Mr Temporary Chairman, I rise on a point of order. I think that it is unparliamentary to reflect on members of the community in that way. Clearly, it is entirely appropriate to name people involved in the story, if the senator wants to, but to make those kinds of inferences about members of the public is unacceptable.

The TEMPORARY CHAIRMAN—I have been advised that only certain people are protected under standing order 193, and they have the right of reply. Senator Boswell is in order.

Senator Wong—Through you, Chair, I would invite Senator Boswell, given that it is a member of the public who does not have a right of reply, to consider withdrawing that.

Senator BOSWELL—I was not aware that I had made any unseemly inferences on Ailsa Keto. I said she was embedded in the state Labor government, and she is.

Senator Ian Macdonald—Perhaps you should say, ‘In cahoots with’.

Senator BOSWELL—Someone is drawing another connotation. It is not me who has that mindset!

The TEMPORARY CHAIRMAN—Senator Boswell, just continue with the debate, please.

Senator BOSWELL—I shall. Continuing with the story, there are 60-odd jobs there. Over the years there had been a build-up of sawdust and off-cuts. There was enough material there to fire a generator for six or 12 months. The government decided it would close the mill down. Part of that closure was the instruction, ‘You bury all these off-cuts and sawdust.’ The build-up was the size of a football field. Part of the compensation, if compensation were to be paid, required the sawdust to be buried. It took weeks to bury it. The point I want to make is that that renewable energy had enough power to fire a generator for six months. That was refused—the government would not allow it to happen—so they had to bury it. The generator wanted it. The operator wanted to sell it to the generator, or even give it to him, but no, the government said to bury it. So, what did
the generator use? Black coal. There was a renewable source that could have been used and could have replaced black coal—but no. This is how stupid this thing gets. It was not allowed to be used: wood offcuts had to be buried and coal had to be used in a generator. That is why we are not supporting these amendments.

You can just go down the road to Visy. They have an operation where they power their generators with sawdust and wood offcuts. We would put out another couple of hundred blue-collar worker jobs. That does not seem to worry the Greens. We understand that. The environment is their No. 1 priority. But I would have thought it would worry the Labor Party. If we pass these amendments, we are going to knock off more blue-collar worker jobs. I do not know how we are going to power these generators. I suppose we will close them down. We will close down the Visy generators, the generators that use sawmill offcuts. We will close them down. That will probably affect the viability of the whole operation. For goodness sake, when is the Labor Party going to show a bit of backbone and stand up for the people? The people are out there. They are not earning big money, but they are paying their union fees and they are making a huge sacrifice to do it. When are you going to stand up for them? Why are you trying to take their jobs off them?

Senator Milne, I think I have explained it to you. Because you read about these sorts of operations, I believe you would have seen that in the Australian. There are 60 jobs down the tube. Do you know what they sold those 55 acres for? They sold them for $270,000. There were 18 homes, two men’s quarters, a dining room and a kitchen. It all went for $270,000. With that went 60 jobs. People had been out there happily working. They received a home for $20 or $30 a week and free electricity. They were happy there. But they lost their jobs. You want us to continue that. I am sorry, Senator Milne; I cannot accept your amendments.

I ask Senator Wong to address the issues that I raised regarding Catholic Health and tell us what she has done to talk to them. They have talked to you, your department or your office. Tell me how you have said to them: ‘Don’t worry about this $10.8 million. There is a way to get this money.’ If you would address that, I would be very grateful.

Senator MILNE (Tasmania) (12.32 pm)—I want to return to the issue of native forest logging and this legislation being a driver for more destruction of native forest. There is a Gunns pulp mill proposed for Tasmania. They have a 30-year wood supply agreement for native forests with the Tasmanian government. They can access Tasmania’s native forests for the next 30 years. At this stage, only one bit of equipment has arrived at Bell Bay for this pulp mill. What a surprise: it is a forest-burning furnace. Regardless of whether or not they get their pulp mill up, they want to be able to burn native forest woodchips and generate energy. The Gunns pulp mill furnace is for 184 megawatts. I want to know from the minister whether those 184 megawatts will be eligible under this scheme for renewable energy certificates. Considering the renewable energy target, Australians would be horrified to know that the government is actively proposing that occur. I would like the minister to comment specifically on whether she is prepared to give out the renewable energy certificate—that correspond to 184 megawatts of power—to Gunns, when they are destroying ecosystems.

Just this week I pointed out by interjection to Senator Macdonald that the minister for the environment released a report saying that we had 1,750 species on the threatened species list in Australia. As my colleague Sena-
Siewert has pointed out, we have the highest rate of mammalian extinction in the world. What a record for this country! We have seen destruction of forests, and this will drive further destruction of forests. To that end, there has been quite a lot of lobbying in relation to this. The Australian Forest and Climate Alliance have got together and put out a statement today on this legislation. The statement is endorsed by a large group of people across Australia who do not want to see burning native forests in these so-called renewable energy targets. I will read out the names, because it is worth the government and the coalition understanding just how many people object to what is an obscenity. In an age of global climate change—when 20 per cent of greenhouse gas around the world comes from deforestation—we are encouraging the logging of native forests. To add insult to injury, we are going to pay people a premium to do it through this renewable energy target.

This statement has been endorsed by Lawyers for Forests, the South East Region Conservation Alliance, Environment East Gippsland, the Western Australian Forest Alliance, the Australian Youth Climate Coalition, Coastwatchers, Chipstop, the Huon Valley Environment Centre, Friends of the Earth, GECO, the Wilderness Society, Environment Tasmania, the South East Forest Rescue, Still Wild Still Threatened, the Australian Conservation Foundation, the Environment Network, the North East Forest Alliance, the Forest Action Trust and Healthy Soils Australia. They represent a lot of people who are working very hard on the ground to try to protect ecosystems and to try to protect species in front of bulldozers. Here we have in this parliament, it seems, a consensus between the government and the coalition. It is exactly what I said last night about George Orwell. He wrote in his novel *Nineteen Eighty-Four*:

> The power of holding two contradictory beliefs in one’s mind simultaneously, and accepting both of them ... To tell deliberate lies while genuinely believing in them, to forget any fact that has become inconvenient, and then, when it becomes necessary again, to draw it back from oblivion for just so long as it is needed, to deny the existence of objective reality and all the while to take account of the reality which one denies—all this is indispensably necessary.

It is called ‘doublethink’, and that is what is going on here. We have a government engaged in doublethink on the one hand running to Copenhagen saying they are interested in reducing emissions from deforestation and degradation while on the other hand, in this place, having a renewable energy target which is derived in part from burning native forests. If that is not doublethink, I do not know what it is.

Senator Macdonald might suggest that you would expect these groups to have a view about burning native forests—of course they do, because they are rational about ecosystems, they are rational about the loss of species and they are worried about climate change. They are saying that over 70 representatives from forest groups around Australia have recently formed this alliance, that peak environment groups, local and regional forest protection groups, young people and NGOs are all calling on the Rudd government to secure Australia’s climate future by protecting native forests from logging, woodchipping and burning. And so they should, because they are worried about their future. They are worried about the collapse of ecosystems. They are worried about the lack of resilience and the loss of biodiversity. And so they should be.

Even this Senate agreed in a Senate committee report that the regional forest agreements are not protecting biodiversity, and there is a review into that at the moment. It is not good enough to say that it is just gov-
ernment policy. As these groups have said, burning native forests for power generation is a ridiculous proposal cooked up by a logging industry desperate for alternative markets for woodchips. That is exactly the reality of what is going on here. Native forest furnaces are bad for the climate, bad for water supplies and bad for wildlife and must be rejected. These groups go on to say that without eight million tonnes of native forest woodchipping in Australia each year there would be no waste. That is absolutely right. When you take account of the whole life cycle of the fuel that industrial burning of native forest wood generates, it is about six times the greenhouse gas emissions of coal fired electricity. 'It’s not renewable, it’s not clean, it’s definitely not green,’ said Harriet Swift, who is a spokesperson for Chipstop.

Around Australia people want to see this aspect of the legislation taken out. It was a mistake when it was put in there. At the time, the Australian Conservation Foundation, the Wilderness Society and all these groups were coming out very strongly, opposing it being in there. They saw this as an opportunity to expand the renewable energy target, to have genuine renewable energy, not use this as an excuse to prop up the destruction of ecosystems and to drive climate change and make it worse. The whole thing here is that these forests are not accounted for in the greenhouse accounts. You can log an old growth forest—and studies by the ANU have shown that these are some of the most carbon-dense forests in the world—and you can put all that carbon to atmosphere, with the soil carbon, the whole shebang, and you are deemed to be carbon neutral in doing it. That is an outrage in terms of the greenhouse accounts. It bears no resemblance to reality and it is nonsense to be carrying on like that. So we are seeing precious native forests knocked down, with huge carbon stores released to atmosphere, then the wood taken and put in a burner, and renewable energy certificates given.

I want to hear the minister tell all these forest groups and people in Tasmania who are so vehemently opposed to native forests going into the Gunns pulp mill that not one renewable certificate is going to be granted to energy that comes from the Gunns forest-burning furnace, because 184 megawatts is a lot of energy. We want to hear the minister say whether or not certificates are going to come from that furnace. We also want to know how the minister can justify her position, telling the Indonesians not to log their forests whilst subsidising the logging of ours and asking taxpayers to pay more for their electricity to prop up the woodchip industry, just as we are going to be asking every energy consumer to pay more for coal gas—a fossil fuel within a renewable energy target. It is a complete nonsense and it is a brown-ing-down of this. Consider the crowding out of renewables that is going to occur from energy produced from logging forests and energy produced from coal gas. They should be outside, in an energy efficiency scheme, not in a renewable energy scheme, so that we can increase the impact we are having on reducing emissions. But no, we get none of that.

So I think the minister really needs to explain to the Australian people how she can justify the logging of native forests when the market for woodchips is not there. That market has collapsed. That is why the woodchip mills are on two days a week in many places around the country—because there is no market for woodchips. She is creating an expanded market through the renewable energy target and giving them the opportunity to move on to forest furnaces.

Senator WONG (South Australia—Minister for Climate Change and Water) (12.42)—I remind all senators we are about
to go to MPIs. Whilst I am very happy to continue debating this, I remind them also that the Clean Energy Council has estimated that the industry is losing about $2 million a week in the absence of this legislation being passed and certainty being provided. It is the government’s intention to do all we are able to pass this legislation this week. Given we have three pages of amendments and we have not even voted on the first one—

Senator Ian Macdonald interjecting—

Senator WONG—I was not particularly directing that at you, Senator Macdonald, for a change. I invite senators in this debate to consider their approach to this debate. In the time remaining, I do not have time to respond to everything Senator Milne or Senator Boswell put. I am happy to do it subsequently in the committee debate. Senator Milne has launched into an aggressive attack on others, including accusing the government of Orwellian doublethink. I do not think that that language is appropriate or helpful. If the senator is accusing us and others of that, perhaps the senator should consider the inconsistency of a position where a party which says it is supportive of action on climate change could vote against the first legislated limit and reduction of carbon pollution in the nation’s history. The senator should consider, perhaps, how she ends up on the same side of the chamber as Senator Fielding and Senator Boswell on an issue such as the Carbon Pollution Reduction Scheme. When she accuses others of doublethink, I would invite her to consider the logic of the Greens’ position on the Carbon Pollution Reduction Scheme. In relation to Senator Boswell’s response, I have a range of things I can say. I am happy to do it now and we can put this amendment to the vote or we can do it subsequently.

Progress reported.

MATTERS OF PUBLIC INTEREST

The ACTING DEPUTY PRESIDENT (Senator Hurley)—Order! It being 12.45 pm, I call on matters of public interest.

Swimming Pool Safety

Senator CAROL BROWN (Tasmania) (12.45 pm)—I rise today to bring to the attention of the chamber the very important issue of infant mortality rates as a result of drowning in home swimming pools and the need to improve pool fencing regulations as a key means of prevention. Along with my fellow Tasmanian Senate colleagues Senator Catryna Bilyk and Senator Helen Polley I have on a number of occasions met with representatives from Royal Life Saving Society Australia who believe that improvements to pool fencing regulations could significantly reduce the number of toddler drownings that occur in backyard pools each year. Specifically, Royal Life Saving advocates nationally consistent regulations for pool areas, a measure that I strongly support.

The argument for nationally consistent and stringent pool fencing regulations is compelling. Royal Life Saving has produced a position paper, Nationally consistent regulation of pool barriers, which sets out a number of regulations to reduce drowning in Australia by simplifying our current pool fencing regulations. Disturbingly, the paper notes that ‘drowning is a major cause of death in Australian toddlers’. In 2004-2005, 15 children under the age of five drowned in swimming pools around the country, accounting for over 50 per cent of all drowning deaths. As if this is not tragic enough, the position paper goes on to detail the fact that for every one of these drowning deaths there are three more children admitted to hospital as a result of an ‘immersion incident’, a near drowning, with a significant number of them suffering brain damage as a result.
Figures show that the highest number of hospitalisations as a result of near drowning occurs amongst one- to five-year-olds and the majority of these occur in swimming pools. As a parent of young children, I could not imagine anything more devastating. As a parent of young children, I am also well aware that, while we might try our very hardest to keep our children in sight and safe at all times, the unfortunate reality is that unforeseen events happen. Pool fences are not a substitute for constant adult supervision; they are simply designed to assist parents in keeping their little ones safe.

Statistics show that mandatory pool fencing has been effective in reducing the number of child drowning deaths, with a 58 per cent reduction in the past 10 years. Pool barriers are now mandatory in most areas in Australia and uniform standards apply to the construction of new barriers. Even so, the actual regulation of pool barriers varies greatly across and even within different states. Different states have different rules about how the standards are to be applied and different local areas have different inspection and enforcement processes. While state and territory governments have made it compulsory to fence most swimming pools, the regulatory environment needs to be tightened to further assist in preventing our young children from drowning.

Just this year media reports highlighted the case of a local council in Queensland that did not support mandatory ongoing inspections of swimming pool fences—inevitably because of the costs associated with them. The council instead advocated subsidising the cost of swimming lessons for children. Whilst a worthy idea, as figures show that the highest number of hospitalisations as a result of near drowning occurs amongst one- to three-year-olds, the simple fact is that, aside from parents adequately supervising their young children when using a home pool, the erection of a quality pool fence is the best and most reliable method of preventing infant drowning.

Indeed, Royal Life Saving argue that more infant drownings could be avoided if pool fencing standards were to be simplified and applied consistently across the country. To this end Royal Life Saving propose a number of key recommendations including: encouraging all state and territory regulators to simplify regulatory requirements by reducing the number of variations in application standards; establishing a nationally agreed qualification for pool barrier inspectors; encouraging state and territory regulators to require certification of all pool barriers; and encouraging state and territory regulators to include ‘upgrade’ provisions within the legislation so that all existing pool barriers in Australia meet one minimum standard by 2010. These recommendations address, I believe, the major factors currently prohibiting the effective operation of pool fencing regulations.

While current regulations no doubt promote safer home pool safety practices to a certain extent, they have and continue to be applied inconsistently across states. Indeed, I was shocked to learn that, while the standard of pool fencing has obviously improved over time as knowledge of the most safe and effective designs have become more apparent, legislation in many states, including my home state of Tasmania, does not require the upgrade of existing fences to these new standards and therefore the standards are not being applied retrospectively. This means that houses containing pools with fences erected prior to the establishment of the most recent standards continue to be bought and sold to families without the requirement that the old fencing be upgraded. This does nothing to promote greater home pool safety or reduce drowning rates in home pools. This lack of consistency means that in some states over half of the pool barriers may be noncompli-
ant with the current standard, and that this problem is not being acted upon or rectified.

Last October the Australian Water Safety Council, of which the Royal Life Saving Society is a member, launched the new Australian Water Safety Strategy for 2008 to 2011. The overarching aim of the strategy is to achieve a 50 per cent reduction in all drowning deaths in Australia by 2020. The strategy highlights the importance of national consistency in pool fencing legislation and regulation as a key means of reducing the number of home pool drownings, particularly those involving children.

Each year the Royal Life Saving Society Australia compiles a report on all drowning deaths in Australia for the previous financial year, as this includes the summer peak period. The Minister for Sport, the Hon. Kate Ellis, released the National drowning report in November last year. That 2008 report once again emphasised that toddlers were particularly high risk of drowning, with 27 children under the age of five drowning in the year to 30 June 2008. Once again, the majority of those children drowned in backyard pools. Over the last five years 79 children have drowned in home swimming pools. Speaking at the launch of the report, the minister rightly pointed out:

It's important to remember that each statistic represents another Australian family and a real, tragic story.

Home swimming pool drowning deaths continue to be a major component of child swimming deaths, and most of these could have been prevented through a combination of appropriate pool fencing and supervision. Also speaking at the time of the report’s release, Royal Life Saving’s CEO, Mr Rob Bradley, said that, tragically, an increasing number of children were drowning after getting through existing pool gates and fencing that their parents believed were secure. Mr Bradley highlighted that while pool fencing legislation has now been in place for 10 to 15 years, a significant number of existing fences have badly deteriorated. Further, a local government survey showed that up to 85 per cent of current home pools do not comply with safety standards.

To tackle the high number of toddler drowning deaths occurring in backyard pools, Royal Life Saving last year launched a new campaign as part of their Keep Watch program aimed at making sure backyard pool fencing and the surrounding areas are safe for young children. The program urges people across Australia to make a weekend their ‘home pool safety weekend’ by using a free checklist to make sure the fence around their backyard pool is safe. The checklist is available from the Royal Life Saving Society website.

The broader Keep Watch initiative is an Australia-wide public education program of the Royal Life Saving Society aimed at preventing drowning deaths of children in all aquatic locations. There are four main actions in this program. The first is supervision of your child. This is being within arm’s reach of your child, using all your attention all of the time when your child is on, in or near water. The second is restricting the child’s access to water. This is through pool fencing, emptying the water out of buckets or baths and providing safe playing areas—and I might add that that includes water features in gardens. I had a very unfortunate episode when my daughter was three. She was out of my sight for no more than 30 seconds and she fell in, but luckily she was able to stand up. This was very distressing, so I stress again that it is extraordinarily important to make sure you act in relation to any water in and around your house and that you watch your children at all times. The third action in the Keep Watch program is water familiarisation. This is about the parent un-
derstanding the child’s limitations and knowing how to provide safety for their child in any aquatic environment. The fourth is learning resuscitation to ensure that, if something does go wrong, you have the skills and drills to be able to react effectively and successfully.

However, drowning in home swimming pools remains one of the most significant causes of mortality in young children, and I believe the most effective means of assisting to prevent this is by tightening pool safety regulations. A recent article, ‘Safety legislation, public health policy and drowning prevention’, published in the *International Journal of Injury Control and Safety Promotion* by Royal Life Saving and the Royal Children’s Hospital in Queensland, demonstrated the positive impact that swimming pool legislation in Queensland has had on reducing the incidence of children drowning. The article reports on the comparison of drowning incidents in the decade before—1982 to 1991—with those in the decade after—1992 to 2001—the introduction of the legislation. Over this period there were 53 drowning deaths of zero to four-year-olds in home swimming pools. The age-specific drowning death rates fell after the introduction of safety legislation, as did the ratio of pool drowning deaths to all drowning deaths in this age group. This proves that the right regulation does work. But, as infant drowning death statistics demonstrate, more needs to be done—and this work needs to start now.

Currently there are myriad different systems for pool fencing operating in Australia, in each of the states and territories. There is an obvious need to reduce the confusion around home pool fencing legislation both within and across different jurisdictions. This issue touches all levels of government—local and state as well as federal—and therefore its resolution will require action and cooperation at each level. Specifically I would urge all state and territory governments to support the development of nationally consistent pool fencing regulations. I believe all aspects of pool fencing and safety need to be considered, including regulations and inspections. I will be writing to the relevant Tasmanian state minister to draw their attention to this important issue and encourage them to take up the cause, support nationally consistent, standard regulations and start the discussion with their counterparts now. There is too much at stake for the current inconsistencies to continue.

Each summer, millions of Australians enjoy partaking in water based activities, whether at the beach or at a home pool; indeed, it is a national pastime. The operation of fantastic learn-to-swim programs and the provision of swimming and water safety teachers through the AUSTSWIM program, which is operating in Tasmania as I speak, ensure that thousands of young Australians each week are learning how to swim and enjoy the water safely—and one of them is my daughter. AUSTSWIM is the Australian Council for the Teaching of Swimming and Water Safety. The AUSTSWIM council includes Swimming Australia, the Royal Life Saving Society, Surf Life Saving Australia, the YMCA and the Australian Leisure Facilities Association.

In Tasmania compulsory swimming instruction in state schools must be available as early as possible in a student’s school life, but not later than year 3. Each child in state schools in Tasmania must have an equal opportunity to participate. The program is directed towards years 3, 4 and 5 children, who will participate in 30 lessons that are usually organised over 10 consecutive days per year. One of the aims of the program is to develop an understanding of water safety, survival and swimming practices.
Despite all of this, a high number of toddlers drown each year in backyard pools around the country. As I have mentioned previously but I wish to reiterate, no fence can replace the need to supervise young children at all times in and around the pool. However, appropriate pool fencing is an essential part—a part—of pool safety, and I believe an effective means of assisting to prevent toddlers drowning is tightening pool regulations. I encourage all members of the chamber to support the push by the Royal Life Saving Society for nationally consistent pool fencing regulations in the hope of reducing the number of young lives lost in the future due to drowning.

Water

Senator HEFFERNAN (New South Wales) (12.59 pm)—Today I want to talk about why any proposition for the Commonwealth to buy the land and water resources of Cubbie Station will be a fraud on the public purse. Section 99 of chapter IV, Finance and Trade, of the Constitution states:

The Commonwealth shall not, by any law or regulation of trade, commerce, or revenue, give preference to one State or any part thereof over another State or any part thereof.

Section 100 states:

The Commonwealth shall not, by any law or regulation of trade or commerce, abridge the right of a State or of the residents therein to the reasonable—

I emphasise ‘reasonable’—

use of the waters of rivers for conservation or irrigation.

That really tells us what the word ‘reasonable’ means. I want to put a few things on the record. There has been some confusion in recent days about the capacity of and what is for sale at Cubbie Station. The article in the Australian is accurate when it says that there are 538,000 megalitres of storage capacity in the combination of what was the Stevenson family’s farm and the Brimblecombe farm in recent years. Actually there are only 70,000 megalitres in licences. Sure, there is 538,000 megalitres of storage. Sure, at Ballandool, downriver on the Culgoa, which does not get the water, they have 100,000 gigalitres of storage, which they cannot fill. Sure, at Clyde, on the Narran, they have 110,000 gigalitres of storage. But if you have the storage it is meaningless if the system does not allow you to get the water.

The storage at Cubbie, which is 400,000 odd megalitres, was built for a minimum one-in-10-year event. I would like to put some figures on the record about what happens in the Condamine-Balonne river system below St George. Since 1920, 24.72 per cent of the total flow occurred in just four years; 52.71 per cent of the total flow, which is 103,000 gigalitres, occurred in 15 years; and 47.29 per cent of the total flow occurred in 71 years. This is a highly variable river which has an 806 per cent variability to the mean. That is all technical stuff that a lot of people listening to this will not understand. But what it says is that this river system, much the same as the Warrego and Paroo rivers, are highly variable rivers. To give you an instance, some of the rivers in the Lower Murray-Darling Basin have a variability of 200 to 250 per cent.

Because the law was silent some years ago, some people with great vision—it is regrettable that Cubbie Station have got themselves into financial trouble and I wish them well in the sale, but a failed business plan got them into trouble. It is much the same situation as the people at Bourke, on the Darling River. They had a business plan to grow high-security crops with low-security water, and guess what? They have gone broke. So we had great vision in the Stevenson family. He as a young surveyor’s assistant had great vision, but the great vision was converted to the wrong scale. They
became far too big for the reliability of the water and, of course, they are using old-fashioned technology. With the 70,000 megalitres of water that would be available with the property, using Israeli-Spanish technology you could multiply by a factor of 10 the income of the farm.

Under the present arrangement the resource operating plan, which is held up in the courts, proposes a licence that would add a couple of hundred million dollars to the value of Cubbie Station, which is probably how they have raised the value to $450-odd million. That licence has not been issued. One of the myths that I would like to explode today is that they have that as a water licence. They do not. The law is silent on what they have done in recent times and no-one has broken the law. In recent times they have been allowed to develop overland flow without environmental planning. They passed legislation to ensure that if you kept the banks under five metres in these projects you did not need environmental planning; all you needed was a big bulldozer. That is precisely what they did, with great aggression, and good luck to them, but it is a failed business plan.

In recent times the bulk of the water used to grow crops on this station—and bear in mind they have run out of water because that is Mother Nature’s variability tap—is from overland flow which is unlicensed, unregulated, unmetered and virtually free. The state government in Queensland collected $2 million from the flow in 2008. And, because the overland flow extraction was in excess of what was a reasonable thing, people on the Narran Lakes, down below on the Narran River, had to buy 11 gigalitres of water for $2 million to allow the bird-breeding event down there to continue. So this proposition is a silly plan. It is a case of first in, best dressed. That is why properties like Ballandool, below Cubbie, do not get the water: it is first in, best dressed.

If this proposal under the resource operating plan proceeds—I think the ROP should be cancelled and redone at a sustainable level. There is a solution to Cubbie’s problems. Sure they are in financial trouble, as indicated in the press, but there is a solution. Under the present arrangements, in my view, if they continue with the same business plan, whoever takes it on will run into the same trouble because there is too much variability in the water and the water technology they are using is too old.

Going back in history, the vision of the Stevenson family started in 1986, I think. As I recall, the first weir was put in on the Culgoa, what they call the Cubbie Weir, and in the mid-1990s they raised the height of that weir. That allowed them to harvest gravitate water out of these overland flow systems, and it was very good. Under the Queensland Water Act, they had access to water which was unlicensed and they had what is called an authorisation to take the water, which is not a financial instrument, is not tradeable and is not something, as a certificate of trade, you can get money for. It is attached to the land and, as we all know, and as Premier Bligh said the other day, you cannot buy the water on Cubbie unless you buy the farm. I think the farm ought to be left there. It is a couple of hundred thousand acres of beautiful, productive land. They ought to go to better technology and make use of the land with a much reduced supply of water.

I will put a couple more things on the record. Under the Queensland Water Act, compensation is only payable for the life of the plan. This plan has one review now, which I think is the desktop review, and it will be finalised in 2014. To go back to where they got into trouble, back in the nineties the greatest critic of the excesses of Building the
Vision was a woman called Leith Boully, who was an immediate downstream neighbour. She was a great critic. I have to say that the Stevensons were good operators. They got the manager out of the department of water. He was one of the licensing guys. They got the former Treasurer of the state government as the chairman of the board, which was a pretty wise move. They cut the fence to their downstream neighbour, who was their greatest critic, and offered to put 600 acres of cotton in and put the cheque in the bank every year. That is what has happened. When the water is available, that is how they go about it. In the fullness of time they appointed, to give advice to the government in Queensland, an advisory committee on the Lower Balonne Resource Operations Plan. They appointed an independent chair who happened to be the downstream neighbour where Cubbie Station had cut the fence, grown cotton for that person and put the money in the bank.

I did say at the time that that person would not qualify for a water licence because there was no storage capacity. Under the Resource Operations Plan there is no environmental planning. We are talking about 469,000 megalitres of water for this particular licence. The proposition at the present time from the Queensland government is that they are going to issue the licence and then offer the Commonwealth government the opportunity to buy the licence back by acquiring the property. I think that would be a fraud on the public purse to the extent of $200 million. Anyhow, they proceeded with the Resource Operations Plan. The advisory committee gave the Queensland government advice in draft form, which is now out there and being challenged in the courts. There was a proposal to issue a licence for 469,000 megalitres for Cubbie Station. Funnily enough, on the licence, as part of the title in a financial commercial-in-confidence arrangement, is the downstream neighbour who is the independent chair of the process. So go figure that out. Whether or not that is a success fee, I do not know.

There is a solution. Why not provide a solution to the problems of the downstream users of water caused by the excesses of a system that has no environmental plan? The licences under the Resource Operations Plan are not sustainable. Peter Cullen pointed that out and his advice was misused and misquoted. He said the system has a mean annual flow of 1,200 gigalitres. They have allowed 1,500 gigalitres of on-farm storage, which, in a one-in-25-year event, could be fully serviced. But in recent times, in the last flood event there in 2008, 1,056 gigalitres flowed below Beadmore dam and 768 gigalitres flowed past St George. The biggest daily flow was 50,000 megalitres. It took 64 days, and 186 gigalitres crossed the border. One hundred miles down the river, 18 per cent of what went over the Beadmore weir made it to the border, and even then a lot of the downstream users who have harvesting capacity did not get the water they thought they were going to get. There was anger about this in the local district, even though they do not like to talk about it. Some of the confined irrigation area people in St George are very angry about what has been allowed to happen to the Culgoa River and the Lower Balonne.

What is the solution, given the dilemma that the Constitution sets out, given the shoddy process of the Resource Operations Plan, given the proposed fraud on the Commonwealth with the idea that suddenly you can issue a licence in the full knowledge that while you are issuing the licence there is a proposal for the Commonwealth to buy the licence back? What should happen is that we should learn from places like Carnarvon, in Western Australia. Carnarvon uses 8,500 megalitres. That is $1/2 gigalitres. Here we are...
talking about 469 gigalitres. Carnarvon uses 8½ gigalitres to produce $70 million worth of income, with the very latest of Israeli technology.

This morning on Radio National, Fran Kelly had a Colin Chartres on, an Australian who is Director-General of the International Water Management Institute. He was flagging what I have been flagging in this place for many years: that the greatest challenge facing the world is food production and that if Asian countries do not go to smarter water use they will not be able to feed themselves. In fact, as we all know, the scientific prediction is that if we grow the global population to nine billion by 2050 there will be a billion people on the planet unable to feed themselves, 50 per cent of the world's population will be poor for water, 30 per cent of the productive land of Asia is going to go out of production, the food task is going to double and possibly 1.6 billion people on the planet will be displaced.

That says to me that here in Australia we should not be taking the lazy option; we should be putting as much money into the replumbing of irrigation as we are into the purchasing of water, to make that water use more efficient, such as is done at Carnarvon. Carnarvon is 40 times more efficient than the Ord with its water use. It is 20 times more efficient than the Murray-Darling Basin. If the water that produces $70 million worth of income in Carnarvon were used on a cotton crop here in New South Wales you would get yourself $3 million. That is the level of inefficiency. The world cannot afford to continue with technology from about 150 years ago.

So what is the solution for Cubbie? The solution for Cubbie is: rather than buy the place, keep the place. Sure, someone might have to be involved in a fire sale and someone else is going to have to buy it. They have 70,000 megalitres of water. Let us reallocate the Resource Operations Plan for the over- flow at a sustainable level. It might be another 70,000 megalitres. I do not know what it will be. But let us put money into places like Cubbie to give them efficiency of the kind that Carnarvon has. Instead of spending a ridiculous sum of money, $450 million, because the Queensland government is also off the pace—and, by the way, there are a whole range of issues in that regard which I will not have time to address today—why not put some millions of dollars into letting these places be replumbed with better technology and continue with food production?

Chia is the crop that is taking the place of sugar in the Ord. In the Ord they thought they had plenty of water. They gave 17½ megalitres per hectare to produce sugar. Chia is a wonderful new crop which is now finding its way into the shops. The young bloke who won the Nuffield scholarship who is producing that crop—

The ACTING DEPUTY PRESIDENT (Senator Carol Brown)—I understand that informal arrangements have been made to allocate Senator Ludlam and Senator Xenophon 7½ minutes each. With the concurrence of the Senate, I ask the clerks to set the clock accordingly.

Radioactive Waste

Senator LUDLAM (Western Australia) (1.15 pm)—I rise to speak again, as I have already done a few times in the last 13 months in here, about radioactive matters of public interest. I want to point out that, until very recently, the ALP national policy platform described quite coherently the processes by which the current government would be identifying suitable sites for radioactive waste dumps in Australia. To borrow some of the language there, they should be ‘scientific, transparent, accountable, fair and allow access to appeal mechanisms’. That is very similar to the way the Australian Greens
believe matters of radioactive waste disposal should be treated. Unfortunately, these words can no longer be cited as government policy or ALP policy on radioactive waste. These words were so incompatible with the approach taken in the last 18 months—almost two years—by the Minister for Resources and Energy, Martin Ferguson, that he had the recent ALP national conference remove those words from the policy. I wonder why on earth he would want to do that.

We know that what John Howard when he was Prime Minister decided to do with Australia’s nuclear waste was pretty close to the formula that has been tried many times around the world and has been tried previously in Australia as well: to impose a radioactive waste facility on an unwilling community—out of sight, out of mind, as those people’s homes and lands are nowhere and they are nobody. We had the quite stark comment by various ministers in the Howard government: ‘Why can’t a place in the middle of nowhere have a radioactive waste dump?’ That form of thinking took legal effect in the Commonwealth Radioactive Waste Management Act 2005. That act was drawn up to do exactly that and was further strengthened late in 2006 so that sites nominated by land councils could be added to the list that the Howard government had chosen, even in the absence of consultation and consent from traditional owners and local people. At that point one extra property was added to the list.

At the time the Greens were opposed to the addition of the fourth proposed radioactive waste dump site in the Northern Territory and some ALP MPs at the time said that the legislation that passed through here was draconian, sordid, arrogant and profoundly shameful. Of course, they were right. What we have now is a minister in the Rudd government explicitly continuing the policy of the Howard government in this respect, to the degree that the ALP policy actually changed over the last few weeks to more closely reflect what is actually occurring on the ground. We have seen an incredible unwillingness to engage with the Greens and the community groups active around Australia with an interest in these issues. Most importantly, there has been a total unwillingness and failure to engage with the people who live there: the traditional owners of that country—and, of course, I am referring to Muckaty station, which is not far from Tennant Creek.

What we have seen from Minister Martin Ferguson is a real unwillingness to acknowledge the consensus recommendations from the committee report that exposed exactly how bad the process was that had been initiated by the Howard government in 2005. Very close attention was paid to the Muckaty station situation in the Senate Standing Committee on Environment, Communications and the Arts inquiry on this matter, which I participated in. The results in that consensus document were quite acceptable to me and the Australian Greens, saying that we need a completely new approach to radioactive waste because every time governments have chosen the coercive approach in dumping a facility like this on a community it has resulted in a complete failure. That has happened in Australia several times that I am aware of. Most notably was the Pangea proposal in Western Australia—and it took about 18 months to send them packing—and the equally coercive proposal to dump Australia’s domestic radioactive waste in South Australia. That proposal was defeated because of very strong community work by local people.

I believe that is exactly the result that is going to occur here. The people around Muckaty and the other three sites that were targeted by the Howard government and are now being targeted by Minister Martin Fer-
guson of course are leading a very spirited defence of their country and asking for nothing more than the stress and uncertainty to be lifted from their communities and for a decent process, which was promised to them before the election, to be enacted to deal with the very serious and difficult question of radioactive waste. I have a letter here that was sent to the minister by 57 traditional owners from the Muckaty area. All of them are part of the Muckaty Land Trust, including some from one of the groups that the Northern Land Council believe are proposing a radioactive waste dump and are quite happy to have one there. This letter was sent to the minister on 8 May—and it was handed to me at the time—and they have not yet received a reply. It is asking for Minister Ferguson, Peter Garrett and others to come up to Muckaty, sit down with them on country and have the conversation face to face about what they really believe, because they are faced with the situation of having white politicians and bureaucrats thousands of kilometres away seeking to impose the nation’s most dangerous industrial waste on their land without so much as the courtesy of a visit to tell them what is proposed.

This letter is quite elegant. There is an edge of despair to it in that all these people are seeking is face-to-face dialogue with the minister who is seeking to impose this facility on their country. The last paragraph of the letter states:

We are making a strong effort to tell you that we don’t want the waste dump coming into our land. We want you and Peter Garrett to take it in your minds, in your brains and in your heart to think about us and to have your tongue ready to say ‘no waste dump in the Northern Territory’.

That letter is signed by 57 traditional owners from the Muckaty Land Trust, who are absolutely implacably against the imposition of a radioactive waste dump on their country. I seek leave of the Senate to table this letter.

The ACTING DEPUTY PRESIDENT (Senator Carol Brown)—Is leave granted?

Senator McEwen—We have not been given the courtesy of seeing the letter. Once I have seen it, I will make a decision on behalf of the government.

Leave not granted.

Senator LUDLAM—This is an example of exactly the sort of situation that we face here. It is a letter from the traditional owners of the Muckaty Land Trust area who are seeking no more than to have their words read into the parliamentary record. Senator McEwen chaired the inquiry last year and well knows that the voice of these people needs to be heard.

Senator McEwen—Now that I have seen the letter, I am happy to grant leave for it to be tabled.

Senator Mason—Madam Acting Deputy President, I also ask to look at the letter before we grant leave.

Senator LUDLAM—One of the things that the Senate committee did undertake to do last year was to hear for the first time the opinions of some of the people whose words appear in the letter that I am seeking to table this afternoon. They have never before been asked about this matter. Their opinions have never been sought in the debate over their land. I strongly believe that, if it were proposed that this sort of facility be dumped on one of our major metropolitan areas, there would be major national political campaigns underway, at the very least, to have the voices and the opinions of the local people heard. I wonder whether I can now get an indication from the opposition as to whether leave will be granted.

Senator Mason—Yes.

Senator LUDLAM—I thank the Senate.

The ACTING DEPUTY PRESIDENT (Senator Carol Brown)—Senator Ludlam,
if you want the text of the letter to be incorporated in *Hansard*, you need to seek leave to incorporate. If you want to seek leave to table the letter, that means it will go off to the archives, as I understand it. Are you seeking leave to incorporate?

Senator LUDLAM—I am, if that is the will of the Senate.

Leave granted.

*The letter read as follows—*

Minister Martin Ferguson
Suite MF 23
Parliament House Canberra ACT 2600
Ph: 02 6277 7930
Fax: 02 6273 0434
Martinferguson.MP@aph.gov.au
Cc: Prime Minister Kevin Rudd, Minister Peter Garrett, Minister Warren Snowdon, Senator Trish Crossin, NLC CEO Kim Hill, NLC Chairman Wali Wunungmurra, Senator Scott Ludlam.
May 8, 2009
To Minister Martin Ferguson,
We are Traditional Owners from the Muckaty Land Trust.
We want you to read this letter and not put it on your table and put it away in the archives, we want you to read it.
Try and make an effort to come down and talk to us. We want to invite you and Minister Peter Garrett to come out in the second week in June, on the 12th -14th, to come out here and come face to face with Traditional Owners.
The Traditional Owners will be the Ngapa, Yapa Yapa, Wirntiku, Ngarrka and Milwayi groups from Muckaty. We want to show you what we are talking about and why we are talking about it.
We want our land to stay in one position, we want our land to be safe so we can have a better place to live in and a better place to go and have a look around the beautiful land.
The old Warlmanpa people really want to see government people come out so we can talk face to face with them without writing letters, because we don’t even know what Martin Ferguson looks like.
We want you to come face to face - you don’t even know what we look like, we’ve only seen each other on TV or whatever, but we want to see each other face to face where we can have a few questions to ask why you are not listening to the biggest forum of people.
We are inviting you to come along for a challenge. The challenge that we want to do is to let you know that we are the Traditional Owners. As the Warlmanpa group, we want to tell you what the country means with the designs and with the paints we have on our body. We want to do the body painting to tell the story about the land, and show you that Milwayi is the main place.
We want you to know that Traditional Owners are waiting to show you that the country means something to them. That is why we want you to come along and to see because we don’t want that rubbish dump to be here in Muckaty area.
We want Amy Lauder to come along. We want Amy Lauder to come and see what we have got for her and we want her to talk first. Martin Ferguson and Peter Garrett, you come out to the front and listen and from there when she finished talking, we will have Mark Lane or Dianne Stokes or Sammy Sambo talk and then we are going to open up the meeting.
After that we want to get our groups out then and you can see that we are protesting through the body painting, to tell you that we don’t need the waste dump to come to the land.
We want you to hang around and watch us what we do and then we want to tell you what the story means, and what it is and who it belongs to.
Martin Ferguson, we want you to come here, we know you will be in Darwin just before that, we want you to come here. That’s only a one-day trip to see what we do.
Martin Ferguson you travel overseas, you have been in China lately and we want you to come to the local Territory, to come and visit us in the centre of the heart of Tennant Creek. We want you to make an effort just to come here, its not costing about $3000 or $4000 to travel overseas, it’s only into one state, in the Northern Territory.
We want the Northern Land Council, our representatives Warren Snowdon and Trish Crossin and the Greens Senator to come and listen as well.

Come to our beautiful Tennant Creek, visit our beautiful Tennant Creek, come there and listen to us, the Traditional Owners that we are fighting against the waste dump.

We are making a strong effort to tell you that we don’t want the waste dump coming into our land. We want you and Peter Garrett to take it in your minds, in your brains and in your heart to think about us and to have your tongue ready to say ‘no waste dump in the Northern Territory’.

Please reply to this invitation c/o Gerry McCarthy,
Northern Territory Member for Barkly
114 Paterson Street, Tennant Creek, NT, 0860.
Tel: 08 8962 2205, Fax: 08 8962 3008
electorate.barkly@nt.gov.au

Signed
Name, Family Group
Lindsay Crane, Wirntikku
Sammy Sambo, Milwayi
Louie Martin, Ngamka
Susan Nelson
Marie Louise Murphy, Ngamka
Ross Williams Jakamarra, Ngamika
Beasley Anderson, Ngapa
Ricky Anderson, Ngapa
Stewart Anderson, Ngapa
Ann Anderson, Ngapa
Sonia Anderson, Ngapa
Samule Anderson, Ngapa
Joshua Anderson, Ngapa
Aaron Anderson, Ngapa
Carmen Anderson, Ngapa
Bruce Anderson, Ngapa
Mark Chungaloo, Milwayi
Shirley Anderson, Ngapa
Heather Anderson, Ngapa
Ray Stokes, Yapa Yapa
Mark Lane, Ngapa
Desmond Sambo, Milwayi
Cyriele Anderson, Ngapa
Sherly Anderson Ngapa
Desley Anderson, Ngapa
Tony Cutta, Ngapa
William Phillips, Wirntikku
Brian Williams, Milwayi
Janet Mick Thompson, Milwayi
Bobby Thompson, Milwayi
Stan Stokes, Yapa Yapa
Joepshine Grant, Wirntikku
Gladys Brown, Milwayi
Betty Kelly, Ngarrka
Janine Lane, Ngapa
Sally Sambo, Milwayi
Christine Chungaloo, Milwayi
Marie Rennie, Wirntikku
Isobel Phillips, Wirntikku
Delaine Cutta, Ngapa
Olive Weston, Ngapa
Anna Weston, Ngapa
Bessie Graham, Ngarrka
Derek Weston, Ngapa
Henry Weston, Ngapa
Frankie Weston, Ngapa
Leon Stokes, Yapa Yapa
Jeffrey Holt, Yapa Yapa
Dianne Williams
Dianne Dickenson
Doreen Murphy
Janice Rankine
Hannah Williams
Beverly Williams
Joan Stokes, Yapa Yapa
Dianne Stokes, Yapa Yapa

Senator LUDLAM—I thank the Senate. Senators would now be aware that, until this matter is resolved, the Australian Greens will continue to raise it. (Time expired)
Geographic Price Discrimination

Senator XENOPHON (South Australia) (1.24 pm)—I thank Senator Ludlam for being gracious enough to give up some of his time for me to speak today. I rise today to speak about the issue of geographic price discrimination. This is an issue of growing importance to consumers and small businesses. Geographic price discrimination occurs where a big business charges a different price for the same product at its different retail locations in the same geographic area.

We see this practice in groceries and petrol. It is more obvious in petrol because the same oil company or major supermarket chain may sell the same petrol at different prices at their different service stations just kilometres apart. Such price differences are annoying to consumers. Consumers feel ripped-off if they buy at one price to find it cheaper at another outlet run by the same company further down the road. Why are there differences in petrol prices?

While the oil companies or supermarket chains are quick to tell us that they are responding to local competition and dropping their price at some locations to meet the local competition, they are not so quick to tell us that they raise their prices in those other suburbs where the local competition is weak or non-existent to compensate. Of course, consumers benefit where there is independent competition to keep prices down; but, conversely, consumers suffer where the lack of competition keeps prices high.

Why don’t companies charge the same price for the same product at all their retail outlets? Aldi have a single pricing policy, and they should be commended for that. A single pricing policy means that all consumers get the best possible price that the company can deliver. Discriminatory pricing on a geographic level means that some consumers pay a lower price and others pay a higher price. If the company’s pricing model allows them to charge a lower price in one location, then surely the company’s pricing model should allow the company to offer the same low price elsewhere—unless, of course, geographic price discrimination is used as a tactic to ambush independents and drive them out of business. If the lower prices are being used to drive out the independent, that would be a source of concern because we know that prices will go up once that independent is driven out of business.

We need to put an end to geographic price discrimination. The practice is damaging to both competition and consumers as the practice can be used to drive independents out of the market. The practice is not illegal in Australia, and this is a large gap in our competition laws. It is a matter that needs our urgent attention. It is a matter on which I have sought advice from Associate Professor Frank Zumbo, a leading competition and consumer law expert from the University of New South Wales. It is also an issue that Senator Joyce and I are jointly pursuing.

We need to support those independent small retailers being targeted by this type of price discrimination. We need to support small petrol retailers like Marie El Khoury in the Sydney suburb of Blacktown. Senator Joyce and I have gone out to Blacktown on several occasions to talk to Ms El Khoury and help pump petrol for her loyal customers. Ms El Khoury is a wonderful example of the spirit and efficiency of small businesses. Ms El Khoury is an excellent petrol retailer and is helping to keep prices down in Blacktown. Her efforts, however, currently benefit only the people of Blacktown. She can only keep prices low around her Blacktown service stations.

Sadly, motorists in many other parts of Sydney, as well as around the country, do not get those lower prices because independents
either have left the market or have been driven out. Once those independents have left the market, petrol prices have gone up. That is why we need to keep independents in the market and also to ensure that more enter the market—and it is not just the petrol market; it is the grocery market and the liquor market and all those other markets where the major supermarket chains and their related companies have come to dominate the market.

I believe the major supermarket chains and the oil companies must bring an end to geographic price discrimination. They must adopt a single pricing policy in the same way that Aldi has, for the benefit of all their customers. The major supermarket chains and the oil companies must give their customers the benefit of guaranteed lowest prices in all their retail outlets in the same geographic area and, if they do not, we need some urgent legislative reform.

**Victoria: Abortion Law Reform Act**

**Senator McGauran** (Victoria) (1.28 pm)—On 10 October 2008, the Victorian parliament passed the Abortion Law Reform Act—the freest abortion laws in the world. The new law has opened the floodgates to late-term abortions, right up to and including nine months. Who doubts that abortions at nine months will occur in increasing numbers as the law settles in? However, this monumental shift in the legal status of abortion was not enough for the pro-abortionists. Not content with having unfettered power over unborn babies, they sought the added power over pro-life doctors and nurses.

It should and would alarm members of the public to know that a clause was inserted into the act that took away the conscientious objection of doctors and nurses to any involvement in the act of abortion. It is worth reading the relevant section, 8(1)b, into the *Hansard*. It reads:

Obligations of registered health practitioner who has conscientious objection

(1) If a woman requests a registered health practitioner to advise on a proposed abortion, or to perform, direct, authorise or supervise an abortion for that woman, and the practitioner has a conscientious objection to abortion, the practitioner must—

(b) refer the woman to another registered health practitioner in the same regulated health profession who the practitioner knows does not have a conscientious objection to abortion.

It is clear that the conscience of the pro-life doctor or nurse has been stripped away.

Equally offensive is that the suppression of the right of doctors or nurses to exercise their conscientious objection on this very deeply held moral issue was expunged in a conscience vote of the parliament. Consider: the very parliamentarians who hold dear their right to exercise a conscience vote on this issue did not hesitate to smite the right of doctors and nurses to exercise their conscience on the same matter.

Purportedly, the various human rights agreements Australia engages in are established to protect individual rights such as freedoms of thought, conscience, religion and belief. Therefore, it is appropriate to measure section 8 of the act against various domestic and international principles. Firstly, given the high principles which the Victorian parliament espoused when introducing the Victorian Charter of Human Rights and Responsibilities, you would expect section 8 of that act to be in breach of the charter. And it is. But the Victorian parliament failed to uphold their own charter. While section 48 of that charter expressly excludes any law concerning the unborn from its coverage, it does not abrogate the protection of any conscientious objection to abortion. To the contrary, section 14(2) of the Victorian charter spells
out the principle of protection of the conscience. It reads:
A person must not be coerced or restrained in a way that limits his or her freedom to have or adopt a religion or belief in worship, observance, practice or teaching.

Secondly, section 8 falls well short of recognised international covenants and declarations. The International Covenant for Civil and Political Rights—which, I add, the Victorian Charter was based on—clearly spells out the breach of human rights, which states in article 18(1) ‘everyone shall have the right to freedom of thought, conscience and religion.’ Article 18(2) reaffirms this. It read:
No one shall be subject to coercion—a key word—which would impair his freedom to have or to adopt a religion or belief of his choice.
They use the masculine in that case, I note.

Moreover article 4(2) of the International Covenant for Civil and Political Rights sets up the rights laid out in article 18 as non-derogable rights. It concedes that other rights in the charter can be waived in national emergencies but not article 18(1)—even in national emergencies. Additionally, the Universal Declaration of Human Rights reflects the exact same beliefs in regard to conscience as the International Covenant for Civil and Political Rights.

These charters, covenants and declarations have amounted to nothing as a protection for the basic rights of doctors and nurses in Victoria. Their rights have been shunted aside in a mad pursuit of an unfettered access to abortions up to and including nine months. There is something very chilling about a parliament that has legislated not only such violence upon the unborn baby but also an assault upon the preciousness of the conscience of doctors and nurses who want no part of that violence. Yet the medical profession must now, by law, all be involved in the act of abortion. The legal requirement of a pro-life doctor to refer a patient to a pro-abortion doctor cannot be dismissed as inconsequential. Nor can it be argued the pro-life doctor is uninvolved in the final act. They are involved in the process and, what is more, under the law they have to be involved.

Given the passion and deep beliefs held by pro-lifers in society, section 8 is a sword to the heart of basic human rights and religious beliefs in this country. This legislation has changed the tenets of our society. It is of national consequence. It is worthy to note that the Catholic healthcare system is under the greatest threat from this new law. The Catholic healthcare system has 15 major hospitals in Victoria and is the largest non-government health provider in Victoria. Given the Catholic healthcare system’s unequivocal anti-abortion stance, section 8 is deliberately targeting the Catholic hospitals and their doctors and nurses.

It is bewildering how a vote to deny the right of conscience was ever entangled with this abortion issue in the first place, let alone it being taken as a free vote in the Victorian Parliament. Incredibly, even when presented with an amendment on the floor of the parliament to separate section 8 from the main bill and the main debate, the majority of the Victorian parliament rejected that proposal. What possibly could have been their rationale other than a disdain for pro-life doctors and nurses? In effect, the pro-life doctors and nurses have, for their moral beliefs, been banished into modern-day catacombs where they fear the consequences of a law that denies their fundamental right not to be involved in any way in an abortion. The consequence of the enforcement of this law is clearly the loss of licence to practice and the loss of the medical practitioner’s livelihood should they not adhere to this law. Therefore, it is important to note the voting patterns in the Victorian parliament when this occurred.
I stress to the Senate that I am talking about one section within the main bill and not the main debate. It was right to make the main issue a conscience issue. But section 8 was different. It was not right to make that a conscience issue.

The amendment to omit section 8 was rejected by some 70 per cent of the Labor Party. This percentage is not surprising given the Labor Party is riddled inside and outside with organisations like Emily’s List that relentlessly pursue the zenith of rights for abortion, even if it means trampling over every basic right established domestically or internationally. It is a culture that has totally taken over the Labor Party. The Liberal Party has no such culture. It does not have the same culture. In the case of my party, some 70 per cent in the Victorian parliament voted against the inclusion of section 8. However, that was not enough to preserve the rights of doctors and nurses because 30 per cent of the Liberals sided with the 70 per cent of the Labor Party.

Firstly, I believe it was wrong that the state Liberals were allowed by their leadership to be divided on this issue in the first place. Secondly, I believe that section 8 did not warrant a conscience vote. Rather, it should have been a vote of the whole party. The conscience vote lay with the abortion issue as distinct from what section 8 was trying to achieve. The conscience vote lay with the abortion issue, not with section 8. Section 8 is an issue that goes to the core of Liberal Party beliefs—that is, individual freedom, choice and conscience. It is the foundation stone of our philosophy and what we hold very dear. How could any Liberal vote to strip away the conscience of doctors and nurses? It is a violation of our values. There is now a very bad law on the books in Victoria that affects us as a nation. Charters, covenants and declarations have been breached.

The action to expunge section 8 can come from either the parliament that introduced it or this parliament. Preferably, the action ought to go back to the state parliament to expunge section 8. This, of course, would require two things: strong leadership and a Liberal government. Action could also be taken at a federal level to override the state law under the Constitution. As the Senate would be well aware, there are a number of precedents, namely the Human Rights (Sexual Conduct) Bill 1994 that overrode the Tasmanian homosexual laws on the basis that it was a breach of article 17 of the International Covenant on Civil and Political Rights. That is the same as that which I say this is a breach of, article 18 of the same covenant. The remedy is to revert to what was already in place before section 8—that is, the reliance on the AMA Code of Ethics, which the AMA supports. The AMA Code of Ethics provides:

When a personal moral judgment or religious belief alone prevents you from recommending some form of therapy, inform your patient so that they may seek care elsewhere. Recognise that you may decline to enter into a therapeutic relationship where an alternative health care provider is available … You must inform your patient so that they may seek care elsewhere.

The essence of the AMA Code of Ethics is that the existing common law and the existing code of practice require that a doctor with a conscientious objection to a particular service must inform the patient of that conscientious objection and ensure that a service is available elsewhere. In the week prior to the introduction of the bill, the AMA stated this:

We are still concerned about the conscientious objection clause, and would like to see it amended. The Victorian Law Reform Commission stated that the AMA Code of Ethics provided a sensible balance between the needs of the practitioner and the patients, and we have asked the
Parliament to amend the legislation to reflect the law.

So the difference is that between a compulsory referral and the wording under the AMA Code of Ethics—a stark difference.

We, the lawmakers, fail the medical profession and society as long as this section remains law in Victoria and we do not act to reverse it. The proper remedies are available. Preferably, it ought to go back to the parliament that introduced the law, but the remedies are also available at a federal level, as I have outlined. To state it again: the remedy is from the AMA Code of Ethics, which even the Victorian Law Reform Commission recommended. This is a bad law and it ought to be addressed.

**Drugs**

**Senator POLLEY** (Tasmania) (1.42 pm)—I rise today to speak on a matter of public interest: the unhealthy and ever-increasing influence of different classes of drugs on our children. Alcohol and other drugs are, sadly, the largest cause of injury and death in young people. We as a nation of parents, grandparents and guardians need to become more aware of this serious social and health problem and more determined about protecting our children. Research shows that parents and families play a key role in reducing the risk of harmful drug use. I fear that we have become too complacent with the idea that our children face real harm from everyday fixtures such as alcohol, tobacco and cannabis. We somehow see our children as being more adult than they actually are and therefore trick ourselves into believing that they are best left to handle these issues and make decisions for themselves. But these are not adults; these are our children.

They are growing up in a world that is pressing them to believe they are adult, to act as though they are adult and to experiment with concepts that they see as being representative of being an adult. They are saturated by media advertising, entertainment marketing, internet images, peer pressure and the example set by their own parents. All of these seem to give both children and some parents the wrong idea about what children should be doing and dealing with at a certain age. Unfortunately, the consequence is that we relinquish some of our responsibilities as parents and leave children to make often ill-informed decisions about drug use.

I do not agree that some latitude needs to be given to older children as they transition from childhood to adulthood. They need to experiment with making decisions and learning from the consequences of these. We need to allow them to express their individuality and their growing maturity through owning their own decisions and using this as a reflection of who they are, but there also needs to be a line drawn between what are acceptable grounds for learning and things that are far too complex and dangerous for minors to make decisions about. As parents, we must not only exercise our care and control but we—especially those privileged enough to serve in the two chambers of parliament—must demonstrate leadership on these issues.

I recently read a 2005 report by the drug strategy branch of the Department of Health and Ageing and I was disturbed by the statistics it revealed. By the age of 14 approximately 86 per cent of students had tried alcohol. By the age of 17, 70 per cent of students had consumed alcohol in the last month. Put this in perspective by remembering that the legal age for the consumption of alcohol is 18—and that is for very good reason. Young, growing bodies and minds are far more heavily impacted by the effects of alcohol, and its consumption can impede physical and mental development. Young people may not understand the very real consequences of this when they are faced with decisions about alcohol consumption. We as
parents can make it clear to our children what these consequences are and that age limits are not arbitrary but instead put in place for the protection of their health and wellbeing.

The report went on to reveal even more alarming statistics. The Australian Alcohol Guidelines recommend against adults drinking more than seven drinks in one day for males, and five for females. However, the report showed that a staggering 30 per cent of 15-year-olds and 44 per cent of 17-year-olds had consumed alcohol at or above these levels in the last week. If these guidelines are designed to protect the health of adults it is disturbing to think how teenagers are being affected by such large quantities of alcohol.

It is also disturbing to think that there are parents out there who are either unaware of their children’s activities or are complacent or uneducated about how dangerous such behaviour is.

The buck stops with us. We cannot relinquish our duty of care over our children when they reach an age where they start demonstrating a need for independence. Large numbers of children are making ill-informed choices to drink enormous amounts of alcohol and we cannot expect them to be able to make sensible, mature decisions once this has occurred. It is not just the consumption of alcohol that is the poor choice; there are a million other poor choices that can be made after the alcohol is consumed and, as we would all no doubt be aware, the capacity to act responsibly diminishes dramatically when alcohol is involved.

Perhaps the most alarming statistic about alcohol consumption I noted in that report was that parents were the most common source of alcohol for students. I know many parents would shake their heads and argue that it is better to provide the child with alcohol at home under their supervision than have them do the same outside the home, where perhaps they have no supervision at all. But what message are we sending to our children? Where in that scenario do we teach them the value of not consuming alcohol, of protecting their physical and mental development, of choosing to wait until they are truly ready to handle the effects of something? All we do is condone and even encourage the behaviour and we normalise it for children. Subsequently their attitude towards alcohol is more relaxed than it otherwise might have been.

While alcohol is perhaps the most commonly used drug amongst our young, the effects of over-the-counter and illicit substances can be equally, if not more, damaging to a child. The drug strategy branch conducted parallel studies into drug use and smoking habits and the information contained in those reports was equally startling. Cannabis was the most commonly used illicit substance among secondary students, with 18 per cent of 12- to 17-year-olds having reported using it at some time.

Five per cent of 12-year-olds and 32 per cent of 17-year-olds reported its use. Where is our innocence and our opportunity to enjoy the beauty of childhood when five per cent of 12-year-olds are smoking an illegal mind-altering substance? How does it set those children up for life when such a decision can be made at such a young and fragile age? Why do we insist on seeing cannabis as a harmless drug when the evidence is to the contrary? This attitude simply dupes more young children into thinking cannabis is something they can experiment with in relative safety?

Furthermore, three per cent of all secondary students have tried hallucinogens at some time—being one per cent of 12-year-olds and five per cent of 16-year-olds. By the age of 17, seven per cent of students had re-
ported the use of amphetamines, with three per cent of 14-year-olds reporting having used it in the month prior to the survey. One per cent of students had used cocaine and four per cent had used ecstasy. My greatest concern is that even if these seem like small numbers, they are the tip of the iceberg. These are young children making the decision to experiment with dangerous substances without having sufficient understanding and education about the full ramifications.

These choices can have disastrous consequences and set a child down the path of poor decision making throughout their lifetime. In this nation, if we as parents and guardians educate children, guide them and enforce boundaries, even at their evident displeasure, we can give them the sense they need to see them through their developmental years. We would not let a toddler play with knives or scissors for the simple reason that they might hurt themselves. Why would we leave it to a 12-year-old to make decisions about drug use? We must make it clear that those decisions are not theirs to be made at their age, and why. And then we must follow through with supervision and enforcement. I warn parents: don’t be afraid to poke your nose into your teenagers’ business if you suspect they are making or being influenced to make poor decisions. It is your job to poke your nose in. You are the parent and their safety and wellbeing is your paramount concern.

The other major drug used is tobacco. An alarming 140,400 secondary students aged, again, between 12 and 17 are current smokers. School-aged children, combined, smoke approximately 3.5 million cigarettes each week. Two per cent of 12-year-olds are current smokers, rising to 18 per cent of 17-year-olds. We as a nation attempt to limit supply of tobacco to minors through age limits and heavy fines. However, 23 per cent of all current smokers are purchasing those cigarettes themselves. This is indicative of how lax tobacco suppliers have become about the sale of this drug to children. How can we demonstrate the serious consequences of tobacco use when adults appear happy to sell these products to minors? What kind of mockery does it make of cigarette laws and societal expectations? What we need is a change in the mindset. We need to take it seriously and treat it seriously. Our actions as parents, lawmakers, teachers, suppliers and communities need to make it very clear that we do not condone drug use by minors and will not aid or abet it in any way—we will set clear boundaries, we will educate our children about the reasons for those boundaries and we will keep our eyes and ears open rather than turn a blind eye.

One clear and decisive step that has been taken towards limiting the capacity of young people to damage their health with the consumption of drugs was the recent passing of the alcopops legislation. This important piece of legislation increased the cost of pre-mixed spirits, or alcopops, as they are known, by a high enough amount to make them a less attractive and affordable option for younger drinkers. For nearly a year and a half the Rudd government tried to make those opposite see the logic in a simple yet effective financial disincentive for purchasing alcopops. The idea of making something that is harmful more expensive and therefore less attractive is tried and true and there have been signs of a reduction in alcopop consumption by young people since its introduction.

The Labor government has already demonstrated its commitment with a number of programs to help reduce the consumption of alcohol. These commitments and these changes all signify that the Rudd government takes this issue seriously and is prepared to respond in a very real and very tangible way.
We as a nation can continue to build on these sorts of measures through education, both in schools and at home. There is a plethora of invaluable resources out there, with organisations and websites dedicated to showing parents how to teach children to understand the effects of drug use. The information is there and we should make it a priority to utilise it.

I would particularly like to note a presentation I attended last week for the launch of the How to Drug Proof Your Kids program, which is run by Focus on the Family. This program equips parents and communities with all the information and techniques required to inform our children and ourselves about drug use. They should be congratulated on this innovative program. The work of organisations such as this one is a selfless and truly critical grassroots approach to overcoming these kinds of social issues. Nothing is more precious than the wellbeing of our youth, and I am proud of this government’s constructive work to tackle the very real issue of drug use amongst our children.

But we as legislators have to join with parents and the community to ensure those education programs are reinforced both within our education system and within the home. I am proud of the fact that this Labor government has taken very positive initiatives and is leading the way and being responsible in our legislation program to assist in decreasing the number of young children that are drawn to the consumption of alcohol, illicit drugs and cigarettes.

Sitting suspended from 1.57 pm to 2.00 pm

QUESTIONS WITHOUT NOTICE

Taxation

Senator COONAN (2.00 pm)—My question is to the Minister representing the Treasurer, Senator Sherry. Will the minister confirm that in the lead-up to the May budget Treasury modelled an income-tax surcharge on so-called high-income earners?

Senator SHERRY—As Senator Coonan would be well aware from her experience as a minister in the former government, Treasury model a great number of options. Ultimately it is the government of the day that determines what options are adopted, if indeed the particular option she is referring to was one. I can confirm that it is longstanding government practice not to comment on matters that may or may not have gone to cabinet or its committees. As the documents make clear, these various options were canvassed in the context of the 2009-10 budget in May and were not adopted.

What we do know, of course, is that the current shadow Treasurer, Mr Hockey, did want to adopt at least one of those options. It is interesting that the Liberal Party, as advanced by the arguments of the shadow Treasurer, Mr Hockey, are the only political party that want to increase taxes in Australia. They are the ones—

Senator Abetz—Mr President, I rise on a point of order. Sessional orders require that a minister’s answer be directly relevant to the question asked. The question asked was very simply whether or not Treasury had modelled an income-tax surcharge on so-called high-income earners. What other people’s policies might be is completely and utterly irrelevant.

Senator Chris Evans—On the point of order, Mr President: Senator Abetz raises a spurious point of order. Senator Sherry was directly responding to the question about whether consideration was given to these issues as part of the determination of the 2009-10 budget. Senator Sherry was directly responding on those issues. I think you ought to rule that he has dealt with it, as he should do, by being relevant to the question.
The PRESIDENT—I do consider that the minister is answering the question, but I point out that I cannot direct the minister to answer the question or respond to it in the particular manner that the person asking the question might wish. Senator Sherry, I do draw your attention to the question. If there is anything further you wish to add to the answer that you have given, you have 49 seconds remaining.

Senator SHERRY—Thank you, Mr President. This Labor government is very, very proud of its tax record. We have delivered on the election commitments and promises we made. The tax cuts we have delivered—not modelling or options but the tax cuts delivered by this government—we are very, very proud of. Let me give a couple of examples. We have doubled the low-income tax offset from $750 in 2007-08 to $1,500 by 1 July. We have increased the 30 per cent threshold from $30,100 to $37,100. We have also reduced the tax rate applying to income over $80,000 from 40 per cent to 38 per cent. Mr Hockey, the shadow Treasurer, is the only one who has talked about—(Time expired)

Senator COONAN—Mr President, I have another supplementary question. I might refer Senator Sherry to page 38 of yesterday’s Hansard, when Mr Swan agreed with a statement made by the Minister for Finance and Deregulation. As the government have refused to rule out tax hikes to pay for their reckless spending, does the minister still stand by the ALP’s previous commitment, repeated before and after the 2007 election, not to increase taxes as a percentage of GDP?

Senator SHERRY—The only political party and the only individual who has been talking about increasing taxes has been the Liberal Party as enunciated by Mr Joe Hockey. Much to your embarrassment, Mr Joe Hockey, the shadow Treasurer, some weeks ago—

 Senator Coonan—Mr President, I have a point of order. It goes to the requirement in standing orders to be directly relevant. The question asked the minister whether the Labor Party stood by its previous commitment, repeated both before and after the 2007 election, not to increase taxes as a percentage of GDP. It is a perfectly straightforward, clear and unequivocal question that warrants an answer.

The PRESIDENT—Senator Sherry, I draw your attention to the fact that you have 47 seconds. Senator Ludwig on a point of order?

Senator LUDWIG—On the point of order, what are we now having with respect to a point of order being taken is a restatement of the whole question. What Senator Sherry has been doing—

Opposition senators interjecting—
Senator LUDWIG—I am entitled to be heard in silence.

The PRESIDENT—Order!

Senator LUDWIG—In respect of the point of order, there is no point of order. Senator Sherry has been answering the question. The question goes to the issue of increasing tax. He is being directly relevant to the question by providing a response in relation to that. He is being directly relevant with that response.

The PRESIDENT—Senator Sherry, I draw your attention to the question. You have 47 seconds remaining to answer that question.

Senator SHERRY—I welcome these questions about tax. In fact, I was starting to feel a little bit left out, given the focus in the House of Representatives. Fire as many questions about tax as you like, because the Labor government is very proud of its record. The government is not going to pre-empt the Henry tax review. The report will be handed to the government at the end of this year. The examination of our tax system is an important issue to promote microeconomic reform. As I indicated earlier, with great flurry and fanfare Mr Turnbull announced the Ergas review into tax and has kept it secret. Where is the alternative government—(Time expired)

Liquefied Natural Gas Exports

Senator STERLE (2.09 pm)—My question is to the Assistant Treasurer, Senator Sherry. Can the Assistant Treasurer inform the Senate about the record international trade deal signed overnight involving the Gorgon liquefied natural gas project off Australia’s north-west coast?

 Honourable senators interjecting—

The PRESIDENT—Order! On both sides I need order, Senator Sterle, have you finished your question?

Senator STERLE—No, I have not. What are the benefits of international investment to the Australian economy and, especially, what benefits will this investment bring to Western Australia and its regional communities?

Senator Cash—Thank you, Colin Barnett—it’s time!

Senator SHERRY—A great question, and a great interjection. I will get to that interjection a little later. This is a very significant contract between one of the partners in the Gorgon project, Exxon Mobil, and the PetroChina oil company. The government, through my colleague the Minister for Resources and Energy, is pleased to have been invited to attend the contract signing in Beijing. I congratulate the Liberal Party in Western Australia and the Premier, Mr Barnett, and the former Premier of WA, Mr Carpenter, for their roles. The contract will see PetroChina buy $50 billion worth of Gorgon LNG over the next 20 years. It will buy $33 billion worth of Australian goods and services. It will create 6,000 jobs at the peak of construction. It will generate $40 billion of government revenue that will go to schools, hospitals and roads. Yet there are still those who question and undermine these particular projects.

 Opposition senators interjecting—

The PRESIDENT—Interjections across the chamber are disorderly. I need to hear the minister’s answer.

Senator SHERRY—I am agreeing with the Liberal Party interjectors. Barely was the ink dry on this particular project than the Leader of the National Party in the Senate, Senator Joyce, criticised the project. He has been spreading his particular brand of division and insinuation with respect to Chinese investment in foreign projects, as important as this one is. Firstly, I point out that PetroChina will have no ownership of the resources in the ground in this instance. Sec-
secondly, the joint partners in the Gorgon project are Chevron, Exxon Mobil and Shell. It may have escaped Senator Joyce that these companies are all foreign owned. So is Senator Joyce’s problem foreign ownership of Australian resources or is it just a base fear of where some of that investment is coming from? Senator Joyce never lets facts get in the way of a random— *(Time expired)*

Senator STERLE—Mr President, I ask a supplementary question. Can the Assistant Treasurer advise the Senate what other contracts have been signed recently relating to the Gorgon project? How large are they and how significant are they in terms of Australia’s economic future?

Senator SHERRY—The $50 billion contract with PetroChina comes on top of a $25 billion deal with India and recent agreements with Japanese and Korean interests. As is obvious, both the Liberal Party and the Labor Party support this approach. Unfortunately, Senator Joyce does not. The Leader of the National Party in the Senate does not like these particular deals. This Gorgon deal with PetroChina will return Australia more money for less product, yet Senator Joyce only sees dangers in these job-creation deals.

Senator Joyce—Mr President, I rise on a point of order. The minister is misrepresenting what was said on the radio this morning. I do not know whether there is a point of order—

The PRESIDENT—There is no point of order, but you do have an opportunity later, if you are being misrepresented, to stand and seek that that be corrected, at 3.30, after the taking of note.

Senator Joyce—Just on that: so he can say what he likes even though it is a load of rubbish?

The PRESIDENT—Senator Joyce, I cannot control what a minister will say, but if you think you are being misrepresented then you have the right, upon the conclusion of question time, to stand and take a point of order and let it be known that you have been misrepresented.

Senator SHERRY—Senator Joyce cannot see the investment boost and the thousands of jobs that this project will create. It is obvious the Liberal Party supports this project and that is great to see, but Mr Turnbull should exercise some authority and pull Senator Joyce into line. What about the other members of the National Party? Do they support Senator Joyce’s criticism of this foreign— *(Time expired)*

Senator STERLE—Mr President, I ask a further supplementary question. Can the Assistant Treasurer reveal to the Senate the current value of foreign investment in Australia and the Rudd government’s approach to this vital lifeline of Australia’s economy?

Senator SHERRY—The total stock of foreign investment in Australia as at 31 March 2009 is $1.7 billion. I have to say that the leading foreign investor is the United States. Senator Joyce said he is the champion of regional Australia and regional jobs. Foreign investment supports one in four jobs in regional Australia and yet Senator Joyce continually criticises these forms of foreign investment. He is the grim reaper when it comes to regional jobs. If we were to adopt Senator Joyce’s approach, you would have to shut down most foreign investment projects in mining and in regional Australia and destroy thousands of jobs. That is Senator Joyce’s approach.

I am pleased to see the Liberal opposition are committed to foreign investment. We need foreign investment, particularly in the resources sector. This project is a great example and they should pull Senator Joyce into line. *(Time expired)*
Economy

Senator BUSHBY (2.16 pm)—My question is to the Minister representing the Treasurer, Senator Sherry. Aren’t economists such as Chris Richardson, Stephen Kirchner and Sinclair Davidson right when they say that the government spent too much too fast and should have instead allowed the RBA to take more of the burden by further cutting interest rates?

Senator SHERRY—I notice there are a variety of views about the impact of the stimulus, including from those opposite. Senator Xenophon is not here—I was going to refer to a criticism that he made. What we do know is that the stimulus package this Labor government has developed has cushioned the Australian economy against the worst impacts of the worldwide financial and economic recession. At a time when world economies are shrinking, Australia, I think, is now one of two, out of some 30 advanced economies, not to have gone into recession. That is as a consequence of a range of policy initiatives, in particular a consequence of the short-term impact of the stimulus package and also, of course, the actions of the Reserve Bank in reducing interest rates to lows not seen in 50 years.

As I have said, advanced economies are expected to contract by a massive 3.8 per cent in 2009. Against this background of uncertainty in some economies, particularly in the United States—yesterday I referred to yet another bank collapse in the United States, in the state of Alabama, where another substantial bank collapsed—and given the uncertainty with respect to very close to double-digit unemployment in the United States and the collapse of consumption in the United States, I would point out to the opposition that, in terms of the impact that the question marks over the US economy—and it is the world’s largest economy—will have in, say, China on the recent—(Time expired)

Senator BUSHBY—Mr President, I ask a supplementary question. Is it a fact that excessive government spending of the sort being undertaken by the government—the sort that is being labelled ‘fiscally irresponsible’ in media reports today—will inevitably result in higher taxes and higher interest rates?

Senator SHERRY—As I was saying, I enjoy these questions, and it is about time that the Liberal opposition started to focus a little more on these particular issues. There have been a wide range of welcoming and congratulatory statements in support of the Labor Party’s decisive action in delivering the fiscal stimulus, including from the International Monetary Fund and from the head of the Australian Treasury, Dr Henry. He has pointed out the importance of that decisive action in the stimulus package in cushioning the Australian economy in the worst circumstances we have seen since the Great Depression, some 75 years ago, and of the vital role it has played, for example, in the retail sector—I think I outlined yesterday that retail sales in Australia are five per cent higher than they were in November last year—cushioning the Australian economy and protecting Australian jobs. We make absolutely no apologies for this approach. (Time expired)

Senator BUSHBY—Mr President, I ask a further supplementary question. Given that the economic downturn is not proving as severe as the government forecast in its own figures, why does the government continue to insist on racking up hundreds of billions of dollars of unnecessary debt and deficit spending?

Senator SHERRY—It is interesting to reflect. When we look back at when the budget was delivered, those opposite were criticising Treasury and the government for deliver-
ing a budget that was too optimistic, arguing that unemployment should have been forecast to be higher and that we were being too conservative in terms of the economic downturn. Here we are, four months later, and they do a total U-turn and start criticising us because we should have been more optimistic. You cannot win with the Liberal opposition. This is typical of their flip-flopping and lack of any particular policy. What we do know about the criticisms coming from the Liberal opposition and their claims that the stimulus should be wound down is that it is a bit like them heading off to the post-game drinks session at half-time. That is the sort of position that the opposition are adopting. There is still a significant degree of uncertainty in the world economy. (Time expired)

Afghanistan: Women’s Rights

Senator BOB BROWN (2.22 pm)—My question is to the Minister representing the Prime Minister. What has been the reaction of the Prime Minister to news that President Karzai of Afghanistan has signed a decree repressing women against the Afghan constitution and international law? Is the Prime Minister going to go quietly with the decree which enforces starvation on women who refuse to submit to the sexual desires of their husbands, prevents women from going to work without their husband’s agreement and in any dispute situation gives custody of children to the husband or to the grandfather, with the women left voiceless, helpless and unrepresented?

Senator CHRIS EVANS—I thank Senator Brown for the question. I do not have information specifically on the question of what the Prime Minister’s reaction has been. I have not spoken to him on the issue and I have not seen any public comment he has made. But the point you raise is a very serious issue. We are concerned about the suppression of the rights of women anywhere. We do believe that it is important that we do all we can in Afghanistan—and elsewhere—to ensure that women have equal rights and are protected from violence, abuse and any other form of discrimination.

In Afghanistan, we believe they have come a long way since the fall of the Taliban regime, but no doubt there is much more to be done. Some steps towards enhancing women’s rights have been made, and the international effort continues in this important matter. I understand that now 28 per cent of the MPs in the lower house in the Afghan parliament are female. In 2008-09, of the 6.2 million children at school, 40 per cent were girls. Under the Taliban, only one million boys were in schools, and girls were prohibited from attending. I think it is fair to say that there has been progress made from the very dark days when the Taliban ruled Afghanistan. I remember meeting a young woman in my own community who came as a refugee and was 11 before she got to go to school in Australia. She was denied that opportunity in Afghanistan and that was a terrible thing. It is a serious issue. It is one that we think is improving but, no doubt, more can be done. We will certainly be doing all we can to support the rights of women in Afghanistan and elsewhere.

Senator BOB BROWN—I thank the minister for his answer. It enables me to ask this supplementary question. Why has the Prime Minister of Australia said nothing at all about President Karzai signing this decree, clearly to get the favour of an extremist cleric and the 20 per cent of votes that may be attendant upon that favour? Will the Australian government speak up about the repression of women by judicial decree against the constitution of Afghanistan and against international law?

Senator Brandis—Not unless it comes up at a focus group!
Senator CHRIS EVANS—Senator Brandis’s interjection is most unfortunate. Everyone in the Senate would be concerned about the conditions that—

Senator Brandis interjecting—

Senator CHRIS EVANS—Senator Brandis, I regard it as a serious issue, mate; you may not. But it is a serious issue—

The PRESIDENT—Order! Senator Evans, ignore the disorderly interjections and address the chair.

Senator CHRIS EVANS—I will take on notice the part of the question in which Senator Brown asks about the reaction of the Prime Minister and I will get a response to him about that. I have not seen any public commentary. But certainly, as I have made clear, this government does not support any moves to limit the rights of women or expose them to dangers. We support their right to take a full role in their societies, be that in Afghanistan or anywhere else. I will attempt to get you an answer to the specific matter you raised about our response to the decree. (Time expired)

Senator BOB BROWN—Mr President, I ask a further supplementary question. Will the minister get that response before the election in Afghanistan in the coming days rather than after it? I ask the minister: what does the government know about the assertions that 17 million voter registration cards have been issued in Afghanistan—which is twice the number of eligible voters—and about the widespread use of the proxy system by men to vote on behalf of the women, who are left voteless in so-called democratic elections in Afghanistan?

Senator CHRIS EVANS—I will get the information for Senator Brown as quickly as I can. As Senator Brown would be aware, the Australian government is supporting international efforts to ensure that the elections are credible, secure and inclusive. We are making a substantial contribution to support the elections, including: an infantry company; approximately 120 troops to assist the Afghanistan National Security Forces with election security; additional military capacity to provide logistical support; $9 million in financial assistance, including funding for election observers from regional countries; and a small team of Australian civilians observers who will contribute to ensuring the polls are conducted properly. I think there is proper international scrutiny of these elections. Clearly, we will be interested to ensure that they are free and fair and the reporting of the international observers will inform us whether they were or were not.

Building the Education Revolution Program

Senator MASON (2.28 pm)—My question is to the Minister representing the Minister for Education, Senator Carr. Will the minister explain why the government’s education infrastructure program has allowed seven South Australian schools to double dip and be given up to $2½ million more than they should simply because they are technically split into an upper and lower primary school, even though they are situated on the same piece of land?

Senator CARR—The Rudd government’s commitment to boost jobs in investment in Australia’s long-term future will see every school receive funding for the maintenance of new buildings as part of the $14.7 billion Building the Education Revolution.

This is a historic commitment of building investment in the Australian education system. It is a historic commitment which the Liberal Party have never supported. They, of course, support the local announcements and support turning up, but they do not support the program. They will seek to draw attention to particular matters in South Australia, but I have no doubt there will be no shortage
of Liberal Party members actually turning up to the opening. I am aware that there has been a claim made in some South Australian government primary schools about double dipping and, as with every other issue that has been raised in the media by the opposition, the Department of Education, Employment and Workplace Relations is looking into these claims. However the department has received advice from the South Australian Department of Education and Children’s Services that the schools mentioned in the article are, in fact, separate schools and therefore entitled to separate funding.

Senator MASON—Mr President, I was wondering if the minister could table the advice he just referred to, and I ask a supplementary question. I refer the minister to an article in the Sydney Morning Herald of 13 August by Maralyn Parker which claims:

A $150,000 electrical substation is being forced onto one school. The school has already updated its electrical systems and has extra scope to deal with new buildings. It is selling electricity back into the grid through its extensive solar power network. The principal asked for more solar panels instead of a substation and was refused.

Does this demonstrate that the consultation provisions of the Building the Education Revolution guidelines have failed and that school requests are being routinely ignored in favour of narrow templates?

Senator CARR—I am familiar with those schools. They are very close to where I live. Those schools are in one of the poorest parts of Melbourne, and in terms of the needs of students in that region of Broadmeadows there can be no question whatsoever of the level of disadvantage faced by students in the Broadmeadows area and at those particular schools. These program initiatives are based on a series of guidelines which have been issued and which will be honoured. I note the point that has been made by a number of people, including the president of the Australian Primary Principals Association, who said that despite the negative press that has occurred this is still the best initiative that has ever happened for primary schools at the federal level. (Time expired)

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the President’s Gallery of the members of Commission III (Law and Legislation, Human Rights, and Security Affairs) from the House of Representatives of the Republic of Indonesia. 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

Nation Building and Jobs Plan

Senator CAROL BROWN (2.35 pm)—My question is to the Minister Assisting the Prime Minister for Government Service Delivery, Senator Arbib, in relation to the Nation Building Economic Stimulus Plan. Could the minister advise the Senate on the progress of the Building the Education Revolution schools infrastructure program as it is rolled out across the country as part of the economic stimulus plan? Isn’t it the case that this program, the largest school modernisation program in Australia’s history, is already providing work for tradespeople and small businesses in every state and territory? Is the minister aware of any details of the Building the Education Revolution schools infrastructure projects that have been completed?

Senator ARBIB—I thank Senator Carol Brown for that question. Yesterday, as the Senate might remember, I talked about Yandina, a state school in Queensland, which was the first school to be completed. I am happy to inform the Senate that the second Primary Schools for the 21st Century project has now been completed and that is in Tasmania. It is the Ouse District High School in the Derwent Valley K-12, which now has a new multipurpose hall, which will be used by students at the school and also by the local community. It is a great result for that local school and also for the state of Tasmania.

As senators would know, these sorts of projects are going on in every primary school across the country. Senators opposite may not want to hear the good news because they voted against it. They voted against the Ouse school getting that funding and getting those facilities.

Opposition senators interjecting—

Senator ARBIB—Senator Brown also asked about the employment aspect of this construction. I am proud to say that 35 workers have worked on this site, on this high school—and it is not just tradespeople; it is also apprentices—covering apprentice carpenters, joiners, electrical, mechanical services, plumbing, painting, plastering, glazing and concreting.

Opposition senators interjecting—

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

Opposition senators interjecting—

The PRESIDENT—Order! When there is silence we will proceed!

Senator ARBIB—Thank you, Mr President. This is good news. We know the Liberal Party hates good news as to the economy, but it is good news for tradespeople. It also builds on the other work we are doing with the stimulus. The Tasmanian senators should listen to this because they voted against it. In Tasmania they voted against the Brighton Bypass and transport hub. They voted against 27 Black Spot Program projects getting funding. They voted against $4 million going to community infrastructure programs, and $7 million for the Launceston stadium. (Time expired)

Honourable senators interjecting—

The PRESIDENT—Order on both sides! When there is silence we will proceed.

Senator CAROL BROWN—I thank the minister for his answer, and that is good news for Ouse. I wish to ask a supplementary question. Is the minister aware of suggestions that the Rudd government’s economic stimulus strategy is no longer necessary and should be rolled back?

Honourable senators interjecting—

The PRESIDENT—Order! Continue, Senator Carol Brown.
Senator CAROL BROWN—Can the minister confirm for the Senate that the economic stimulus construction projects are currently underway, and that in about 12 months time there will be around 35,000 individual construction projects around the country? Can the minister explain how these infrastructure construction projects support jobs both directly and indirectly in communities? What would be the consequences of rolling back the economic stimulus?

Opposition senators interjecting—

Senator Sherry—You want another 200,000 unemployed, do you? That’s what you want!

The PRESIDENT—Order! Senator Sherry, the time for debating this is at the end of question time! When there is silence I will call the minister.

Honourable senators interjecting—

The PRESIDENT—Order on both sides!

Senator ARBIB—As Senator Carol Brown said, there will be 35,000 infrastructure projects getting underway over the next 12 months. I do note the comments by the Leader of the Opposition, the member for Wentworth, that the stimulus package should be wound back or that it should be stopped. This just goes to show the faulty judgment that the member for Wentworth has. What would happen if we rolled back the stimulus project? What would happen to those projects? More importantly, what would happen to small business? What should we do? Ring Garry Bannister Constructions, which is on the North Coast, employing three extra workers and 15 contractors, and say to Garry: ‘Sorry Garry, you don’t need to work on that school anymore. Put down the tools, the stimulus is over. Don’t bother worrying about the school hall.’ What about we ring up Defcon Constructions?

Opposition senators interjecting—
Macdonald has contacted my office for the Carpentaria Shire Council. And there is a second one from Senator Ian Macdonald. Senator Connie Fierravanti-Wells: the champion of the Illawarra, and where is she asking for funding? Not for the Illawarra, but for the Italian Forum in Leichhardt. Senator Heffernan has also sent me one, and what does he say about the Jobs Fund? He says:

I am confident the Jobs Fund program will create and support local jobs. It will build up community confidence and morale and support and improve community services.

(Time expired)

Honourable senators interjecting—

The PRESIDENT—Order! Senator Johnston is entitled to be heard in silence when he asks his question.

Australian Defence Force

Senator JOHNSTON (2.43 pm)—Thank you, Mr President. My question is to the Minister for Defence, Senator Faulkner. Minister, last week in a speech you gave a firm commitment that the safety and security of our deployed troops would not be compromised. In light of this commitment, what safety and security measures has the government in place to protect our deployed troops based at Tarin Kowt from incoming rocket and mortar attacks?

Senator FAULKNER—I thank Senator Johnston for that question. Of course there is nothing more important than the safety and protection of our Australian Defence Force members serving overseas on operations. It is true, of course, that our ADF troops in Afghanistan work in very dangerous conditions where Taliban rockets are part of the reality of daily life. Particularly, this is true at a time when the Taliban are targeting the elections which are to be held tomorrow, as senators would be aware. The ADF and coalition forces use a range of measures to minimise the effect and impact of these attacks. As I understand it, at Tarin Kowt, which of course is the major fixed base in Oruzgan province, coalition forces use a suitable range of counter-rocket and counter-mortar measures. These measures include constant patrolling and surveillance, a base alert system for rocket and mortar attacks, physically reinforcing the areas where the soldiers work and live, and ensuring that ADF personnel are issued with protective equipment. Additionally, we are involved in negotiations to install additional counter-rocket and counter-mortar enhancements, and this includes a Singaporean weapon-locating radar to enhance warning and response capabilities. (Time expired)

Senator JOHNSTON—I thank the minister for the answer. My supplementary question is: in light of the Royal Netherlands Army suffering four casualties on 6 April—one dead and three wounded—at their base from a rocket attack a mere few hundred metres away from Australians based in Tarin Kowt, hasn’t it been because of a good deal of good luck as opposed to good management, given our lack of a sufficiently functioning and proven capability to sense and warn, particularly as to incoming rockets, that we have not suffered similar casualties to this point?

Senator Conroy—What a silly question.

Senator FAULKNER—to be fair, it is always difficult, I think, for a defence minister to make judgements about luck and management. But of course, as in every walk of life, I actually do think the point that Senator Johnston makes is correct.

Senator Ian Macdonald—Bad luck, Stephen.

Senator FAULKNER—Sorry?

Senator Ian Macdonald—I was just talking to your colleague. Press on.
Senator FAULKNER—Of course there is an element of luck involved, but there also is good management. I think it is really important to reinforce the fact that protecting Australian soldiers from rocket, artillery and mortar fire is an absolute priority. I can assure Senator Johnston that it is one that the government takes very seriously indeed, hence the measures that I have outlined in the chamber today. (Time expired)

Senator JOHNSTON—Again I thank the minister for his answer, and I ask a further supplementary question. Minister, given the British command has recently purchased five C-RAM capability systems to provide maximum protection and security for their troops based in Afghanistan, a capability that increases a soldier’s probability of survival by a rocket attack by a factor of 4.8, will you now bring forward the purchase of this vital defence capability against incoming rocket and mortar attacks, currently put on hold until 2018 in the capability plan, to ensure the safety and security of our troops on deployment in Afghanistan?

Senator FAULKNER—It is true that the Defence Capability Plan 2009 foreshadows a future project named LAND 19 which will include systems capable of countering the rocket artillery and mortar threat. LAND 19 will use advanced technology that is still under development. It is true that it is scheduled to be introduced later in the next decade. I can say to Senator Johnston that the schedule is of course regularly reviewed, along with short-term alternative systems, to ensure that we do have in place the most appropriate measures to counter the threat level in Afghanistan. There was recently a fact-finding visit to Sweden—(Time expired)

Water

Senator XENOPHON (2.49 pm)—My question, of which I have given some notice, is to the Minister for Climate Change and Water, Senator Wong. What powers does the Commonwealth have to intervene to protect the reactivation of dormant water licences of at least 10 billion litres annually in Queensland from the Cooper Creek, given the potentially devastating environmental impact on the Ramsar listed Coongie Lakes and surrounding areas in South Australia?

Senator WONG—Thank you to Senator Xenophon for this question. The Commonwealth’s involvement in this issue is primarily as a party to the Lake Eyre Basin Intergovernmental Agreement, which, as the senator would be aware, provides for the sustainable management of Lake Eyre. The forum is chaired by the Parliamentary Secretary for Water, Dr Kelly, and it is this forum which will be overseeing the management of the Lake Eyre Basin for some nine years. This IGA, which was signed in 2000, is given effect under legislation in each jurisdiction. I can advise the senator that at a recent meeting of the ministerial forum this year the Queensland government advised that the existing Cooper Creek water resource plan was scheduled to expire on 1 September 2010. As required under Queensland water law, the Queensland government has previously announced its intention to prepare a new draft water resource plan for Cooper Creek for public consideration later this year. The advice provided to the ministerial forum was that a draft of this resource plan will be released for public comment later this year. I am also advised that socioeconomic, hydrologic and ecological assessments are being used to inform the development of the draft plan.

It is the case that there are some sleeper licences, where no extraction has commenced, and what are known as dozer licences, where pumps are in place but are not yet used, which are able to be activated now under the existing resource plan provided strict licence and land-use conditions are
met. The senator is correct that it is possible that activation of these licences together with the potential to enable trade and water entitlements in Cooper Creek could have an adverse impact on the river flows and floodplain inundation to the detriment of areas, including the Coongie Lakes Ramsar site. I again say that the Queensland government has informed—(Time expired)

Senator XENOPHON—Mr President, I ask a supplementary question. Can the minister elaborate on what she has just said? Further, what communication has the Commonwealth had with the Queensland government about the potential reactivation of these water licences and the potential environment impacts?

Senator WONG—Queensland has confirmed to the ministerial forum that the new plan will be ‘fully compliant with all state, national and international agreements, including the Lake Eyre Basin Intergovernmental Agreement’. That IGA has, as its primary purpose, the development and implementation of policies and strategies that avoid, or eliminate as far as is reasonably practicable, adverse cross-border impacts in the basin. I have asked my parliamentary secretary to ensure that, from the Commonwealth’s perspective, the provisions of the IGA continue to be utilised to protect the ecological characteristics of key assets within the basin, including the internationally significant Coongie Lakes, which as you know is a Ramsar site.

Senator XENOPHON—Mr President, I ask a further supplementary question. Does the minister concede that the reactivation of these licences could have a very significant impact on the Coongie Lakes and go against the spirit—or make a mockery of the spirit—of cooperation announced by the states last year at the COAG meeting on 3 July?

Senator WONG—The announcement to which the senator refers was in relation to the Murray-Darling Basin. This matter concerns the Lake Eyre Basin. There are many who would argue that the Lake Eyre Basin initiative has actually been a very good example of inter-state cooperation on river and natural resource management. I stress again that no decisions have yet been taken. As I mentioned earlier, Queensland has indicated an intention to fulfil its water planning obligations in a way that is consistent with the Lake Eyre Basin Intergovernmental Agreement. I would add that that remains the Commonwealth’s expectation.

Senator Heffernan—Mr President, I rise on a point of order. I just want to point out to the minister that under the Queensland Water Act—

The PRESIDENT—Order! That is not a point of order. The time for debating these issues is at the end of question time. I am sure people will welcome your contribution at that time.

Energy Efficient Homes Package

Senator EGGLESTON (2.54 pm)—My question is to the Minister representing the Treasurer, Senator Sherry. Given that recent reports illustrate that dishonest insulation installers are exploiting the government’s $4 billion home insulation subsidy scheme, and inflating the cost of work funded by Australian taxpayers, how can the minister justify this wasteful abuse of taxpayer funds in relation to administration of its $4 billion home insulation subsidy scheme?

Senator SHERRY—The home insulation scheme—I accept the figure that the senator has given of approximately $4 billion is correct—is an important part of the government’s overall stimulus package. As I have told the Senate on many occasions, the stimulus package has been very necessary, given the disastrous financial and economic
circumstances that the world faced last year. It is getting better this year, in many countries, but there is still a long way to go, there are still a lot of economic difficulties. We make no apologies for our stimulus package, and that was an important element of it. The stimulus package, part of which you referred to, has cushioned the Australian economy during the very difficult financial and economic times.

Senator Fifield—The cushioning effect of pink batts?

Senator SHERRY—Of course the issue is about insulation, but that is part of the stimulus package. I want to directly respond to the senator’s perfectly reasonable question. He has asked about this element of the stimulus package. I am outlining why it was so necessary that the Rudd Labor government acted decisively to deliver this and other stimulus to underpin our economy, to cushion our economy from the worst impacts of the worst of the world recession, a recession we have not seen the size of since the 1920s Great Depression. As I said, we make no apologies for the stimulus package. It has been divided into three essential elements: short, medium and longer term. An important part of the short-term stimulus package has been the one-off payments to those taxpayers who qualified. But the insulation scheme has also been particularly important—

Senator EGGLESTON—Mr President, I ask a supplementary question. With the Auditor-General already conducting an inquiry into Building the Education Revolution schools stimulus debacle, will a review of the administration of the $4 billion home insulation subsidy scheme also be required?

Senator SHERRY—Of course there will be an audit and compliance process, Senator. Surely you have been in the Senate long enough, and been to enough estimates committees—as I have—to know that there will be a strong audit and compliance oversight of this particular project. I look forward to sitting in estimates in November, when I have no doubt you and others will ask lots and lots of questions about this particular issue. What I would argue is that, fundamentally, the Labor government has acted decisively in the face of the worst economic and financial crisis the world has ever seen. What I do know is that this particular program, and other elements of our stimulus program, have prevented 200,000 people becoming unemployed in this country. What I do know is that you opposed this economic stimulus. You would have seen another 200,000 people go onto the jobs scrapheap in this country by opposing this—

Senator EGGLESTON—Mr President, I ask an additional supplementary question. Given the recent revelations that materials used to make the insulation products are now being imported from overseas and over $1 billion has been directly spent on imported Chinese pink batts, could the minister please explain how shovelling Australian taxpayers’ money offshore is stimulating the Australian economy?

Senator SHERRY—As I understand it, the overwhelming majority of batts and insulation that is being installed is made in Australia. Frankly, I am disappointed with your reference to China. I would have thought better of the senator, frankly. He has focused on imports from China when we know that, to the extent that imports are occurring, they are coming from other countries as well. We are not just dealing with Chinese insulation.

Senator Ian Macdonald—Name those other countries.

The PRESIDENT—Order! Interjections are disorderly. Senator Sherry, continue.

Senator SHERRY—Name those other countries? Fletcher Insulation is importing
product from their Ohio based partner Owens Corning, which is in the United States for those who wanted to know. What we have from the Liberal opposition is a very unhealthy focus on China. *(Time expired)*

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

**QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS**

**Water for the Future Program**

Senator Wong (South Australia—Minister for Climate Change and Water) *(3.01 pm)*—Yesterday, Senator Birmingham asked a question of me. I seek leave to table some additional information in response to that question.

Leave granted.

The document read as follows—

Question Without Notice (Sen Birmingham) — On Farm Water Efficiency Expenditure

Yesterday Senator Birmingham raised a number of matters regarding on-farm irrigation efficiency expenditure over the last 12 months to which I said I would respond.

A key component of the Australian Government’s $12.9 billion Water for the Future initiative is our plan to reform the Basin by taking action on over-allocation, declining river health and the emerging impacts of climate change.

Our plan to help Basin communities meet these challenges has three main elements: extensive investment in more efficient irrigation systems; purchasing water from willing sellers to return to our rivers and wetlands; and a new Basin Plan that will set new scientifically-based, sustainable limits on water use.

Investment in irrigation efficiency is being delivered through the 10 year, $5.8 billion Sustainable Rural Water Use and Infrastructure Program.

In a little over 18 Months, the Rudd Government has invested in a range of projects under this program, including $98 million of the Government’s $99 million commitment towards the Wimmera Mallee pipeline in Victoria, $2.1 million towards the $400 million Menindee Lakes project, and $28.4 million of the Government’s $120 million commitment towards water supply pipelines to South Australia’s Lower Lakes communities.

As part of last year’s Intergovernmental Agreement on Basin reform, the Australian Government committed $3.7 billion to Murray-Darling Basin States for priority projects, primarily directed to modernising irrigation delivery infrastructure and on-farm water use efficiency.

Some of these state priority projects include specific on-farm efficiency components, including $300 million for NSW on-farm water efficiency projects, and $115 million for Queensland on-farm efficiency projects.

As part of the NSW State Priority Project, applications opened in June this year under the $650 million NSW Private Irrigation Infrastructure Operators program. Proponents are able to include an on-farm irrigation efficiency component in their project proposals.

Given the scale and scope of all Basin state priority infrastructure projects, good planning is an essential pre-requisite and this takes time.

That’s why the Australian Government has already spent more than $4.25 million to date on both irrigation Hot Spot assessments and irrigation Modernisation Planning grants. These grants are intended to assist in the development of plans to upgrade regional irrigation systems.

Overall I am keen see further progress on Basin State Priority irrigation project proposals. The Government stands ready to invest as soon as project business cases have been submitted and subjected to due diligence assessment.

Following-on from my announcement last year of the Australian Government’s On-farm Pilot program, I approved $5.6 million in funding for three successful projects earlier this year.

The Lachlan Catchment Management Authority and Border RiversGwydir Catchment Management Authority have signed funding agreements for two of these projects, and work is now proceeding. The first payments for these projects will be made shortly.
A funding agreement for the third project, developed by Murray Irrigation Limited, is expected to be signed soon.

Importantly, the development of these projects has paved the way for the $300 million On-Farm Irrigation Efficiency Program which I announced in May as part of the 2009-10 Budget.

Running over four years, this $300M program is focused on the Lachlan and southern connected system of the Murray-Darling Basin.

After a period of close consultation with irrigation stakeholders over June and July of this year, I expect to be able to open the first funding round soon.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS
Taxation

Senator COONAN (New South Wales) (3.02 pm)—I move:

That the Senate take note of the answer given by the Assistant Treasurer (Senator Sherry) to a question without notice asked by Senator Coonan today relating to taxation.

For a minister who claimed to welcome questions on tax, Senator Sherry had a very strange way of responding to them. He is clearly incapable of giving a straight answer. Let us go back to what he has done in relation to the questions that I asked him. Firstly, he has failed to rule out that Australians will be slugged with a special tax surcharge on so-called high-income earners. He has also failed to deny that both the Treasurer and the Minister for Finance and Deregulation agree that Australia should have an inheritance tax and that a deemed capital gains tax on death is yet another option being advocated by the Minister for Finance and Deregulation. From answers given in the House of Representatives yesterday, it is clear that both the Treasurer and the Prime Minister have failed to rule out a tax on the family home.

The Labor government is undertaking a review, the Henry review, and what is abundantly clear is that it is going to hike up taxes to pay for its reckless spending. As night follows day, this reckless spending has to be paid for. There is no doubt that the Labor government has tax hikes in prospect. Australians are going to have to pay for the massive debt and deficit run up by the Rudd Labor government. They have splashed $80 billion around on low-value make-work projects and botched programs.

We saw just yesterday that a billion dollars has gone overseas to purchase pink batts. It went to support the Chinese economy rather than being used as a direct stimulus to the Australian economy. When asked about this this morning on Agenda, the Minister for Finance and Deregulation said, in response to a question from Ashleigh Gillon, ‘So what?’ She asked, ‘Hasn’t a billion dollars gone to purchase pink batts in China to support the Chinese economy?’ Mr Tanner’s best defence was to say, ‘So what?’ We have a situation here in which the Rudd Labor government is clearly searching around for everything that they can find—even everything that is nailed to the floor—to pay for this waste and mismanagement.

These senior economic ministers, who are the engineers of the government’s economic policy, are now reverting to type. It is interesting to look at the views of Mr Tanner on tax that are recorded in Hansard. He said:

We should abolish negative gearing and modify the capital gains tax exemption by, for example, applying that exemption only to the unimproved value of houses purchased. In that way, there will be bias in the tax system which impels people to invest in extensions and the like.

I hope no-one listening to this wants to renovate their kitchen, because Mr Tanner is going to be after them through advocating, as he clearly does, that renovations not be included in the home base that is exempt from capital gains. He also said:

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We should have an inheritance tax or some tax of that nature. Deemed capital gains tax on death is another option in that regard.

These are the words not of somebody who does not take a close interest in the economic development of policy but of the Minister for Finance and Deregulation. When asked yesterday whether he agreed with the words of Mr Tanner, Mr Swan said, ‘Yes, Mr Tanner was absolutely correct.’

We have a situation here where Mr Rudd has refused to rule out hiking up taxes across all areas of government apart from the GST. In other words, the family home and family inheritance are at risk and subject to a big fat Labor tax. It is very clear that the Rudd Labor government is now facing up to the unpleasant consequences of its reckless spending. The economy is in recovery, but what is Labor doing? It is simply continuing to stimulate the economy while at the same time the Reserve Bank is saying, ‘Put the brakes on.’ Australian taxpayers will pay.

(Time expired)

Senator MARK BISHOP (Western Australia) (3.07 pm)—Senator Coonan has moved to take note of the answers to various questions to Senator Sherry on taxation and the like. The proper place to start in this debate on taxation policy is to look at the record of the current government in the area of taxation, not to look at alternatives in the paper, not to look at what might be canvassed in various reviews being conducted by Treasury officials and reported on a regular basis in the press and not to look at what various writers might say in the press on a daily basis about what they think should be the basis of future taxation policy in this country. The appropriate place to start, if one is going to run a critique on the current taxation policy of the current government, is to look and see what that government has said, what its policy prescriptions have been and what it has done over the last 18 or 20 months—the period it has been in power—and has been able to give effect to taxation policy.

Let us be quite clear at the outset that this government is extraordinarily proud of its record in the area of taxation policy and implementation over the last 18 months. We have provided tax cuts, we have provided targeted assistance and we have provided welfare benefits to those most in need. At the same time as providing assistance to all of those people who could have been grossly harmed by the fallout of the global financial crisis, we have also incentivised the system and provided a fair day’s work for a fair day’s pay.

Let us look at some of the measures that the current government has introduced. We have doubled the low-income tax offset from $750 in the financial year 2007-08 to $1,500 from 1 July next year. We are increasing the 30 per cent tax-free threshold from $30,001 to $37,000 and, in addition to those benefits, which particularly assist part-time and casual workers and low-income earners, the government has also reduced the tax rate applying to income over $80,000 from 40 per cent to 38 per cent and has shown its commitment to further tax reductions at this end of the scale with another reduction to 37 per cent from 1 July 2010. So the current government, critiqued by Senator Coonan, has, in its first 18 months in power, done more for low- and middle-income earners than the previous Liberal-National Party coalition government did in its 12 years of power from 1996 through until November 2007.

What will be the net impact of those taxation reductions and those taxation concessions? We say, and the facts are starting to bear it out as economic activity comes through from increasing consumer spending, that the government’s policies are delivering, and will continue to deliver, substantial real
increases in disposable income for low- and middle-income earners. These are increases above, in excess of and significantly over the cost of living. By 2010-11, on current plans, current policies and current laws, disposable incomes of, for example, single pensioners will have gone up by 17 per cent in real terms—in a three year period, 17.1 per cent in real terms—overcoming all of the cut-backs and all of the declines in real dollars that welfare recipients and pension beneficiaries suffered under the deliberate policies of the previous government over 12 long years. Not only will welfare and pension recipients profit from government taxation policies but disposable incomes of working families will also rise. For someone on average wages, for example, and someone working one day in three, disposable incomes will be up by over seven per cent and disposable incomes of single persons earning two-thirds of average wages will also be up in excess of seven per cent. Our policies were implemented in an emerging global financial crisis. We legislated tax reform for last year, next financial year and the year after to assist low- and middle-income families and low- and middle-income earners. We did not forget pensioners. We did not forget those in receipt of welfare benefits. (Time expired)

Senator EGGLESTON (Western Australia) (3.12 pm)—We have just heard Senator Bishop claim that the resilience of the Australian economy has been due to the stimulus package put in place by the Rudd government. This morning on ABC radio, the Assistant Treasurer, Nick Sherry, also claimed that the current strength of the Australian economy in comparison to others around the world was due solely to the ALP’s action in delivering the various fiscal stimulus packages and that those packages had minimised the impact of the global financial crisis on Australia. That is a very interesting thing for both of them to say, because Ken Henry, the head of the Treasury, was also quoted on ABC radio this morning as saying, ‘Nobody really understands the reasons behind Australia’s strong economic performance.’ That is a very interesting comment from a very respected and independent observer of the economy.

Rather than ascribing that economic resilience to the stimulus packages instituted by the Rudd government, I would suggest we have to look at some underlying factors. The most important underlying factor is the legacy of economic strength and good economic management left by the Howard and Costello government. That, more than anything else, explains why Australia has come through this global economic crisis in such a robust way. During the time of the Howard-Costello government—and may I add in our current leader in the Senate, Nick Minchin, who was the Minister for Finance and Administration for much of that government—Australia was said to have one of the best managed economies in the OECD. In other words, this economy, under the Howard-Costello government, was regarded as being one of the strongest and best managed economies in the world. That underlying bedrock, I would suggest, is the more relevant reason why Australia has come through this global financial crisis so much better than so many of our neighbouring countries and countries like the United States and Great Britain, which have come through it very badly.

We have to look at the key factors which might underlie what I am saying—the factors which provided the bedrock for the Australian economy to be so strong in the face of this challenge. The first one was obviously the surplus which the Howard-Costello government left after paying off the Keating government’s debt of $94 billion or thereabouts. It took 10 years to pay off that debt. One can only wonder how long it is going to take to pay off the $300 billion-plus debt
incurred already by the Rudd government. Who knows what that debt will be at the end of their term in office.

Another key factor underlying the strength of the Australian economy was the strength of our banking system. In fact, Australia has four of the eight AA rated banks in the world—a very remarkable achievement for this small country. Why is this the case? Because when he was the federal Treasurer, Peter Costello put in place a very effective regulatory system of the financial markets and set up APRA. So, whereas in other countries banks were not so well regulated, in this country they were very well controlled. Under the Howard government we had record low unemployment. We now have unemployment of 5.8 per cent.

The strength of our trading relationship with Asia is quoted as a reason for our strong economy. That is due to the fact that under Liberal governments—Western Australia in particular—great resource projects were developed which brought in billions and billions of dollars of revenue for the federal government.

So, where are we now? Let us have a look at the record of the Rudd government, which Senator Sherry claimed on radio this morning had come through the global financial crisis fairly well. As I said, we are at least $300 billion in debt and we have unemployment up to 5.8 per cent. None of this can be regarded as a good record.

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Senator McLucas (Queensland) (3.17 pm)—I also rise to take note of answers given by Senator Sherry to questions asked today. I have to wonder, though, at the tactics and approach of the current opposition in the way they conducted question time today. It was a very scattergun approach with lots of kite-flying and lots of reading from the Australian—which I find is a bit of a theme that is emerging from that side of politics. It is a theme that I might pick up myself, because in today’s Australian there was some commentary from the coalition partners—unfortunately there are none here—about the way that question time is being run. Today’s Australian says:

National sources said yesterday ... “We aren’t getting enough questions up and the questions that are being asked seem to be about demonstrating how smart we are—not questioning Rudd’s performance,” said one source.

I do not know if that is a reference to the Senate. It might be a reference to the House of Representatives but I suggest that it probably has something to do with the Senate.

Let us go to the questions that were asked. Senator Coonan’s attempt at kite-flying about potential options for taxation policy in the lead-up to the budget were answered absolutely openly and appropriately by Senator Sherry. As many of you sitting on the other side know, many options are canvassed in the preparation of a budget and the important point is that the government makes the decision. That is what occurred at this time. These questions have been answered quite adequately by Senator Sherry and by his colleagues in the House of Representatives.

Can I also comment on the contribution from Senator Eggleston. We know that Senator Eggleston has some difficulty coping with the concept of climate change. We have heard that over the last week-and-a-half. That is all well understood, but I think Senator Eggleston is also having some difficulty understanding that we have a global financial crisis that has occurred in the last 18 months, and that looking back over policy approaches of the previous government and comparing them with the policy approach of this government, without recognition that we have one of the most significant financial crises that the world has seen in generations, is ‘disingenuous’. I think that might be a nice way of saying it.
We are dealing with the most difficult financial circumstance in nearly 100 years. Can I say that it is well regarded and well recognised by the economic commentariat that our government’s decisive, early action has put us in good stead. Now, we can argue about whether or not the stimulus was too little or too much, and there will be plenty of views about that, but I want to relate a story of a constituent of mine who came to my stall at the Cairns show to tell me that had the Building the Education Revolution money not been provided his staff of nearly 50 would have been cut by at least 12. These are professional people—designers, architects and planners. He knows that he would have lost about 12 staff. As it happens, he has had to employ an extra four staff. Now, that does not sound like a lot but we are talking about professional people in a regional centre who otherwise would have lost positions—and that is a huge drain on any economy. I have enjoyed talking with school communities, principals and teachers about the benefit that this will have for their schools, but I have also enjoyed immensely talking to builders—the people who are doing the construction work. They have told me over and over that, without this economic stimulus, they definitely would have downsized. In fact, one builder told me that he would have gone broke. (Time expired)

Senator BUSHBY (Tasmania) (3.22 pm)—I also rise to take note of answers from Minister Sherry. It has been interesting to hear the comments of the Labor speakers that have come before me and the comments of the minister during question time. In particular, Senators Bishop and Senator McLucas both spoke about the ‘kite flying’, as Senator McLucas called it, in respect of new taxes and basically dismissed it, saying, ‘It’s all part of the options.’ It is nice to hear that at least those two senators are willing to admit that they are options that are being considered, but the really interesting thing is that neither those senators nor the minister would rule it out. So long as it is not ruled out and so long as there are discussion papers suggesting that these new taxes are on the cards, the reality is that Australian taxpayers may well be looking, in the near future, at new taxes that slug them in all sorts of ways.

The other interesting thing that nobody, including the minister, even mentioned was the response to my question about how the government stimulus packages would lead to both higher taxes and higher interest rates. That has not been touched on. I will deal with that a bit more in a few minutes.

Today we hear that leading economists are saying that it is time for the government to rethink its spending binge. The fact is—and this has also been touched on by a number of speakers today—that the economic outlook is improving. It is almost certain that the economy and, as a result, Australian taxpayers will not suffer as badly as the government’s modelling predicted only a few months ago in the budget.

Why is this? The government will try and tell you that the reason things are not looking so bad is all the wise and decisive actions that they have taken. But there are a number of reasons for this, and the first and foremost is that the Australian economy entered this downturn in better shape than any other country in the world. The fact is that, thanks to the Howard-Costello government and the excellent economic management that we experienced in this country between 1996 and 2007, when the Labor government came in we handed over an economy that had no debt. In fact, there were tens of billions of dollars sitting in the bank, stowed away for appropriate measures. Most of that money has been raided by this government.

In addition to that, we went into the downturn with record low unemployment. Unem-
ployment was so low that it was actually putting constraints on the economy. One of the reasons unemployment has not been as severely affected by this downturn as it might otherwise have been is that, prior to the downturn, employers went through a period of years where they found it so hard to attract skilled staff that, during the downturn, they were very reluctant to let them go. As a result, one of the characteristics of this downturn that we have seen is that, rather than shedding staff, employers are reducing the hours that staff work so that they can hang on to them until things come good. I really do not see how the government can claim credit for unemployment not going up when employers are hanging onto staff because they found it so hard to get them in the first place.

Of course, the other characteristic of the economy that this government inherited was consistent surplus budgets. Year after year we had delivered surplus budgets, which had enabled us to pay off the $96 billion of debt that the coalition government inherited in 1996 and to put that money in the bank, as I have referred to.

All of this provided the Labor government with far greater flexibility and far more money to spend to address the problems of the downturn than any comparable nation in the world. The Labor government was absolutely the luckiest in the world when it came in, given the resources it had at its disposal to address the global financial crisis when it occurred. Moreover, we started so much higher and in such better shape that, even though we did fall as part of the global financial crisis, we had started from so high that we did not hit the bottom. A lot of the reason we never made it into a recession was that we had such a strong economy in the first place. Things went backwards, but they did not go so far backwards as to go into the negative. They still went a long way backwards, though.

Of course, the government’s stimulatory packages have also contributed to the fact that we have come out of this better than we otherwise would have. It would be churlish not to acknowledge this. If you put $80 billion into the economy it has to have an effect, even if it delivers very, very poor returns for the dollars spent. But what price do we have to pay for the stimulus package, for the little bit of positive news that we might have got out of spending that $80 billion? A future shackled with debt, paying taxes to cover interest—(Time expired)

Question agreed to.

**Afghanistan: Women’s Rights**

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (3.28 pm)—I move:

That the Senate take note of the answer given by the Minister for Immigration and Citizenship (Senator Evans) to a question without notice asked by Senator Bob Brown today relating to Afghanistan.

We have a loyal and committed contingent of Australian defence force personnel in Afghanistan, and our nation believes that that contingent is there to fight for freedom and democracy and the rule of law. It is important that, in honour of their duty to this nation, we in this parliament take note carefully of events in Afghanistan and keep re-evaluating the process leading towards that goal of democracy. That is why I asked the minister representing the Prime Minister in question time about Afghan President Karzai’s signing of a decree last week which cuts right across the rights of women. It not only represses women but breaches the Afghan constitution and, as reported, breaches international law.

I reiterate that some of the matters that will be permitted—by a very long, compli-
cated decree which deals with other matters—when it comes to women would be these. First of all, a husband has the right under the law of this decree to repress his wife by refusing her food and sustenance if she does not accord his wish for sexual favours. He could starve her to death if he wants to. The husband has the absolute right of decreeing whether a wife can go to work or not—whether she can leave the house. Without any further argument being entered into, if there is a dispute over custody, the man gets the custody of children or, if he is not available, then his father does. The woman has no comeback in that situation.

There is another provision which allows blood money to be paid for women who are hurt physically—I cannot see how otherwise it could be—in a rape, whereby the man can pay money to rectify that situation. These are barbaric, unforgivable and unacceptable components of a decree from the President of Afghanistan who, we are told, is in the position of being re-elected in tomorrow’s poll.

We have to look beyond that attitude towards fellow voters in Afghanistan to look at the poll itself. I quote from Ann Jones, writing in yesterday’s Nation under the heading ‘Ballots and Bullets for Afghanistan’. In her article she says this:

Even international bodies charged with facilitating the process—
that is, of the elections—
have given up the goal of “free and fair” elections. They aim instead for “credible” elections—which means results that look pretty good, even when they’re not.

She goes on to say:
A recent report places the number of voter registration cards distributed (not including fakes) at 17 million, almost twice the estimated number of eligible voters in the country. To guarantee victory in the last elections in 2004 and 2005, many candidates arranged to have ballot boxes stuffed while awaiting transport to central collection points. So this time the votes are to be tallied at the polling places. That should make it even easier for local big men to fix the results; they won’t even have to count.

There is much more in here about men having multiple voting cards, including those cards of the women who they are associated with, who do not even get to the polling booth. As the minister said, this is a country which has a terrible history when it comes to human rights and democratic freedoms. In a transition you can expect that it is going to be short of what we expect, but this Prime Minister in this country, knowing this, has said nothing about this decree from President Karzai. The silence is deafening. I would have thought that Prime Minister Rudd would have spoken up about this, and I expected I would hear what action the government has taken to express Australia’s disgust at that decree.

Question agreed to.

PERSONAL EXPLANATIONS

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (3.33 pm)—I seek leave to make a brief personal explanation as I claim to have been misrepresented.

Leave granted.

Senator JOYCE—Senator Sherry gave today a spiel which asserted that I was ferociously against the Gorgon project. That was baseless. He, I imagine, has made that assertion from a report on News Radio which, even at that point in time, I had placed a caveat on, saying that little was known of the details of the deal at this point in time. I then said that if it were a state owned enterprise that had purchased the rights, that would be a concern, while clearly stating that details of the deal had not been clearly circulated. By the time we got to the Senate today further details had come out and it had become clear and apparent that Exxon Mobil and Shell were the main backers of the project, which
involves the sale of product to PetroChina, the largest capitalised firm in the world. I have clearly stated that I have no problems dealing with China—I have no problems with the trade to China. I have clearly stated that over and over again. But that was not represented in the way that Senator Sherry was addressing the chamber. It is a shame that he can—

The DEPUTY PRESIDENT—Order! You are starting to debate the issue, Senator Joyce. You are allowed to make a personal explanation. You must relate it to that.

Senator Joyce—Thank you, Mr Deputy President. My explanation surrounds the fact that Senator Sherry was obviously misrepresenting me. He had an opportunity to do that without a reply from me. It is a shame that he can say whatever he likes without it being on the record immediately—

The DEPUTY PRESIDENT—Order! You are now going beyond making a personal explanation. Resume—

Senator Ludwig—Mr Deputy President, on a point of order: we have now listened to a diatribe from Senator Joyce, which started out on reasonable basis making a personal explanation. It has now gone well beyond that.

The DEPUTY PRESIDENT—And I have asked him to sit down.

Senator Ludwig—He is now not only providing argument but also, I suspect, criticising Senator Sherry. Senator Sherry made a statement. If Senator Joyce feels that he needs to correct the record by making a personal explanation, then he should do so. I gave leave on that basis.

The DEPUTY PRESIDENT—And I have asked him to resume his seat.

Senator Joyce—Can I conclude my remarks?

The DEPUTY PRESIDENT—I thought you had concluded, Senator Joyce.

Senator Joyce—May I conclude?

The DEPUTY PRESIDENT—I will listen carefully to what you say.

Senator Joyce—Senator Sherry’s diatribe misrepresented me. I am not in any way, shape or form averse to trade between Australia and China. In fact, I encourage it, as long as that trade is on the premise that we are not relegated to tenant farmers in our own land; as long as we maintain some sovereignty over the resource in the ground. I feel that that sovereignty is not represented by state owned enterprises when they—

The DEPUTY PRESIDENT—You are now starting to debate the issue, Senator Joyce. Resume your seat.

Senator Ian Macdonald (Queensland) (3.37 pm)—I seek leave to make a short statement in relation to Senator Arbib’s answer to a question during question time.

Leave granted.

Senator Ian Macdonald—I do not claim that I have been misrepresented, because in Senator Arbib’s excitement in delivering his response I did not quite hear what he was saying. He mentioned something about a letter from me and I think he said it was in support of the government’s policy on the stimulus package. I am not exactly certain, but that was the point he was trying to make by waving around the letter. First of all, I am making this point because, if Senator Arbib wants to carry on in that childish way, that is up to him, but he should table the letter he is referring to. I think the letter he was referring to is a letter from me to the Deputy Prime Minister supporting an application by the Carpentaria Shire Council, up in the Gulf Country, for funding through the federal government’s Jobs Fund. I am not supporting the Jobs Fund; I am supporting
the Carpentaria Shire Council’s application for funding. It relates to four programs in the Gulf Country of Queensland: the Karumba sewerage project, the upgrade of the Normanton Rodeo Grounds, the Normanton bike path and the restoration of the Burns Philp building in Normanton. I have indicated that that very remote part of Australia could always do with support for employment, particularly Indigenous employment.

I just to say to Senator Arbib: if he is going to do this again and give away any sense of being able to correspond with a minister—
the Deputy Prime Minister, in my case, but he ended up with it—then he needs to carefully think about that. And, if he is going to mention it—and there is nothing in this letter that I have any embarrassment about—he should table the letter and be clear about what he is actually referring to in the letter. As I said, I am very proud to be able to support the Carpentaria Shire Council. These are very good projects. I make it clear to everyone who comes to me that we certainly oppose the stimulus funding money, but, as the government have succeeded in having it there and they are splashing money around everywhere, why shouldn’t the small, remote communities of north-west Queensland get part of the action rather than it being simply allocated to marginal Labor seats in the south of the country? I just want to put that on the record. While I am on my feet, I urge the government to assist those remote country towns in any way that they can while they have money available for use in Australia.

PETITIONS

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

Violence Against Women

To the Honourable the President and Members of the Senate in Parliament assembled.

The Petition of the undersigned draws to the attention of the Senate that:

- 57% of women in Australia have been subjected to violence during their lives
- 10% experience violence in a 12 month period. This epidemic requires national leadership and action.

As a supporter of the Beijing Platform for Action and the Declaration on the Elimination of Violence Against Women, Australia has committed to develop a plan of action to eliminate violence against women.

Your petitioners therefore request the Senate to support Australia’s commitment to a National Plan of Action to eliminate violence against women by calling for its development.

by Senator Stephens (from 30,715 citizens)

Petition received.

Senator Stephens (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (3.41 pm)—by leave—I would like to make a short statement in relation to the petition. This is a very important petition which represents the work of Amnesty International in the Stop Violence Against Women campaign. I congratulate them on their work in gathering more than 30,000 signatures for this petition. As we all know, violence against women is an old problem, but it is still very much with us. However, we do not agree that it is an insoluble problem. As we know, one in three women experience domestic or family violence in their lifetime and one in five experience sexual assault.

Sexual assault and domestic and family violence are among the most pervasive forms of violence. The government’s position on domestic violence and sexual assault is one of zero tolerance. The Amnesty International petition called for the establishment and implementation of a national plan of action. I am very pleased to report to the Senate that progress on the development of the govern-
ment’s national plan to reduce violence against women is well underway.

In May 2008, the government established an 11-member national council to advise on the development of an evidence based plan of action to reduce the incidence and impact of domestic and family violence and sexual assault on women and children. The council conducted significant research and developed five documents which provide governments and the community with clear directions to help Australian women live free of violence, within respectful relationships and in safe communities. The government supports the direction of Time for action and has agreed to immediately progress 18 priority recommendations and refer the Time for action report to the Council of Australian Governments.

We have also invested $12.5 million for a new national telephone and online crisis service and invested $26 million for primary prevention activities and are continuing to invest $3 million for research into programs that are successful in ending perpetrators’ violence. We have asked the Australian Law Reform Commission to work with state and territory law reform commissions to consider and examine the interrelationship with laws that relate to the safety of women and their children.

We will continue to work with the state and territory governments to develop the final National Plan to Reduce Violence Against Women for release in 2010. I am pleased to advise that the ministerial council on the national plan will have its first meeting in the next couple of weeks. I acknowledge the work of Amnesty International in their Stop Violence Against Women campaign and in bringing this to the Senate and raising awareness about this important issue.

NOTICES
Presentation

Senator Ludwig to move on the next day of sitting:
That the Senate—
(a) notes that:
(i) Thursday, 3 September 2009 marks Australian National Flag Day, commemorating 108 years since the Australian national flag was flown for the first time, and
(ii) the national flag is Australia’s primary national symbol and over the years has become an expression of Australian identity and pride;
(b) further notes that Merchant Navy Day is also commemorated on 3 September; and
(c) encourages schools and businesses, cities and towns across Australia to mark National Flag Day with a flag raising ceremony.

Senator Hurley to move on the next day of sitting:
That the Economics Legislation Committee be authorised to meet during the sitting of the Senate on Thursday, 20 August 2009, from 5 pm, for a private briefing.

Senator Eggleston to move on the next day of sitting:
That the Economics References Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 20 August 2009.

Senator Xenophon to move on 7 September 2009:
That the following bill be introduced: A Bill for an Act to place a moratorium on the issuing and reactivation of water licences, and for related purposes. Water Licence Moratorium Bill 2009.

Senator Siewert to move on 9 September 2009:
That the Threat Abatement Plan for disease in natural ecosystems caused by Phytophthora cin-

Senator Fierravanti-Wells to move on 7 September 2009:

That the Migration Amendment Regulations 2009 (No. 6), as contained in Select Legislative Instrument 2009 No. 143 and made under the Migration Act 1958, be disallowed.

Senator Fielding to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend product information standards to remove brands, trademarks and logos from tobacco packaging, and for related purposes. Plain Tobacco Packaging (Removing Branding from Cigarette Packs) Bill 2009.

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

That the Senate calls on the Australian Government to urge the Indonesian Government to allow the International Red Cross full and unfettered access into West Papua.

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

(1) That the Senate notes the Remuneration Tribunal’s failure to provide a financial or economic justification for the proposed increases in the Members of Parliament travelling allowance.

(2) That Remuneration Tribunal Determination 2009/11: Members of Parliament – Travelling Allowance, made pursuant to subsections 7(1), 7(2) and 7(4) of the Remuneration Tribunal Act 1973, be disapproved.

Senator Ludlam to move on the next day of sitting:

That the Senate notes:

(a) an international petition with 275 signatories, expressing the view that the presence of warlords, corrupt officials and incompetent leaders will not win freedom, peace, stability and prosperity for the people of Afghanistan;

(b) the petitioners call to the international community, the United Nations and the International Court of Justice to help the people of Afghanistan by bringing those warlords and criminals implicated in the Human Rights Watch report, Blood stained hands to the International Court of Justice; and

(c) the Human Rights Watch report implicates former warlords in crimes against humanity, which should preclude them from running in the election for the post of Vice President.

Senators Boswell and Macdonald to move 10 sitting days after today:

That the Proclamation dated 14 May 2009 [Coral Sea Conservation Zone], made under subsection 390D(1) of the Environment Protection and Biodiversity Conservation Act 1999 declaring an area to be a conservation zone, be disallowed.

Senator Ludlam to move on the next day of sitting:

That the following matters be referred to the Joint Standing Committee on Foreign Affairs, Defence and Trade for inquiry and report by 26 November 2009:

(a) the human rights situation in Tibet subsequent to the events of March 2008;

(b) the status of dialogue between the Government of the People’s Republic of China and representatives of the Dalai Lama; and

(c) policy and dialogue options by which the Australian Government can preserve a positive relationship with China while supporting genuine progress towards a peaceful and mutually-agreed resolution on the Tibet-China issue.

Senators Xenophon and Heffernan to move on the next day of sitting:

That the following matter be referred to the Environment, Communications and the Arts References Committee for inquiry and report by 29 November 2009:

(a) the human rights situation in Tibet subsequent to the events of March 2008;
The ability of the Commonwealth, across state borders, to sustainably manage water resources in the national interest, with particular reference to:

(a) the issuing, and sustainability of water licences under any government draft resource plans and water resource plans;
(b) the effect of relevant agreements and Commonwealth environmental legislation on the issuing of water licences, trading rights or further extraction of water from river systems;
(c) the collection, collation and analysis and dissemination of information about Australia’s water resources, and the use of such information in the granting of water rights;
(d) the issuing of water rights by the states in light of Commonwealth purchases of water rights; and
(e) any other related matters.

COMMITTEES
Legal and Constitutional Affairs Legislation Committee

Meeting

Senator O’BRIEN (Tasmania) (3.46 pm)—by leave—At the request of the Chair of the Senate Legal and Constitutional Affairs Legislation Committee, Senator Crossin, I move:

That the Legal and Constitutional Affairs Legislation Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 5 pm.

Question agreed to.

LEAVE OF ABSENCE

SENATOR PARRY (Tasmania—Manager of Opposition Business in the Senate) (3.47 pm)—by leave—I move:

That leave of absence be granted to Senators Scullion and Ryan from 19 August to 21 August 2009, for personal reasons.

Question agreed to.
(a) the level of industry support for the removal of the 40 per cent rebate prior to the implementation of comprehensive reform of AQIS’s export inspection and certification services;

(b) the adequacy of consultation by the Government in the development of industry work plans;

(c) the capacity of the Government, including AQIS, to implement efficiency proposals;

(d) the adequacy of government funding to implement industry work plans;

(e) any progress on meeting targets in industry work plans;

(f) the financial or other impact on industry sectors of the failure to meet reform targets; and

(g) any other relevant matter.

Senator O’BRIEN (Tasmania) (3.49 pm)—by leave—The government does not support this proposed reference or, therefore, the motion. However, recognising that the opposition together with the Greens will vote for the motion, we will not call a division.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.49 pm)—by leave—I note that Senator O’Brien has made it a standard practice of making a statement when the opposition and the Greens vote together on matters like this. I give notice that, while I am here, I will in future, to follow suit, stand to explain to the Senate, where the opposition and Labor vote together and the Greens vote the other way, why we have not supported that motion. If this is to become a standard practice then I will follow suit with the government.

The DEPUTY PRESIDENT—As a point of clarification, Senator O’Brien explained why he was not calling a division. I guess if the same situation arises, Senator Brown, where you did not call a division you would be entitled to do the same thing.

Question agreed to.

JAPANESE COMFORT WOMEN

Senator HANSON-YOUNG (South Australia) (3.50 pm)—I move:

That the Senate—

(a) notes that:

(i) 15 August 2009 was the 64th anniversary of the conclusion of World War II, and

(ii) during the war up to 200 000 women and girls were forced into sexual slavery by the Japanese military and kept in ‘comfort stations’;

(b) recognises that:

(i) the Japanese ‘comfort women’ have yet to receive an apology or any official acknowledgement of the grave human rights abuses that were suffered at the hands of the Japanese military, and

(ii) since 2007, the United States of America, the Netherlands, the United Kingdom, Canada, the European Union (with 27 member countries), South Korea, Taiwan and three city councils in Japan have all passed similar motions calling on the Japanese Government to accept full responsibility and apologise for the abuses of comfort women; and

(c) calls on the Australian Government to urge the Japanese Government to:

(i) accept full responsibility for the abuses of comfort women,

(ii) officially apologise for the crimes committed against the women,

(iii) provide adequate compensation to comfort women or their immediate families, and

(iv) accurately teach the history of comfort women in schools.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (3.51 pm)—Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.
Senator LUDWIG—The Australian government again records its objection to dealing with complex international matters such as the one before us by means of formal motion. The comfort women system of World War II was one of the darkest episodes in modern history and inflicted significant physical and psychological hardship on those affected. The Australian government extends its deepest sympathies to the victims and supports all efforts to achieve reconciliation between the victims and the government of Japan. Reconciliation is a long-term process and complete reconciliation in this case remains unfinished. The government considers that the Kono statement issued by the Chief Cabinet Secretary in August 1993 clearly demonstrated Japan’s official position. Mr Kono said that Japan extended: …its sincere apologies and remorse to all those, irrespective of place of origin, who suffered immeasurable pain and incurable physical and psychological wounds as comfort women.

Successive Japanese leaders—including the Prime Minister in October 2008—have affirmed Japan’s apology to the victims. The government considers that Japan has discharged its reparations and other obligations towards Australia as part of the 1951 San Francisco peace treaty. The government does not stand in the way of individuals or groups who choose to pursue private legal action against the government of Japan, but, for the reasons I have outlined, the government does not support the motion before the Senate today.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.52 pm)—Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator BOB BROWN—I have listened carefully to the government’s position, as taken by Senator Ludwig, as against that put forward in Senator Hanson-Young’s proposed motion. The difference, quite simply, is this: the government does not support—at government level, at least—the compensation that is due to the women who suffered as so-called comfort women in the Second World War. The question before the Senate on this occasion is: is an apology enough or is compensation warranted? Quite clearly, Senator Hanson-Young’s motion is calling for backing for these people, many of whom are very late in life and many of whom are, sadly, dead; however, compensation should justly follow an apology.

Senator PARRY (Tasmania) (3.53 pm)—Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator PARRY—The opposition will also be opposing this motion. We do agree with the sentiment that the Greens have raised in their motion and we did unsuccess-fully attempt to negotiate a slight amendment with the Greens. We have said in this place on many occasions that the opposition does not support foreign policy being debated by way of notices of motion in this place, and that is a position we do not resile from. We support most of the comments raised by the government in relation to this motion. In 2007, a motion was moved by Senator Payne in a very similar manner to this, but it did not dictate to another country the way in which that country should behave. It also used slightly different language concerning this matter while expressing very similar sentiments. For those reasons, the opposition will not be supporting the motion.

Senator HANSON-YOUNG (South Australia) (3.54 pm)—Mr Deputy President, I seek leave to make a short statement.
The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator HANSON-YOUNG—As somebody who has been in this chamber for 12 months, I look forward to the day that we have both the government and the opposition proud enough to stand on the strength of the spine of the Australian democracy and able to urge countries to do things that we feel are right. The motion that was passed in 2007 was not the motion that the comfort women would have liked; it was not the motion that other countries around the world would have passed. In fact, the motion that is before you today is almost word for word the same motion that was passed by the United States of America, the Netherlands, the United Kingdom, Canada, the European Union—which, of course, includes 27 member countries—South Korea, Taiwan and three city councils in Japan alone.

I point out that, in my time here thus far, every time an issue of international importance urging freedom, democracy, help or assistance to people in other places is raised, the opposition and the government have continued to hide behind the complex nature of issues rather than standing on the strength of the spine of our democracy.

The DEPUTY PRESIDENT—I would just remind senators of the standing order that provides for formal motions. It says that motions should be put without amendment or debate. It seems as though we are getting into lengthy debates, and perhaps whips and others should take that into consideration.

Question put.
The Senate divided. [4.00 pm]

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

Ayes.......... 7
Noes.......... 37
Majority........ 30

AYES
Brown, B.J.
Hanson-Young, S.C.
Milne, C.
Xenophon, N.

Fielding, S.
Ladlam, S.
Siewert, R. *

NOES
Adams, J.
Bernardi, C.
Birmingham, S.
Brown, C.L.
Cameron, D.N.
Colbeck, R.
Cormann, M.H.P.
Evans, C.V.
Ferguson, A.B.
Fisher, M.J.
Humphries, G.
Ludwig, J.W.
Marshall, G.
McLucas, J.E.
O’Brien, K.W.K.
Polley, H.
Stephens, U.
Troeth, J.M.
Wortley, D.

* denotes teller

Question negatived.

HEARING AWARENESS WEEK

Senator SIEWERT (Western Australia) (4.03 pm)—I seek leave to amend general business notice of motion No. 519 standing in my name.

Leave granted.

Senator SIEWERT—I move the motion as amended:

That the Senate:

(a) notes that:

(i) the week beginning Sunday, 23 August 2009 is Hearing Awareness Week;

(ii) one in six Australians has some form of hearing impairment, a total of 3.55 million people,

(iii) noise injury is the single most common cause of hearing loss, with a total of 37 per cent of hearing loss due to noise injury, and
(iv) captioning increases the ability of people with a hearing impairment to access broadcast messages; and
(b) calls on the Government to:
(i) ensure access to all suitable technologies to assist people with a hearing impairment,
(ii) investigate the feasibility of expanding government-funded hearing services and aids to those over the age of 21, and
(iii) investigate the feasibility of expanding captioning to include all government media.

Question agreed to.

NATIONAL PREVENTATIVE HEALTH TASKFORCE

Order

Senator CORMANN (Western Australia) (4.04 pm)—I ask that general business notice of motion No. 523, standing in my name and in the name of Senator Barnett for today, proposing an order for the production of documents on the report of the National Preventative Health Taskforce—which was handed to the Rudd government on 30 June 2009 but not publicly released, and parts of which have since been leaked in a piecemeal fashion, presumably by the Rudd government—be taken as a formal motion.

The DEPUTY PRESIDENT—Is there any objection to that motion being taken as formal? There being none, I call Senator Cormann.

Senator CORMANN—I, and on behalf of Senator Barnett, move:

That there be laid on the table by the Minister representing the Minister for Health and Ageing, no later than 12 pm on Thursday, 20 August 2009, the report of the Government’s National Preventative Health Taskforce as received by the Government on 30 June 2009.

Question agreed to.

Senator O’BRIEN (Tasmania) (4.05 pm)—by leave—The government opposed the motion as outlined. We did so on the basis that the majority clearly lies with the vote for the motion, given that the opposition and the Greens were voting on that motion. I point that out to indicate that there is a majority therefore in the chamber for the motion.

AUDITS OF GENERAL PURPOSE ACCOUNTS OF AGED CARE PROVIDERS

Order

Senator CORMANN (Western Australia) (4.06 pm)—I move:

That the Senate:

(a) notes that:
(i) the Department of Health and Ageing has been collecting audited General Purpose Accounts from aged care providers since the 2004-05 financial year,
(ii) this information has to be submitted by aged care providers as a condition of receiving Conditional Adjustment Payments (CAP),
(iii) national de-identified comparative data from those accounts was expected to be made available every financial year to assist in performance benchmarking and in industry planning and investment decisions,
(iv) only the 2004-05 data was made available to the aged care industry (Bentleys MRI report), and
(v) subsequently, even though the information has been collected and analysed (in 2005-06 by Grant Thornton, in 2006-07 by Access Economics and KPMG) these reports, and any subsequent analysis, do not appear to have been made publicly available;
(b) considers publication of the national de-identified data from the audited General Purpose Accounts to be in the public interest; and
(c) orders that there be laid on the table by the Minister representing the Minister for Health and Ageing, by no later than 12 pm on 20 August 2009, the following documents:

National de-identified data from the audited General Purpose Accounts of aged care providers for:
- 2005-06, including report/analysis by Grant Thornton,
- 2006-07, including report/analysis by Access Economics and KPMG,
- 2007-08, including any report/analysis by the department and/or any third party consultant, and
- 2008-09, including any report/analysis by the department and/or any third party consultant.

Question agreed to.

Senator O'BRIEN (Tasmania) (4.05 pm)—by leave—The government will not seek to divide on the motion, although we opposed it, because the coalition and the Greens voting together gives the motion a majority.

COMMITTEES

Community Affairs References Committee

Meeting

Senator PARRY (Tasmania) (4.06 pm)—At the request of Senator Siewert, I move:

That the Community Affairs References Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 20 August 2009, from 3.30 pm, to take evidence for the committee’s inquiry into the impact of gene patents on the provision of healthcare in Australia.

Question agreed to.

Environment, Communications and the Arts References Committee

Extension of Time

Senator PARRY (Tasmania) (4.06 pm)—At the request of Senator Birmingham, I move:

That the time for the presentation of the report of the Environment, Communications and the Arts References Committee on forestry and mining operations on the Tiwi Islands be extended to 26 October 2009.

Question agreed to.

Corporations and Financial Services Committee

Meeting

Senator PARRY (Tasmania) (4.06 pm)—At the request of Senator Mason, I move:

That the Parliamentary Joint Committee on Corporations and Financial Services be authorised to meet during the sitting of the Senate on Wednesday, 19 August 2009, from 5.30 pm, for a private briefing.

Question agreed to.

Scrutiny of Bills Committee

Report


Ordered that the report be printed.

Senator PARRY—I move:

That the Senate take note of the report.

Question agreed to.

MINISTERIAL STATEMENTS

World War I Servicemen Supporting Australians Under Financial Pressure

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (4.08 pm)—I present two ministerial statements relating to the progress on the excavation and reinterment of World War I remains discovered in Fromelles, France; and supporting Australians under financial pressure.
Senator SIEWERT (Western Australia) (4.08 pm)—I seek leave to take note of the ministerial statement by Minister Macklin on supporting Australians under financial pressure.

Leave granted.

Senator SIEWERT— I move:

That the Senate take note of the document.

While we commend the government for undertaking some research into looking at the impact of the economic downturn on Australians, and particularly on the stress this is putting on non-government organisations and community service and support organisations, the report outlines just how much the call for emergency relief has increased in the community. However, for the government to then claim that it is making some new announcements on emergency relief in response to this is very disingenuous. Not only has it made re-announcements, it has also said it has decided to magnanimously allocate $50 million in additional emergency relief and to provide extra funding for organisations to provide financial counselling. And yet again the government has made announcements, but does not mention that the Greens negotiated these outcomes through the economic stimulus package.

The government announced today this supposedly new initiative of $50 million to fund innovative programs to help the financial capacity of people with very low incomes, including the unemployed. That was the $50 million that the Greens negotiated out of the economic stimulus package to help those in need and which the government was not providing for them through the economic stimulus package. There is not one word in the ministerial statement that that was as agreed with the Greens in negotiations on the economic stimulus package.

On top of that, they say that they have other measures of additional emergency relief for those who are suffering the impacts of the economic downturn and they acknowledge that the economic downturn is being felt enormously by those on income support. Yet the government did not, when they increased the pension, increase payments to single mothers who are on income support. They did not increase payments for those on Newstart, to the point where those people are now $106 a week below those on the age pension. While we acknowledge that the age pension is not adequate, we are still prepared in this country, apparently, to let people who are on income support exist on $106 per week less than those on the age pension. It is no wonder these people need emergency relief, because this government did not and will not act to give those people in most need in our communities the income support that they need.

Not only that, but the government would not include any economic stimulus package payments to those on income support. Again, this government would not support that section of the community that most needs it. So what have they done? They have given more money for emergency relief. As I said, that in itself we support. To use an expression that the minister for the environment used the other day, that is putting the ambulance at the bottom of the cliff. They are not helping those most in need where they should be helping them, by increasing their income support, by allowing them to take part in the economic stimulus and get the bonuses that other people got. If you had an income, you got it. If you did not have an income, if you were on income support, you did not get it. I am sorry, but it makes a mockery of the government’s supposed caring for those who are hardest hit by the economic downturn. Where is the true support they need in terms of increased payments, in terms of the bonuses? It is not good enough. Go back and try again I say to the government. Do not
come in here and say that you are doing a good job, that you are helping those most in need. When they could have offered the most support, they did not. They are parking the ambulance at the bottom of the cliff and leaving community-based organisations to pick up the pieces and it is not good enough.

Question agreed to.

CHEMOTHERAPY

Return to Order

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (4.14 pm)—I rise to provide a response to the order for production of documents regarding chemotherapy treatment moved by Senator Cormann and carried by the Senate. It is No. 24 of the Notice Paper. I seek leave to read a short statement into the Hansard, rather than table a document. Because I have it in that format, it will only be very short. It is a direct response to the return to order.

Leave granted.

Senator CHRIS EVANS—This is a response from the Minister for Health and Ageing, Nicola Roxon, on behalf of Senator Ludwig, who represents her in the chamber. I gather a copy of the letter has been sent to Senator Cormann. In part, the response is this:

... refer to the motion made pursuant to standing order 164 on 18 August 2009 seeking the production of documents held by the Department of Health and Ageing by 12 pm today in relation to the 2008 Budget measure titled ‘More efficient arrangements for funding chemotherapy drugs’. I can advise that I have been in contact with the Minister for Health and Ageing in relation to the order.

The documents identified in the order are references to a number of files of the Department of Health and Ageing. The files contain approximately 500 documents, including Cabinet documents and documents of a commercially sensitive nature. The contents of the files are currently being examined and a response will be provided to the Senate as soon as possible.

COMMITTEES

Community Affairs Legislation Committee

Membership

The ACTING DEPUTY PRESIDENT (Senator Marshall)—The President has received letters from party leaders requesting changes in the membership of a committee.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (4.16 pm)—by leave—I move:

That senators be discharged from and appointed to the Community Affairs Legislation Committee as follows:

Appointed—Substitute members:

Senator Wortley to replace Senator Furner for the consideration of the 2009-10 supplementary Budget estimates on 21 October 2009

Senator McEwen to replace Senator Furner for the consideration of the 2009-10 supplementary Budget estimates on 22 and 23 October 2009.

Question agreed to.

HIGHER EDUCATION SUPPORT AMENDMENT (2009 BUDGET MEASURES) BILL 2009
First Reading

Bill received from the House of Representatives.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (4.17 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 CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (4.17 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 Government is launching a reform agenda for higher education that will transform the scale, potential and quality of the nation’s universities and open the doors of higher education to a new generation of Australians.

It is an integrated policy approach. An approach that provides for structural change and improves the financial sustainability of our universities. An approach that guarantees quality in a system that delivers funding for growth and participation by students from all walks of life and recognises the vital importance of research by our best and brightest.

The Bill amends the Higher Education Support Act 2003 (the Act) to implement the Australian Government’s reform to the higher education system as announced in the 2009-10 Budget.

It responds to the Review of Australian Higher Education (Bradley Review) which affirmed that the reach, quality and performance of a nation’s higher education system will be the key determinants of its economic and social progress.

The Bill also amends the Act to give effect to measures to address key findings and recommendations of the Review of the National Innovation System and the recent House of Representatives inquiry into research training and workforce issues. It augments the existing Research Infrastructure Block Grants (RIBG) Scheme and introduces new measures to address the gap in funding for the indirect costs of research.

This is one of a number of measures designed to provide the sector with certainty, to provide funding for both growth and improved quality and to reform an indexation formula that effectively cut public investment in the sector over time.

With this Bill a decade of under-funding will come to an end. The national scandal of declining public investment in higher education as a proportion of Gross Domestic Product will come to an end. The era of political interference and micro-management by Ministers and officials will come to an end.

A new approach to higher education funding is needed, one that acknowledges the primary importance of students and their learning. The Bill introduces the first stage of a new student centred funding system for higher education which will have an estimated cost of $491 million over four years. For 2010 and 2011 the cap on over enrolment for Commonwealth supported places will be lifted from 5 per cent to 10 per cent in funding terms.

The limit on funding under the Commonwealth Grant Scheme for 2012 will be removed to reflect the fact that there will be no overall limit on the number of students that Table A higher education providers will be able to enrol from 2012 onwards.

These are crucial steps towards a higher education system with students at the centre, where there is a Commonwealth supported place for every eligible undergraduate student accepted into a course at an eligible higher education provider. The student centred system will include a range of measures to ensure quality, address Australia’s skills needs and the broader public interest, and support achievement of our higher education attainment ambition. This ambition is that, by 2025, 40 per cent of all 25 to 34 years olds will hold a qualification at bachelor level or above.

The Bill introduces landmark measures to improve the rate of participation in higher education by students from a disadvantaged background. The Bill amends the Act to provide for an increase in funding to address Australia’s historically poor record in increasing participation by low SES students. The Government has announced a commitment to ensure that by 2020, 20 per cent of higher education enrolments at the undergraduate level will be of people from a low SES background.
This goal will be directly supported by the injection of additional funding for universities to support the low SES participation targets.

The major barriers to increased higher education participation by students from low socio-economic backgrounds include previous educational attainment, low awareness of the long-term benefits of higher education resulting in little aspiration to participate, and the need for financial assistance, academic and personal support once enrolled.

International experience shows that interventions or outreach in the early years of secondary schooling are highly effective in increasing the aspirations of students to attend university.

The Government has therefore allocated $108 million over four years for a new partnerships program, to link universities with low SES schools and vocational education and training providers. The intention is to create leading practice and competitive pressures to increase the aspirations of low SES students to higher education. The Government is putting in place systemic reasons for universities to be engaged with improving the quality of school education.

Funding will provide schools and vocational education and training providers with links to universities, exposing their students to people, places and opportunities beyond the scope of their own experiences, helping teachers raise the aspirations of their students. Programs might include scholarships, mentoring of teachers and students, curriculum and teaching support, or hands-on activities run by university staff in schools.

Once students from disadvantaged backgrounds have entered university the likelihood of them completing their course of study is broadly similar to that of the general higher education population. Often, however, they require higher levels of support to succeed, including financial assistance and greater academic support, mentoring and counselling services.

The Government has therefore allocated $325 million over four years to be provided to universities as a financial incentive to expand their enrolment of low SES students, and to fund the intensive support needed to improve their completion and retention rates. The existing higher education Equity Support Program will be replaced and incorporated into these new funding arrangements.

Better measures of low socio economic status will be developed which are based on the circumstances of individual students and their families and performance funding will be based in part on how effective institutions are in attracting these students.

The steps to improve low SES student participation will impact on and benefit Indigenous students. They are significantly under represented in our universities and face distinct challenges. The Government will support a review of the effectiveness of measures to improve the participation of Indigenous students in higher education in consultation with the Indigenous Higher Education Advisory Council.

At the same time the Government is also introducing major reforms to student income support to assist the access and retention of low SES students.

The Bill amends the Act to provide funding for the continuing elements of the Commonwealth Scholarships Program. Existing Commonwealth Education Costs Scholarship (CECS) recipients will continue to receive the scholarships under current arrangements. CECS will be replaced by the Student Start-up Scholarship of $2,254 in 2010 and indexed thereafter, which will be provided as an entitlement to all university students receiving income support and those under veterans schemes. The new scholarship will be funded under income support arrangements so funding is not included in this Act.

Existing Commonwealth Accommodation Scholarship (CAS) recipients will continue to receive the scholarships under the current arrangements. CAS will be replaced by a new relocation scholarship in 2010. This scholarship will assist Youth Allowance and ABSTUDY students at university who are dependents who have to live away from the family home for study as well as independent students who are disadvantaged by personal and relationship circumstances. The Relocation Scholarship will provide $4,000 for students in their first year at university and $1,000 in each year thereafter and will be indexed.
Indigenous students will continue to receive scholarships under the Commonwealth Scholarship scheme in the future.

A central feature of the reform agenda will be an increased focus on quality. This will be especially important in a period of expansion, when institutions will need to attract students who have not traditionally considered going to university. The Bill reflects the new arrangements for quality and standards which will be initiated during 2009-10, when work to establish a new standards-based quality assurance framework will commence.

Funding under the Act for the Australian Universities Quality Agency will be replaced with new arrangements to support the development and establishment of the Tertiary Education Quality and Standards Agency by 2010.

Increased indexation will reap significant rewards in terms of participation and quality and will provide a valuable incentive to institutions to invest in their future development. It will also help to improve their financial sustainability. Revised indexation arrangements for all programs under the Act will commence in 2012, including grants for teaching and learning and research, the OS-HELP maximum loan amount and the FEE-HELP borrowing limit. Maximum student contribution amounts will be subject to revised indexation arrangements from 2011, which will deliver increased revenue to universities.

The Bill will amend the Act to increase the maximum annual student contribution amount for students studying education and nursing units from the current national priority rate to the Band 1 rate. The increase will apply to commencing students from 1 January 2010. Existing students will continue under existing arrangements.

The Act already includes provision for the HECS-HELP benefit to reduce eligible graduates’ HELP repayments. The HECS-HELP Guidelines made under the Act will be amended to extend this benefit to graduates of initial teaching and nursing degrees who go on to work as teachers or nurses. This will apply to people who graduate from second semester 2009 onwards.

The Bill will amend the Act so that from 1 January 2010 students who receive an OS-HELP loan will no longer incur a 20 per cent loan fee. The 20 per cent loan fee has limited the effectiveness of the loan program. The removal of the loan fee will assist universities in encouraging students to undertake part of the studies for their Australian qualification at an overseas institution. This will improve the productivity benefits to Australia of students undertaking overseas study.

To ensure that Australia’s reputation for quality remains high, this Bill introduces new performance funding under the Commonwealth Grant Scheme. In 2011 this will be through conditional funding as a transition to increased indexation and new performance funding in 2012. It will ensure that Australia’s reputation for quality teaching and learning remains high by providing universities with real incentive to ensure they are providing the best possible learning opportunities for students.

In 2010 the Government will work with the higher education sector to develop a robust set of performance indicators. The indicators will include measures of success for equity groups as well as measures of the quality of teaching and learning.

Universities will be required to negotiate and agree on specific performance targets that are challenging but appropriate for their circumstances and that will contribute to the achievement of system-wide goals for participation and quality.

From 2012 universities will receive performance funding if they meet their targets and agree to new targets for the forthcoming funding period. The Tertiary Education Quality and Standards Agency will provide an independent assessment of whether universities have met their targets.

The Bill also includes a new Structural Adjustment Fund to support continuing transformation in the sector. The Structural Adjustment Fund will be available to universities and will enable them to develop diverse missions. This funding will promote long-term sustainability in the sector by assisting individual universities in making strategic decisions about their future mission and ways to enhance their place in the new higher education environment. It will replace the existing Diversity and Structural Adjustment Fund.

In particular, the new fund will lay the groundwork for the provision of more sustainable higher
education in regional areas ahead of decisions being taken on a better model of longer term funding for regional delivery.

The higher education sector will need time to adjust to the new post-Bradley environment. The Government will undertake further work to better identify the issues facing regional provision, taking account of changes in the operating environment, including the impact of the move to a demand-driven system. The Government will consult with the sector in undertaking this further work.

Universities play a pivotal role in the national research and innovation system through generation and dissemination of new knowledge and through the education, training and development of world class researchers.

The Government will commit $512 million over four years for a new Sustainable Research Excellence in Universities initiative to address the gap in funding for the indirect costs of research. The new measure will augment the existing Research Infrastructure Block Grants (RIBG) Scheme, with the aim of raising the average support for the indirect costs of university research to 50 cents per dollar of direct competitive grant funding by 2014.

A second measure, Joint Research Engagement will complement the additional funding for the indirect costs of competitive grant-funded research by transforming the existing Institutional Grants Scheme into a funding stream more closely focused on collaboration between universities, industry and other end-users.

The Bill also amends the Act to increase funding for Australian Postgraduate Awards and Other Research grants. The Government has acknowledged the importance of supporting our best and brightest postgraduate students through its commitment to double the number of Australian Postgraduate Awards (APAs) by 2012. Building on this commitment, the value of the APA stipend will be increased by more than 10 per cent from $20,427 in 2009 to $22,500 in 2010.

The Bill moves funds currently delivered through the Improving the Practical Component of Teacher Education program to the Commonwealth Grant Scheme. This will increase the Commonwealth contribution amount for education units of study and remove unnecessary and time-consuming reporting requirements.

The Bill also moves funds from the Workplace Reform Program into the Commonwealth Grant Scheme base grant. This will increase the Commonwealth contribution amount for all funding clusters.

The Bill amends the Act to account for the cessation of the Learning and Teaching Performance Fund and the Workplace Productivity Program, which are being replaced by new funding arrangements.

Measures in the Bill are complemented by additional investments of $2.1 billion from the Education Investment Fund for education and research infrastructure and $1.1 billion for the Super Science initiative.

These reforms are designed to support high quality teaching and learning, improve access and outcomes for students from low socio economic backgrounds, reward institutions for meeting agreed quality and equity outcomes, improve resourcing for research and invest in world class tertiary education infrastructure.

These investments are a strategy for future prosperity, educational excellence, and social inclusion for the nation.

Debate (on motion by Senator Evans) adjourned.

VETERANS’ AFFAIRS AND OTHER LEGISLATION AMENDMENT (PENSION REFORM) BILL 2009

First Reading

Bill received from the House of Representatives.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (4.17 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 CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (4.17 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—

This bill gives effect to the key elements of the Government’s Secure and Sustainable Pension Reform package in relation to veterans and their dependants.

The measures in this bill closely parallel for veterans and their dependants, those reforms recently enacted in relation to certain social security pensions.

The variations reflect the differences between the social security and Repatriation pension systems.

The pension reform package addresses the adequacy of income support pensions, makes the operations simpler and more responsive to pensioner needs and secures long term sustainability.

It prepares Australia to meet future challenges, including the ageing population, through changes to social security, family assistance, veterans’ affairs and aged care legislation.

The reforms will provide significant increases in pensions and result in a simpler, fairer and more flexible pension system.

More than 320,000 Veterans’ Affairs pensioners will benefit from these reforms, boosting their incomes by $1.1 billion over the next four years.

From 20 September 2009, the Secure and Sustainable Pension Reform package will increase pensions for all Veterans’ Affairs income support recipients and war widows and widowers. The reforms will deliver increases of $32.50 per week for single service pensioners and $10.10 per week combined for couples on the maximum rate.

War widows and widowers will benefit from an increase of $30.00 per week.

Income support supplement recipients will also receive an increase in the supplement and the ceiling rate will be increased.

These increases are in addition to the regular indexation due in September.

A significant improvement will be made to the indexation of income support pensions, benchmarking them against a more realistic indicator of changes to the cost of living for pensioners.

The Pension Reform package introduces a new Pensioner and Beneficiary Living Cost Index recognising that the cost of living for pensioners and beneficiaries may increase faster than the cost of living for the general community as measured by the Consumer Price Index.

From 20 September 2009, the maximum basic rate of income support pensions will be adjusted in line with either the Consumer Price Index or the new Pensioner and Beneficiary Living Cost Index, whichever is the higher.

Pension rates will also continue to be benchmarked to Male Total Average Weekly Earnings.

From 20 March 2010, a new pension benchmark will be introduced for the maximum combined couple rate of pension. The benchmark will be 41.76 per cent of the annualised amount of Male Total Average Weekly Earnings.

For a person being paid the single rate of pension, the relativity of that rate will be maintained at a rate of 66.33 per cent of the maximum rate payable to a couple.

Therefore, the new benchmark for the maximum single rate of pension will be 27.7 per cent of Male Total Average Weekly Earning, an increase of more than 10 per cent from the current 25 per cent benchmark.

The current complex system of allowances and supplementary payments will be simplified and made more flexible with the introduction of a new Pension Supplement for service pension recipients.

Telephone allowance, pharmaceutical allowance, utilities allowance and the GST pension supplement will be consolidated into a single pension supplement for service pensioners.

From 1 July 2010, income support recipients will have the option of receiving around half of this payment quarterly.

This introduction of the new pension supplement arrangements will provide income certainty for
veterans and their dependants while maintaining flexibility in managing their budgets.

War widows and income support supplement recipients will have the former allowances added to their base rate of pension.

Self-funded retirees of pension or qualifying age will also benefit from these pension reforms. A new seniors supplement for holders of a Commonwealth Seniors Health Card or Gold Card holders over qualifying age will be introduced from 20 September 2009.

The seniors supplement will replace the existing seniors concession allowance and Telephone Allowance. In addition, all seniors supplement recipients will now be paid Telephone Allowance at the higher internet rate regardless of whether or not they were in receipt of the allowance.

The Seniors Supplement for a single person will be $785.20 per annum.

For couples, the combined payment will be $1185.60 per annum.

Depending on what allowances they are currently in receipt of, all seniors supplement recipients will receive a net increase of up to $266.40 per annum for a single person and $148.00 per annum for couples. The Seniors Supplement will be paid quarterly.

The bill also establishes two new supplements to replace pharmaceutical and telephone allowances for those veterans, members and dependants who do not receive a Veterans’ Affairs or social security income support payment.

The veterans supplement replaces pharmaceutical and telephone allowance under the Veterans’ Entitlements Act. The MRCA supplement will replace pharmaceutical and telephone allowance under the Military Rehabilitation and Compensation Act.

These new supplements will commence on 20 September 2009.

A work bonus will be established to provide an incentive for those who wish to take up or continue to undertake paid work. The work bonus will apply to those veterans and dependants who are over qualifying age and will provide concessional treatment for their employment income. With the bonus, only 50 per cent of the first $500 a fortnight of employment income will be counted in the income test.

The work bonus will provide a real and timely incentive for those veterans and dependants who are able to continue in the paid workforce.

With the introduction of the work bonus, the existing pension bonus scheme will be closed to new entrants from 20 September 2009. The Harmer Pension Review found the scheme is not meeting its objective of encouraging workforce participation among older Australians. Existing members of the scheme will be able to remain in the scheme and claim a pension and their bonus when they finish working.

The reforms in the bill will also introduce greater flexibility to the pension advance arrangements from 1 July 2010.

The maximum advance amount will be increased for income support recipients and will link the maximum and minimum advance amounts to future movements in the service pension rate. More flexibility will be provided in the frequency of advances with up to three advances being available within a 12 month period.

This will better enable pensioners to manage large unforeseen costs.

To help ensure the pension system is sustainable into the future and targeting those most in need, the pension income test will be tightened.

From 20 September 2009, the pension income test taper rate will increase from 40 cents to 50 cents for each dollar of income over the income test free area.

In the case of a pensioner couple, their combined pension will reduce by 50 cents for each dollar of combined income over the income test free area.

Pensions paid to each partner will reduce by 25 cents for each dollar of combined income over the income test free area.

In addition, to bring the veterans’ entitlements income test in line with other means-tested payments, the additional income test ‘free area’ for dependent children will be removed.

As part of the reforms, new transitional payment arrangements are being introduced so that part-rate pensioners who would otherwise face a reduction in their payments as a consequence of the
reforms will have their current payment rates maintained.
The transitional safety net will maintain indexation in line with increases in the Consumer Price Index and will provide an increase of $10.10 per week for singles or couples combined.
The transitional rules will continue to apply until changes under the pension reforms result in a higher payment.
The pension age for persons other than veterans will increase in line with the increase introduced in the social security age pension age from 65 to 67 for both men and women.
These changes will be phased in gradually, commencing in 2017.
I want to make it abundantly clear that there will be no increase to the veteran pension age or to the age a veteran’s partner can apply for partner service pension as a result of this legislation.
The bill will also make minor amendments to the social security and aged care pension reform measures so that the reforms operate as intended.
Finally, the Bill will provide a vehicle for the Carbon Pollution Reduction Scheme increases to be payable to service pensioners, war widows and disability pensioners.
This Government is acting to introduce much needed and long over-due reforms that significantly improve the adequacy of the pension and simplify and strengthen the nation’s pension system.
These reforms will make for a more secure pension system, provide greater certainty to veterans and their dependants and ensure the system remains both adequate and sustainable.
Ordered that further consideration of the second reading of this bill be adjourned to the first sitting day of the next period of sittings, in accordance with standing order 111.

RENEWABLE ENERGY (ELECTRICITY) AMENDMENT BILL 2009
RENEWABLE ENERGY (ELECTRICITY) (CHARGE) AMENDMENT BILL 2009
In Committee
Consideration resumed.
RENEWABLE ENERGY (ELECTRICITY) AMENDMENT BILL 2009
The TEMPORARY CHAIRMAN (Senator Marshall)—The committee is considering amendments (6), (1) to (5), (9), (11) and (19) on sheet 5816 revised, moved by Senator Milne. (Quorum formed)
Senator MILNE (Tasmania) (4.22 pm)—Just before we broke last time I asked the minister to indicate whether the furnace from the proposed Gunns pulp mill in Tasmania would be able to generate renewable energy certificates. As I was saying, it is 184 megawatts, which will be generated from burning native forests. I would like the minister to indicate whether that will generate renewable energy certificates and whether people who are paying extra for their power because of renewable energy will be paying for the burning of woodchips from native forests.
Senator WONG (South Australia—Minister for Climate Change and Water) (4.23 pm)—The senator raised a range of issues to which, if I could suggest—I am not going to debate the issue—I have probably responded in terms of what the government asserts is correct in relation to those issues. That includes her suggestion as to what proportion of the target will be taken up by solar hot water and heat pumps. I think I have responded to that, which is to say that the MMA modelling suggests five per cent. We have acknowledged there is an issue with heat pumps. I have also flagged the COAG review process, which I have discussed separately with Senator Milne.
In relation to the issue of native forests, I know the position that the senator puts on this. We did go to the election with a commitment to retain existing eligibility. I would make the point that this native forest biomass has been an eligible source under the current MRET since 2001. There are additional eligibility criteria in relation to the use of native forest biomass, including restrictions on the areas where the native forest wood waste can come from in order for it to be used in generation that is eligible to create RECs.

The expanded Renewable Energy Target Scheme agreed to by COAG on 30 April 2009 maintains this eligibility criteria, which ensures that only genuine waste from sustainable forestry operations can be eligible to create renewable energy certificates. The existing regulations underpinning this prescribe that, to be eligible under the Mandatory Renewable Energy Target, native forest wood waste must either come from an area where an RFA, a regional forest agreement, is in place or, if it is from outside an RFA area, it must be produced from harvesting carried out in accordance with ecologically sustainable forest management principles that the minister is satisfied are consistent with those required by an RFA, which I understand is referred to as an RFA-equivalent area.

The regulations also prescribe a primary purpose test—that is, the wood waste must be primarily harvested for a purpose other than biomass for energy production. The wood waste must also be either a by-product or a waste product of a harvesting operation for which a high-value process is the primary purpose of the harvesting—known as a ‘high-value test’—or a by-product of a harvesting operation that is carried out in accordance with ecologically sustainable forest management principles. The wood waste is taken to be from a high-value process only if the total financial value of the products of the high-value process is higher than the financial value of other products in the harvesting operation. The regulations define a high-value process as ‘the production of sawlogs, veneer, poles, piles, girders, wood for carpentry or craft uses or oil products.’ Woodchips are not specified as a high-value process, so waste from operations where woodchips are the primary purpose is not eligible. Sawmill residue produced by the processing of native forest timber is eligible without reference to the high-value test.

Senator Bob Brown (Tasmania—Leader of the Australian Greens) (4.26 pm)—So, no answer to Senator Milne’s question as to whether the forest furnace attached to the Gunns pulp mill in the Tamar Valley would be eligible for this program. I did hear the minister say that by-product from woodchipping would not be but, as she knows, and we all know, woodchipping is said to be a by-product from saw-logging. The whole thing is an incredible scam because, for the 300,000 tonnes of sawlog produced in Tasmania, five or six million tonnes of woodchips are produced. A lot of that is stuck in ships and sent to Japan—where, by the way, recent shiploads have been trialling forest furnaces in Japan. This is native forest we are talking about here. The obvious conclusion to be drawn from this—the minister may disagree; and I hope she does, if I am wrong—is that, yes, the Rudd government is accrediting the forest furnace at the proposed pulp mill in the Tamar Valley as a renewable energy generator. The question that comes out of that admission by the minister is: what is the value to Gunns, on an annual basis, of the 800,000 to one million tonnes of forest that will be fed into this furnace—certainly in the initial years—through getting this certification under this legislation? Can the minister tell the chamber what the actual subsidy from the Rudd government for the destruction of Tasmanian forests to be burnt in this
forest furnace will be through this proposal that she has before the chamber?

Senator ABETZ (Tasmania) (4.28 pm)—If I may make a very brief contribution in relation to this. Senator Brown continually raises the issue and misrepresents the situation in relation to the potential of a pulp mill in Tasmania. It is quite clear from all the plans et cetera that within a matter of years the full resource that will be used by the mill will come from plantations. If Senator Brown understood the renewable energy legislation he would know that section 17(e) does refer to black liquor as a renewable energy resource.

In relation to wood waste from native forests, given the test that Minister Wong has just read out, I would have thought it makes good sense that this waste be put to a use. It is a good thing. No matter how you use a tree, just as long as you replant it after harvesting, it is a renewable resource. It is a cycle that we can sensibly use and harvest for human resources. I have said on odd occasions before that if I were a beaver the Greens would allow me to chop down trees and dam rivers to enhance my personal habitat, because that is what beavers do. But as I am a human being, I am not allowed to dam rivers or chop down trees to enhance my habitat and my lifestyle. I have news for Senator Brown and the Greens: humans are in fact part of nature and from day 1 we have been using water resources and timber resources. The test is: do we use them sensibly and sustainably?

Because so much of Tasmania is now locked up in reserves, in World Heritage areas and in national parks, there is the requirement that our timber production come from plantations. I recall a former Leader of the Tasmanian Greens in the Tasmanian parliament championing the cause of tree plantations on fertile agricultural soils and seeking tax incentives for those plantations. That former Leader of the Tasmanian Greens is now the Deputy Leader of the Australian Greens in this place, conveniently forgetting all her arguments of about a decade ago. I remind the Australian Greens that timber is a genuine renewable resource.

I am going to leave the debate for a short period of time, unfortunately, because of another commitment. I indicate for the benefit of senators that all the opposition amendments on the running sheet will be withdrawn, other than the one standing in the name of Senator Ron Boswell, which will be moved by him. I will be giving an explanation for this at a later stage of the debate, but am telling the Senate now so that honourable senators can get a handle on how the debate might go.

The reason for the withdrawal of our amendments is that the negotiations that I hinted at in my contribution on the second reading have been largely successful. I welcome the government’s attitude to the opposition’s suggestions. It is always very difficult to put a numerical figure on it, but in general terms the opposition got about 80 per cent of what it asked for, especially in relation to decoupling—that was vitally important. We have indicated that we will be moving a separate private members bill to give expression to our views in relation to emerging renewable technologies. Although Senator Xenophon’s amendment, and I will talk in greater detail about that, had some attraction, we will not be supporting it. We will be discussing that further, I am sure. So, the opposition will be withdrawing all its amendments other than the one in relation to food processing, because we have been able to come to a good arrangement with the government. I understand that the minister will be reading certain words and commitments into Hansard. It is on that basis that I give that indication.
Senator WONG (South Australia—
Minister for Climate Change and Water)
(4.34 pm)—I will very briefly respond to
Senator Brown. I have outlined the legal
situation as it is expressed in the bill and
regulations in relation to native forest wood
waste. It is not for the government to make
any specific allocation in relation to particu-
lar firms. It is for the regulator under the bill
to apply the law in accordance with the prin-
ciples that I have outlined.

I thank Senator Abetz for his indication. In
accordance with what has been agreed, I
propose to read into Hansard a range of
propositions that we have agreed with the
opposition on in order to ensure passage of
this bill, which is important to the govern-
ment for a range of reasons, the first being
that 20 per cent renewable energy by 2020 is
a good outcome and the second being that it
delivers on a Rudd government election
commitment.

I thank the opposition for their engage-
ment on this issue on their negotiation with
the government and their willingness this
week, unlike last week, to put up specific
amendments. That enabled the negotiations
to proceed. The only comment I would make
is that it would have been courteous for the
opposition to formally respond to the gov-
ernment about what was put to them before
they announced at a press conference that
they had agreed with it. But that is a matter
for those conducting the negotiations. In
general, these negotiations have been con-
structive and we thank the opposition for
being prepared to walk into the room.

I propose now to go through a range of
things which have been agreed and to read
them into Hansard, given that Senator Abetz,
on behalf of the opposition, has indicated
their approach and withdrawn the amend-
ments. The first matter concerns exemptions
for industry. The government will replicate
the industry assistance provisions from the
Carbon Pollution Reduction Scheme for the
purposes of the renewable energy target. The
government will provide partial exemption to
all activities that would qualify for the emis-
sions-intensive trade-exposed assistance un-
der the Carbon Pollution Reduction Scheme.

The government will use the same eligi-
bility thresholds as under the CPRS, with
partial exemptions of 90 and 60 per cent de-
pending on the emission intensity of the ac-
tivity. The current criteria for determining
eligibility under the CPRS has been robustly
debated and extensively documented through
the green paper, the white paper and the
emission-intensive trade-exposed guidance
document. Furthermore, the process has
benefited from oversight by the Warburton
committee. The need for a separate eligibility
assessment process for activities that will
provide partial exemptions under the renew-
able energy target will not be necessary.

As CPRS eligibility assessments are final-
ised, these will be used as the basis for de-
termining eligibility under the renewable
energy target and for preparing appropriate
regulations. The government has also agreed
that transitional arrangements will be subject
to the recommendations of the 2014 review. I
say on this that the government is very
pleased that the opposition has backed the
industry assistance regime under the Carbon
Pollution Reduction Scheme.

In relation to aluminium and other emis-
sions-intensive trade-exposed activities, the
government recognises that the increased
cost associated with the expansion of the
renewable energy target has two compo-
nents. First, if the renewable energy certifi-
cate price increases above the level of around
$40 then the increased renewable energy
certificate price increases the cost impact of
meeting the current mandatory renewable
energy target liability of 9,500 gigawatt
hours. Second, the higher annual targets under the expanded renewable energy target increase the costs associated with the RET.

Accordingly, following the passage of the CPRS, the government’s intention is to provide additional assistance under the renewable energy target for eligible emissions-intensive trade-exposed activities by adjusting the partial exemption rate to ensure that the same assistance rate—being either 90 per cent or 60 per cent—applies to the increase in costs associated with the expansion of the renewable energy target. In calculating the increased costs above the existing mandatory renewable energy target liability, the government will use a renewable energy certificate price of $40.

In relation to food processing, the government will extend the current potential review provisions under the Carbon Pollution Reduction Scheme—as set out in the white paper at section 12.7.4—to industries potentially affected by the renewable energy target once the renewable energy target has commenced. These arrangements allow firms, including those that do not qualify for industry assistance, to make representation to the government to request that the government commission the Productivity Commission to undertake an assessment of the renewable energy target’s impact on their industry. The government will not necessarily refer all requests to the commission; it will take into account the nature and details of the request.

The Productivity Commission will make an assessment of this industry’s circumstances, taking into account the range of factors unrelated to the scheme that will also affect the profitability of firms and industries, such as exchange rate movements, capital and labour costs, and commodity price movements. It will assess whether the introduction of the renewable energy target—including the assistance provided under the renewable energy target and Climate Change Action Fund assistance programs—will substantially adversely affect the industry in which the firm is located within the next five years, result in carbon leakage and be likely to result in the premature closure of an industry that would be likely to be competitive in a carbon constrained world. Taking into account all of the above, the commission will make recommendations to the government about whether it should provide additional support to this industry from the Climate Change Action Fund and the appropriate mechanism for that support.

In relation to heat pumps, the government agrees that certificates must only be created for the bona fide installation of a solar water heater intended to remain in its original configuration and location for the life of the unit. To ensure this, the government proposes that regulations be passed to require a statutory declaration to this effect from the purchaser and also a statutory declaration from the installer stating that the installed unit is appropriate for the intended use. In terms of the eligibility of heat pumps overall, COAG has agreed to examine further by the end of 2009 some of the eligibility provisions of the renewable energy target for new small-scale technologies, as well as heat pumps, to ensure that the eligibility rules remain relevant over time to reflect new technologies and recent developments in renewable technology.

Senator IAN MACDONALD (Queensland) (4.41 pm)—As he indicated, Senator Abetz will be withdrawing certain of the listed opposition amendments later. He has already indicated that the statement that the Minister for Climate Change and Water just made is one that has been negotiated between the parties. Senator Abetz will be back shortly; in fact, he is back now.
Before I leave the debate, I go back to the amendment moved by the Greens, and about which we had some discussion this morning, on the use of biomass and wood waste. Senator Milne read out a long list of groups, indicating that they were opposed to biomass. She did not mention at the time that the World Wide Fund for Nature, WWF, had issued a paper entitled *Biopowerswitch: a biomass blueprint to meet 15% of OECD electricity demand by 2020*.

This is a very useful publication by WWF. It is a group who I do not always agree with but who I have always thought was sensible, considered and very conscious of its environmental responsibility and advocacy. I wish I had time to read the whole of its document into the Senate, but suffice it to say that WWF is very supportive of biomass and the use of forest waste for the creation of renewable, sustainable energy. I cannot imagine why the Greens did not mention WWF in moving their amendment. It is a very good paper and I would certainly recommend it to anyone who might be listening to the debate. I am sure it is available online.

It does clearly set out that other countries, such as Germany, the United Kingdom and France, are all using biomass—comprising, at least in part, wood waste—for the creation of renewable energy. This document goes through the benefits in some detail: how it helps with the environment, how it helps with jobs and how other countries in the world are doing this. The Greens amendment would have Australia again out by themselves opposing this for nothing other than what are clearly ideological reasons. As I indicated before, the opposition will be opposing the amendment and Senator Abetz will indicate further our position in relation to the matters negotiated with the government.

Senator FIELDING (Victoria—Leader of the Family First Party) (4.44 pm)—I would like to respond to parts of the conversation that Senator Abetz and Senator Wong have just shared in the chamber. I think that when the Australian public see their power bills skyrocket in price they should send those bills to the Prime Minister’s Lodge and ask him to pay them. It is outrageous that the deal done today is not a commonsense decision at all. Have a look at the detail. The coalition are saying that they have 80 per cent of what they want, but there is still a definite link to the CPRS legislation. It is not unhooked at all. Look at what the minister was saying before. She said:

Accordingly, following the passage of the CPRS, the government’s intention is to provide additional assistance under the renewable energy target ...

Quite clearly, these bills are still linked. This is in the statement that was just read out. Quite clearly the bills are still linked and the coalition has been duded. Senator Abetz has spoken many times about people rolling over but the coalition has rolled on this issue. When the Australian public see increases in their power bills—when they see them skyrocketing—they need to send them to the Prime Minister’s Lodge for the Prime Minister to pay.

The deal done on the renewable energy targets is yet another example of something done by a turncoat party running scared from an early election on a double dissolution. Quite clearly, they have rolled. Quite clearly, the renewable energy targets are still linked to CPRS. Senator Abetz can shake his head all he likes but it is quite clear that the coalition has rolled. The Australian public will pay dearly for what is happening here today.

Malcolm Turnbull says that the deal between the government and the coalition was a win for common sense. The only way Mr
Turnbull could show common sense would be to use the words, ‘I quit.’

Senator XENOPHON (South Australia) (4.47 pm)—Can I indicate that I do not support Senator Milne’s amendment. I think Senator Milne’s amendment is still the amendment we are talking about, despite a few intermissions in relation to other issues. I have a question to put to the minister. I appreciate that it may have to be taken on notice, in a sense. It relates to the issue of the biomass and the projected emissions from burning woodchips. Have any projections been done or any studies, analyses or modelling been carried out by the Commonwealth to find out about the emissions with respect to woodchips, particularly in Tasmania? What would the potential impact be on greenhouse emissions? What is the extent of the modelling over the period between now and 2020? Again, I appreciate that that information may not be available now.

I indicate that I cannot support Senator Milne’s amendment, even though I am very sympathetic to the amendment with respect to biomass, because I think it goes too far with respect to getting rid of all solar water heaters being part of this scheme.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.48 pm)—Senator Milne explained that her proposal would not cost in terms of solar hot water heaters. We have plans afoot to promote them much more vigorously than this legislation would. This amendment would prevent them from competing with renewable energy. And that brings us to biomass. The authorities in New South Wales who licence green power have refused to licence the pulp mill in Tasmania because, whatever else it is, it is not green.

The pulp mill burns native forest and the habitat of rare and endangered species. Senator Wong’s colleague the Minister for the Environment, Heritage and the Arts, Mr Garrett, said just two days ago that endangered species were in such numbers in this country that we can no longer afford to be looking at programs to save single species. The government has abandoned that in an age of mass extinctions and climate change—forest destruction being the single biggest destroyer of species on the terrestrial part of the planet—in favour of protecting ecosystems which have rare and endangered species in them.

When you come to that issue you look straight at the forests of south-east New South Wales, Victoria, Western Australia and of course my home state of Tasmania, where there are an array of endangered birds, mammals, reptiles, insects, molluscs, amphibians and plants, headed rapidly for extinction because their ecosystems are being destroyed. Who are they being destroyed by? The Rudd government and the ministries of Senator Wong, Mr Garrett and the other ministers who gather around the table to wash their hands of their responsibilities.

We have not only a complete breach of the aims of the nation’s environment legislation—which is not only to protect biodiversity but to enhance it and put in place management plans to bring those species back from the brink of extinction—but a very forward plan by Senator Wong, Mr Garrett and the Prime Minister Rudd. The plan has been much deliberated on—we are having this debate to emphasise that point—and the plan is to keep putting the match under these ecosystems, and the bulldozers and the chainsaws into them, so that they are destroyed for Gunns Limited and the Eden pulp mill owners in this country. Those owners take the forests of East Gippsland, the central highlands of Victoria to some degree and certainly the forests of south-east New South Wales, including koala habitat. The national icon does not escape this. There is targeted
koala habitat right now on the agenda under the regional forest agreement that Senator Wong cited.

Now we come to this proposal, which is to give subsidies, effectively—through giving the proposed forest furnace in Eden, like that at the pulp mill in Tasmania and the proposed mills in southern and north-west Tasmania and elsewhere in the country, the advantage of being called ‘environmental’—to produce green power when it is destroying the habitat of the very rare and endangered species that the minister for the environment said in Brisbane the other day we, as a desperate last measure, have to protect. Here is a government plan to subsidise the destruction of ecosystems. The Rudd government are ready to pour millions of dollars into subsidising the destruction of native forests. They are to be put into furnaces to be converted into power, which will be sold to unsuspecting customers in Sydney, Canberra, Melbourne, Hobart and Perth as green power. The authorities in Sydney have sensibly said they are not going to allow their name to be attached to this. But that is not going to stop the Rudd government from according it exactly the same environmental kudos as a wind farm, an array of solar panels or a geothermal plant.

The woodchip industry began with Harris-Daishowa’s mill at Eden, which was followed up within 12 months by a mill at Triabunna in Tasmania. That is now 40 years ago. They said they were going to clean up the waste after sawmilling. Senator Abetz and Senator Macdonald are still back with the dinosaurs, still believing the propaganda coming out of this, on a ‘you scratch my back, I’ll scratch yours’ arrangement with the logging industry and the unions—which, incredibly, stick with Gunns and other corporations even when they are shedding jobs, as they are doing at the moment, to feed a future job-sparse, computer-rich industry of forest furnaces.

The proposed Gunns pulp mill and the forest furnaces proposed at Judbury and Smithton in Tasmania will burn native forest. I will ask the minister what component of her scheme would be taken up in the first year of running a pulp mill the size of the Gunns’ proposal in the Tamar Valley—the size at least of a large wind farm. It will be in competition with and will undercut the wind farm. While the wind farm will be accredited by the authorities with green power, Gunns pulp mill will not be, but that does not alter the Rudd government’s proposal to subsidise the proposed mega-forest-furnace at the pulp mill in Tasmania.

Remember that the ships have already arrived and offloaded the prime components for this forest furnace. Gunns intend to set it up whether or not they get the go-ahead for the pulp mill, and the only thing stopping that is international investors. Certainly the minister for the environment, the Hon. Peter Garrett, is not going to stop it. He has not stopped it so far and there is no way he is going to stand in the way of it, whatever the results of further studies. Gunns has landed its furnace components on the wharf at Bell Bay and the furnace is largely coming to fruition through the legislation we are discussing here today. This is a death warrant—thanks to Senator Wong, Prime Minister Rudd, environment minister Garrett and the minister for forestry, whatever his name might be, who is just a cipher of the forest industry—on the habitat of rare and endangered species in Australia, subsidised by this government.

It is going to produce so-called environmental energy—that is what Mr Gunns calls it these days—which will be sent through Basslink, highly subsidised under a secret contract by the last three Labor governments.
in Tasmania, putting all the attendant risk through the Basslink cable to consumers in Melbourne. What is effectively going to happen here is that the public subsidy is going to prevent the establishment of real renewable energy, an enormous amount of it, because this pulp mill furnace will squeeze it out. So the unsuspecting denizens of Melbourne, as well as those of Launceston and Hobart, while toasting their bread or having their showers in the morning, are going to be paying a premium for so-called renewable energy. In fact, they are burning the habitat of rare and endangered possum and bird species in the forests of Tasmania.

We have a compliant media on much of this. We will not see too much of this being carried into the public arena. Why not? Because the big story of the day is the coalition and the government getting together to agree on the passage of this legislation, just as the government and the coalition will get together—I told the Leader of the Opposition, Mr Turnbull, this as far back as last February—to agree to an emissions trading scheme sometime this side of the next election. The danger for the opposition is that it may dawn on the government that, if they want to keep the opposition wedged on the issue of an emissions trading scheme, whereas now the opposition wants that legislation put off until next year, it may end up being the government who want it put off until next year so it becomes next year’s issue—if an election is left until next year.

In the middle of the Faustian bargain in this legislation to burn native forests and the habitat of rare and endangered species to produce so-called ‘green energy’, to be sold at a premium are the unsuspecting, good-hearted Australians who will pay more for it. Already, 50,000 or 60,000 have signed up to these schemes. They will in fact be destroying the habitat of the very species the government proclaims it wants to protect.

I will give as an example the giant wedge-tailed eagle of Tasmania. I am told by Mr Webb, who has the eagle recovery centre at Kettering, south of Hobart, that the biggest recorded wingspan of a Tasmanian wedge-tailed eagle was 2.98 metres. That is almost three metres. I can hold my arms out and it is nowhere near three metres. This is the sixth-largest eagle species on the face of the planet. It is not going to worry Prime Minister Rudd that a report by Melbourne University, which Forestry Tasmania itself commissioned, found that the probability of this great species in north-east Tasmania going extinct is 65 per cent within the next century or two. But bring in the current Rudd government proposals for logging in north-east Tasmania, as signed off by Prime Minister Howard but taken up, under his own words, ‘100 per cent’ by Prime Minister Rudd, and see that targeted logging go to its endpoint, and, according to this university study—and there is no countermanding study to this; this is Forestry Tasmania itself and the University of Melbourne—the chance of extinction in north-east Tasmania of the giant wedge-tailed eagle goes from 65 per cent to 99 per cent. That is the price of the pulp mill. I might ask any of the senators speaking up in favour of having our native forest fed into these giant forest furnaces and passed off as green energy, displacing real renewable energy under this proposal—

Senator Boswell—What are you going to do with the sawdust?

Senator BOB BROWN—I won’t have to do anything with the sawdust, Senator Boswell, because—

The TEMPORARY CHAIRMAN (Senator Moore)—Senator Boswell, could you please restrain from interjecting while Senator Brown is speaking.
Senator BOB BROWN—it is packed in between so many National Party members’ ears that there won’t be any left over!

The whole point of this is that we have a proposal here which is an utter disgrace to this parliament and to this generation of parliamentarians. In an age of prodigious threat, of climate change threat, people reading this in years to come will not be able to believe it. I went and saw the film The Age of Stupid in the theatre here last Monday night. It is on in Sydney tonight and I think Senator Milne will be there at the end of that film for a question and answer session. I only wish every parliamentarian would see it. It shows the world in 2055 and looks back to this period and asks, ‘How could we have done it?’ Well, here we are in this chamber doing it. Here is Senator Wong, supported ably by Senator Abetz in this bargaining, doing the unthinkable, against the interests of the future of this planet. Senator Milne has got up a sensible amendment to take out this destruction of forests. Senator Wong says, ‘It is there under previous legislation.’ Yes, but here is the opportunity, Senator Wong, for you to support this sensible move—and I predict you won’t.

Senator ABETZ (Tasmania) (5.03 pm)—I rise briefly to comment on some of the points that have been made in relation to Senator Fielding’s orchestrated appearance in the chamber. All I would invite him to do is actually read and consider the detail. I think he might then reflect that his words were not as well chosen as they otherwise might have been. But I say in relation to Senator Fielding that I accept that what he says is in good faith and that he is just personally mistaken as to the outcome of the agreement between the government and the opposition.

Unfortunately, I cannot say the same about the Australian Greens. They seem to live in the world of believing that if you repeat a myth often enough, time and time again, and then pretend to sound sincere in saying it, that somehow myth is turned into a fact. Facts are facts, irrespective of how often somebody wants to repeat a myth. The simple fact is that there are huge tracts of plantation in Tasmania which will be the feedstock for the pulp mill. We all know that. Do we engage in native forest harvesting in Tasmania? Yes, we do—for the high-quality timbers, for the craftsmen, for veneer logs, for sawlogs. But are there special practices under the forest practices code to ensure that threatened and endangered species are looked after? Yes, there are. Senator Brown knows that. He in fact raced to the Federal Court and lost. He appealed to the High Court and lost. We know the facts about this but, unfortunately, Senator Brown and the Australian Greens just find it necessary to come in time and time again to repeat their myths. The simple fact in relation to the pulp mill is that if it does have a furnace in relation to its operations it will be using the black liquid that gets extracted out of the woodchips. The fibre gets turned into the paper and a waste product, the black liquor, will actually be the fuel. It is genuinely renewable. It will be grown in a plantation, will be a waste product from the papermaking operation and we can harness it as a fuel source. And, as we know, in Tasmania more trees than are harvested are planted each year. As a result, Tasmania’s forest estate is in fact growing. Even if you were to burn the totality of the tree, which of course we do not, the carbon dioxide that is released by that tree would be absorbed by the growing of the new tree that is always planted in its place.

Senator Hanson-Young interjecting—
Senator Feeney interjecting—
The TEMPORARY CHAIRMAN (Senator Moore)—I ask senators not to interject or be engaged in conversations across the chamber.

Senator ABETZ—The Greens chuckle, as well as, might I add, foolishly, Senator Feeney, whose government’s policy is in fact to be supportive of what I am saying. I think just his personal dislike of me made him chuckle in such a way that has now embarrassed him and his own colleagues. That aside, we know that in our native forest harvesting we go through a cycle of literally decade upon decade, and that is why our forestry practices are regarded as world’s best.

When I was forestry minister I asked Senator Bob Brown which country has better forestry practices than Tasmania and Australia. For years and years he could not answer, and then finally he foolishly interjected: ‘New Zealand’. New Zealand uses 1.2 tonnes of 1080 per annum in its operations compared to Tasmania’s 1.2 kilograms per annum and ever decreasing. Having been pointed out some of these basic facts, Senator Brown no longer champions the cause of New Zealand forestry. I wonder what other country he points to, given that he no longer relies on New Zealand.

I say to him that, in relation to the wedge-tailed eagle, there are many measures in place to seek to protect it in Tasmania. He knows that to be the case, he knows that to be the fact, but I think he also knows that wind farms in Tasmania have occasioned a toll on the wedge-tailed eagle population—I think more so than any forestry operation has ever done. Having said that, I simply indicate that, as is so often the case with the Australian Greens, if it does not suit their cause, especially their cause of fundraising, they will simply repeat the myths time and time again in the face of objective evidence and in the face of what world practice is, be it anywhere in Europe or be it the WWF report on biomass—you name it. The world is saying that waste wood should be used as a renewable energy. That is what people all around the world are saying other than one group of people, and that is the Australian Greens.

In relation to the first tranche of amendments by the Greens, I indicate that the opposition will be voting against them.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.11 pm)—Whilst I am obviously very pleased to participate in a lengthy debate, we have been debating for some time this issue of native forests. I think people have put their views on the table. I appreciate that Senator Abetz and Senator Bob Brown have very different views on this issue, but I would encourage the chamber to consider, if we are able to, getting to a point where we could vote on these amendments.

While I am on my feet, I would like to take the opportunity to respond to two or three issues. There was quite a lot of rather strong language in some of the contributions in relation to forests—words such as ‘death warrant’ were thrown around. Again I simply reiterate what I have already said about the protections in the existing legislation in relation to native forest wood waste. I do not propose to canvass that again.

In relation to Senator Xenophon’s question, would he indulge me by allowing me to take that on notice. That information may well be able to be obtained from the Department of Climate Change, from its carbon accounting section of the department. I will endeavour to find whatever information we can to assist him on that.

In relation to Senator Xenophon’s question, would he indulge me by allowing me to take that on notice. That information may well be able to be obtained from the Department of Climate Change, from its carbon accounting section of the department. I will endeavour to find whatever information we can to assist him on that.

Senator Boswell some time ago asked me quite a range of questions in relation to low- and middle-income families and the Climate Change Action Fund. These are matters that are contained within the Carbon Pollution
Reduction Scheme policy and legislation, not in the renewable energy target legislation. They were announced by the Prime Minister in December. They are legitimate issues, and we are very happy to take him through those if he would wish us to. I would suggest that perhaps a better use of time would be if he wished for that briefing to occur in relation to the specific issues he raised. The government would be very happy to provide him with that. I respectfully suggest that that would perhaps be a more expeditious way of dealing with some of the issues he raised. That is what the government would propose.

I should also indicate, for the reasons I have outlined, that the government will obviously not be supporting the amendments from the Australian Greens.

Senator BOSWELL (Queensland) (5.13 pm)—I thank Senator Wong for offering me a briefing. I would have preferred for it to be given in the parliament where it goes on the public record. I would have thought that indicating what is a low-income or a middle-income household that would get compensation would not have been that hard. It would have been $50,000 or $40,000—whatever it is. I do want to know how people access the Climate Change Action Fund stream—because there seems to be some money there—that will cover every contingency that may ever show itself on ETS or RET.

There are a lot of people out there who are particularly worried about this issue. I could give many examples, but I have just picked health because I believe it is very relevant. As I said, the non-profit organisations are going to have to find probably $100 million. My question is pretty specific: how do those people access—

Senator Wong—Madam Temporary Chairman, I rise on a point of order relating to relevance. I have attempted to deal with Senator Boswell courteously. What he is raising has nothing to do with renewable energy legislation and nothing to do with the Greens amendments before the chair. It is about another piece of legislation which was debated last week. If he wanted to have this debate then, the government would have been happy to have that debate. But he is choosing to have that debate now in relation to the wrong bill and is certainly not relevant to these amendments.

Senator BOSWELL—On the point of order, these additional costs on health and aged care go to something like $2.7 million. That is relevant to—

The TEMPORARY CHAIRMAN (Senator Moore)—Senator Boswell—

Senator BOSWELL—I am sorry, Madam Temporary Chairman, could you just hear me out. That is relevant to the RET bill. That is the cost through RET that the industry will face and there will be an additional cost under the ETS. If you do not want to debate the ETS, Minister, I accept that we are on the wrong bill. But if we are not on the wrong bill—

The TEMPORARY CHAIRMAN—Senator Boswell, I take it your response to the point of order is that the issues you raise are relevant to the debate.

Senator BOSWELL—They are relevant because the cost is something like $2.7 million under RET.

The TEMPORARY CHAIRMAN—I will allow your questions to continue. If the minister then indicates that they are not relevant to this debate, that will be her response. It will be part of the whole debate. On that basis, if you have questions that you want to put, continue with those questions.

Senator BOSWELL—That is all right. The minister has refused to talk to Catholic Health. Yes, you have, Minister. You can get up and deny it if you like, but my informa—
tion is that they sought some accommodation with you and you failed to respond. If you want to respond now that would be good. I am sure they would welcome your response. They are very concerned about the renewable energy target and the impact it will have on them financially. They want to know what services they are going to have to reduce. That will be compounded by the $10.8 million, which I will not talk about. If you do not want to answer them, that is okay. Let it stand on the record that you refused to answer them and you refused to take questions in the chamber. I am sure it will be welcomed out there in the Catholic Leader and in all the Catholic newspapers that the minister refused to accommodate the Catholic hospitals or any other hospital.

The TEMPORARY CHAIRMAN—I remind the chamber that we are debating the Greens amendments (1) to (6), (9), (11) and (19) on sheet 5816 revised.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.18 pm)—Given that those assertions have been made, I now have no option but to respond, Senator Boswell. I did extend to you some courtesy around this and you have chosen to make political points. I could make some comments about the fact that, if you had chosen to allow the Carbon Pollution Reduction Scheme legislation to reach the committee stage, we could have traversed all of this. But you opposed that legislation without even allowing it to be read a second time. You refused to allow it to go into committee, so do not blame me as to the fact that you, on that side of the chamber, refused to support even allowing the Carbon Pollution Reduction Scheme legislation going into committee, where you could have dealt with all of those issues.

On the issue of the household assistance measures, which you say we are somehow avoiding putting on the public record, these were announced in December. I refer you to 17.2.2 of the white paper released by the Prime Minister in December. There were pamphlets put out by the Department of Families, Housing, Community Services and Indigenous Affairs or perhaps through Centrelink which detailed the assistance under the CPRS. We have been completely upfront and provided a significant amount of information on the assistance measures under the Carbon Pollution Reduction Scheme, including in relation to low- and middle-income families. The tables are all in the documents which have been provided and I can send copies to your office if you have not had the opportunity to read them. Obviously, in the definition of low-income household the income level changes depending on the household type, whether single, couple, couple with children or single parent. The indication in the white paper, for example, is that low income refers to earnings of less than $30,000 for a single person, $45,000 for a couple with no children and $60,000 for a couple with children. There are a range of other tables I could read into Hansard, but I suggest it would be a much better use of the chamber’s time if we could simply send them to you.

In relation to the Climate Change Action Fund and the question of where people should go in order to obtain assistance through it, the Climate Change Action Fund is funded in most part out of the CPRS revenue. If the senator wants to ensure that entities and organisations such as the one he mentioned are able to have access to the Climate Change Action Fund, I suggest to him that that is one of the key measures under the Carbon Pollution Reduction Scheme. Again, we have spelt out in the white paper released in December the way in which that fund will work.
The senator made a number of allegations about engagement with the non-government sector. I have previously said in this place in answer to his earlier propositions that, in fact, one of the reasons that we included the non-government sector in the Climate Change Action Fund was as a result of discussions we had had, particularly with welfare organisations. That is precisely why we did it.

Finally, I make the point that I do not concede the amounts that Senator Boswell has put on the table. His party, with respect, have put a lot of figures on the table without backup or evidence as part of their fearmongering campaign against action on climate change. If you wish to choose to do that in the National Party, that is a matter for you. I do not necessarily accept the numbers you have put down. In answer to a previous question, I indicated to you the impact on electricity prices through the renewable energy target. I also make the point that one of the things that the government wants to support is increased energy efficiency in organisations, whether businesses or non-government organisations, so that they can reduce the impact on them of a carbon price. These are issues we have considered in detail, Senator Boswell. Frankly, I am sorry that you have not had the opportunity to understand the government’s policy on these issues and I again offer you the opportunity to get across it if you wish.

In relation to the amendments before the chair, I think I have previously indicated our views.

Senator BOSWELL (Queensland) (5.22 pm)—The figures that I have given you, Senator Wong, are not my figures at all; they are taken from the Catholic Health Australia submission on the ETS and from submissions to you. I do not like the suggestion that we just throw figures up in the air and hope they come down somewhere. These are figures provided by Catholic Health Australia from their aged-care homes and from the hospitals. So do not accuse me of just throwing figures around, because I am not. They are very precise figures, but if you want to deny them that is up to you. I know this is very uncomfortable for you, Senator Wong, but I would like to take you to your statement on food processing. I listened very closely to that, and it seemed to me that if a food processor wanted to become part of a program that would give him some sort of compensation and he did not meet the criterion of electricity or—

The TEMPORARY CHAIRMAN (Senator Moore)—Order! Senator Boswell, I draw to your attention the fact that we are actually debating the Greens amendments. If you can bring your question into line with those amendments, that is what we need in the chamber.

Senator BOSWELL—It is a very difficult area. Before you were in the chair, Madam Temporary Chair, Senator Milne sought leave to move amendments. I then asked the Clerk and was told that we could speak generally on Senator Milne’s amendments. If I was to be told otherwise, I would have refused leave to Senator Milne. I did not because I think Senator Milne is a very nice person—a little misguided but a nice person—so I did not like to refuse her leave. But I do claim the right that was given to me before to debate these issues.

The TEMPORARY CHAIRMAN—Senator Boswell, my understanding of the amendments is that they are to do with solar hot water, solar heaters and energy. If the questions you are asking are around those issues, that meets the need to be relevant to these amendments. So, if you can move your questioning in that direction, general questions about that issue would be appropriate.
Senator BOSWELL—On your ruling, Madam Temporary Chair: Senator Wong got up 10 or 20 minutes ago and read out a list of amendments and a list of agreements that the coalition and the Labor Party agreed to. I believe I have a right to ask questions about that statement read by Senator Wong.

Senator Hanson-Young—Maybe you should ask your shadow minister.

Senator BOSWELL—I do not need any help from you.

The TEMPORARY CHAIRMAN—Senator Boswell, if the list was in the debate, go ahead with the question. However, your proposed amendment and schedule 2, item 8 both refer specifically to the food-processing industry. It may well be that questions around that would be better placed at that stage, but if you want to continue bringing into relevance the solar aspects, please continue.

Senator BOSWELL—In that case, you force me to make comment on Senator Brown’s statement about wood by-products. I do not know how you get rid of them. The only way you do not get wood by-products is by not having a timber industry—not having thousands of jobs that are in the timber industry in Tasmania. You have to understand that if you process wood you are left with a by-product. What do you do with that by-product? We have heard Senator Brown say that we should not be burning this wood and making power from it. The only other suggestion I can think of is that it be buried. I actually saw that happen in a little mill in Allies Creek. I have mentioned this before, but I think it is worth mentioning again to Senator Brown because he was not in the chamber at the time. This mill, which was closed down by some activists, potentially had thousands and thousands of tonnes of wood waste and before they could get their compensation they were told that they had to bury it. They responded: ‘Why should we have to bury it? The electricity generators want this wood—they want it, they are prepared to pay for it and they are prepared to cart it away.’ They were told, ‘No, you are not going to use that wood.’

Do you know what replaced that wood, Senator Brown? Black coal. That is what went into the generator that could have been running on a renewable by-product, and that was because people of your ilk, the Greens, stopped it. So, instead of using a by-product of wood, they used black coal. That is where your statement ends: we have got to bury, remove or dump into the sea or the river the by-products of the timber industry. Alternatively, you can put it in a furnace and create power.

Senator Brown, you stand up here and pontificate about the timber industry, and we all know that you do not want a timber industry. You would be perfectly happy if there was no timber industry in Tasmania. In fact, you would rejoice if there was no timber industry in Tasmania. But you would not have a hobby horse to flog. You have flogged the timber industry all around Australia. You have just flogged it and flogged it and flogged it. Yes, you have got your little nine or 10 per cent, but you have alienated the other 90 per cent.

Senator Milne—What did the Nats get?

Senator BOSWELL—The Nats get a lot more than you and they get them in seats in the House of Representatives. You have never been able to achieve—

The TEMPORARY CHAIRMAN—Senator Boswell, I remind you to go through the chair.

Senator BOSWELL—Sorry, but I am being provoked.

The TEMPORARY CHAIRMAN—Work through it, Senator Boswell.
Senator BOSWELL—I might have to review my assessment of Senator Milne. When Senator Bob Brown gets up and makes statements like that, he ought to be brought to court. I think the absolute hypocrisy of Senator Brown should be pointed out. Senator Brown, as I have pointed out to you before, you are a doctor. If the worst comes to the worst and you get thrown out of this place, you can hang up your shingle and you can earn $100,000 or more, probably $200,000. Just think about the guys that drive the trucks, the guys that cut the trees down, the guys that take the trees out of the forests and the whole economy of Tasmania. They do not have your option of moving out and starting another job. You deny them every time you stand up in this place, and you should not do it. It is hypocrisy at its worst. It comes from an educated person who should know better, from a person who has been to university. But you exploit these people time and time again. I ask you to think about what you say before you say it and to think about the other people who have not had the advantages that you had when you went through university.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (5.30 pm)—I do like it when I get some inherent support from Senator Boswell! I must say that Senator Abetz is never so impressive as when he is embracing Labor legislation with some coalition amendments. Senator Boswell, I will test you in the next day or two by bringing in here a motion in defence of the timber workers currently being sacked by Gunns Ltd. To keep the profit line up, they are putting people out of work in this recession. It is only the Greens who have ever spoken up for them in this place.

Senator Abetz—You would get rid of all their jobs!

Senator BOB BROWN—Senator Abetz! Here we go. I remember very well putting forward the proposal when the regional forest agreements legislation was being put through here that, at the same time as guaranteeing Gunns and the logging industry access to the destruction of forests for their profit line, they guarantee the jobs of workers in the logging industry. Senator Abetz and his colleagues, along with the Labor Party, voted against that proposal. They would not have a bar of it. So much for the defence of workers. It had nothing to do with that. It was all to do with being in the sway of the National Association of Forest Industries.

Senator Wong did not answer the question about the value of this legislation to the proposed Gunns pulp mill. The legislation is so enthusiastically being amended in a joint arrangement between the coalition and the government, but they are denying the amendments that Senator Milne put forward. About $20 million on the back of an envelope will pour to Gunns. That will squeeze out genuine renewables, as they feed native forests into the proposed furnace. There is more to come. That is why the government has set up a panel that includes the CEO of Gunns and the head of the union, who is on a $570 a day payment as an executive, to work out what other subsidies the Rudd government will give to this pulp mill before we get to the next election. That is another story.

A spin-off for Gunns—directly in its proposal—will be some $20 million plus a year. If the minister has different figures, she is welcome to come back with those. That will directly cut out true renewable energy and the jobs that go with it, by the way. That furnace will not create jobs but renewable energy will. It will destroy not just forests but jobs. I asked for the figures from the minister. She has not given them. We will get none from the coalition. I am giving those figures
to this chamber. It is not my job to do that. I am giving those figures to the chamber because the Senate needs to be aware of what it is doing when it comes to the vote now at hand.

Question put:

That the amendments (Senator Milne’s) be agreed to.

The committee divided. [5.38 pm]

(The Temporary Chairman—Senator Moore)

Ayes…………… 5
Noes…………… 38
Majority……… 33

AYES

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

NOES

Abetz, E. Back, C.J.
Barnett, G. Bilyk, C.L.
Birmingham, S. Bishop, T.M.
Boswell, R.L.D. Brown, C.L.
Bushby, D.C. Cameron, D.N.
Colbeck, R. Collins, J.
Crossin, P.M. Farrell, D.E.
Feeney, D. Fielding, S.
Furner, M.L. Heffernan, W.
Humphries, G. Hurley, A.
Hutchins, S.P. Kroger, H.
Lundy, K.A. Marshall, G.
McEwen, A. McLucas, J.E.
Moore, C. O’Brien, K.W.K.
Parry, S. * Payne, M.A.
Polley, H. Pratt, L.C.
Sterle, G. Troeth, J.M.
Trood, R.B. Wong, P.
Wortley, D. Xenophon, N.

* denotes teller

Question negatived.

Senator XENOPHON (South Australia) (5.42 pm)—by leave—I move amendments (1) to (6) on sheet 5880 and amendments (1) and (2) on sheet 5885:

(1) Schedule 1, page 4 (after line 22), after item 2C, insert:

**2D Subsection 5(1)**

*emerging renewable energy technology* means a technology specified by the regulations to be an emerging renewable energy technology.

(2) Schedule 1, page 7 (after line 3), after item 3M, insert:

**3MA Before section 18 in Subdivision A of Division 4 of Part 2**

Insert:

**17B Application of Subdivision**

This Subdivision does not apply to an accredited power station that generates electricity using an emerging renewable energy technology source.

Note: Subdivision BC applies to an accredited power station that generates electricity using an emerging renewable energy technology source.

**3MC Subsection 18(1)**

Omit “whole”, substitute “1.25”.

**3MD Subsection 18(1A)**

Omit “whole MWh”, substitute “1.25 MWh quantity”.

**3ME Subsection 18(2)**

Omit “1 MWh”, substitute “1.25 MWh”.

**3MF Subsection 18(2)**

Omit “0.5 MWh”, substitute “0.625 MWh”.

(3) Schedule 1, page 7 (after line 14), after item 3Q, insert:

**3T Subsection 22(1)**

Omit “1 MWh”, substitute “1.25 MWh”.

(4) Schedule 1, page 7 (after line 19), after item 5, insert:

**5A Section 23B**

Omit “1 MWh”, substitute “1.25 MWh”.

CHAMBER
(5) Schedule 1, item 7, page 8 (line 9), omit “4 to 6”, substitute “4, 5 and 6”.

(6) Schedule 1, page 8 (after line 10), after item 7, insert:

7AA After Subdivision BB of Division 4 of Part 2

Insert:

Subdivision BC—Electricity generation using an emerging renewable energy technology source

23G Application of Subdivision

This Subdivision applies to an accredited power station that generates electricity using an emerging renewable energy technology source.

Note: Subdivision A applies to an accredited power station that generates electricity using an energy source other than an emerging renewable energy technology source.

23H Creating certificates for additional renewable electricity

(1) The nominated person for an accredited power station that uses an emerging renewable energy technology source may create a certificate for each 0.75 MWh amount of electricity generated by the power station during a year.

(2) A certificate must not be created in respect of a 0.75 MWh amount of electricity generated partly in 1 year and partly in the following year.

(3) If the amount of electricity generated during a year by an accredited power station that uses an emerging renewable energy technology source is less than 0.75 MWh but greater than or equal to 0.375 MWh, the nominated person for the power station may create 1 certificate in respect of the electricity generated during the year.

(4) The amount of electricity generated by an accredited power station that uses an emerging renewable energy technology source is to be worked out in accordance with the regulations.

(5) Electricity is to be excluded from all calculations under this section:

(a) to the extent that the electricity was generated using any energy sources that are not emerging renewable energy technology sources; or

(b) to the extent that the electricity was generated during any period of suspension of the accreditation of the accredited power station under section 30D or 30E.

(6) The nominated person for an accredited power station that uses an emerging renewable energy technology source must not create any certificates during any period of suspension of the person’s registration under section 30 or 30A.

23I When certificates may be created

A certificate may be created at any time after the generation of the final part of the electricity in relation to which it is created and before the end of the year after the year of generation.

Note: For offences related to the creation of certificates, see section 24.

23J Electricity generation return

(1) The nominated person for an accredited power station that uses an emerging renewable energy technology source must give an electricity generation return for a year to the Regulator on or before:

(a) 14 February in the following year; or

(b) any later day allowed by the Regulator.

(2) The return must include details of:

(a) the amount of electricity generated by the power station during the year; and

(b) the amount of that electricity that was generated using an emerging renewable energy technology source; and
(c) the number of certificates created during the year in respect of the electricity generated by the power station using an emerging renewable energy technology source during the year; and

(d) the number of certificates created during the year in respect of any electricity generated by the power station using an emerging renewable energy technology source during the previous year; and

(e) any other information specified by the regulations.

23K Amending electricity generation returns

(1) The Regulator may amend an electricity generation return if the nominated person for the accredited power station concerned requests, in writing, an amendment within 12 months of the return being given.

(2) The Regulator may also amend an electricity generation return on his or her own initiative if the amendment is made within 4 years of the return being given.

(3) If the Regulator refuses to amend an electricity generation return upon a request by a nominated person for an accredited power station, the Regulator must notify the person accordingly.

(7) Schedule 1, page 4 (after line 22), after item 2C, insert:

2D Subsection 5(1)

emerging renewable energy technology means a technology specified by the regulations to be an emerging renewable energy technology.

(8) Schedule 1, page 10 (after line 13), after item 8D, insert:

8DA Before section 155 in Part 16

Insert:

154A Regulations to provide assistance to emerging renewable energy technologies

Firstly, the amendments on sheet 5880 relate to providing additional RECs to be created for emerging renewable energy technologies. It is about sending a clear signal to those emerging technologies that can provide baseload power. If we want to wean ourselves off coal fired power generation, we need a transition plan for the future, and these emerging technologies are the way forward. For instance, instead of getting one REC for every one megawatt hour, emerging renewable energy technology will receive one REC for every 0.75 megawatt hour and existing technologies would require 1.25 megawatt hours. This would provide a weighting to encourage the growth of new energy technologies.

Amendments on sheet 5885 are a fallback position to sheet 5880, to ensure that the government has an obligation to put regula-
tions in place to provide assistance to emerging renewable energy technologies. It is to acknowledge that those technologies which can provide reliable baseload power are required and that there must be different regulations in place to make the point that there are different signals in place for investment in those emerging technologies. It is also based on the capacity of these energy technologies to provide consistent baseload power and would commence from July 2012 on the basis that it is clear that 2010 would be too soon and that, with the advances in emerging renewable technology, 2012 would give enough time for the government to have regulations in place.

Senator BIRMINGHAM (South Australia) (5.45 pm)—The coalition have enormous sympathy for what Senator Xenophon is attempting to achieve with these amendments, but, as Senator Abetz indicated previously, we are unfortunately in a position where we are not able to support them. That comes from a twofold perspective: firstly, there are some concerns about the detail of the amendments and the proposed banding approach that Senator Xenophon has taken; but, secondly, the coalition has, as indicated by Senator Abetz, negotiated a position and an outcome with the government.

We had of course sought to address ourselves in our own amendments to some of the issues that Senator Xenophon is attempting to address with these amendments. Amendments on sheet 5853, as proposed by the coalition but now withdrawn, had sought to achieve some of the same aims as Senator Xenophon. In my remarks in the second reading debate, I made a number of comments about the importance of the RET actually delivering baseload power and supporting the development of renewable energies with baseload power capacity within the target range.

We would hope that the government would be very mindful of this. We are disappointed that in our negotiations with the government they did not accept those amendments moved and proposed by the coalition. We achieved significant concessions from the government, and welcomed those, but we are disappointed that in this one area they did not accept the move by the opposition to preserve some 8,875 gigawatt hours out of the target of baseload capacity for emerging technologies. Those technologies, like solar thermal or solar concentrator energy, ocean thermal energy, tidal energy, biofuels, bio-power or biomass and of course geothermal energy—all important ones that the coalition thought should be supported—deserved a particular band segment to ensure that, just as the initial renewable energy target when it was introduced by the coalition in government was about the development of technologies, in this expansion we would again encourage and incentivise the development of baseload technologies in particular.

This is the natural and necessary evolution within the renewable energy target. From a South Australian perspective, I note the great advances and potential of some of these baseload technologies in my home state—and the minister’s home state—especially those of the geothermal industry where we have, indeed, over 28 exploration licences. I am not going to go into detail of all of those. Suffice to say that the opposition does take this matter seriously. We will be presenting a private member’s bill around the amendments that we had proposed. We will be presenting that at the earliest opportunity to try to preserve the potential for baseload energies in this regard. We would invite Senator Xenophon and the Greens to join with us in that and we hope that we can continue discussions with the government over the next few weeks in the same cooperative manner that we have on so many other is-
sues, and that they will reconsider this issue and come up with a way to ensure that we can guarantee the potential for baseload power within the renewable energy target.

Senator MILNE (Tasmania) (5.49 pm)—I just rise to indicate that the Greens will be supporting Senator Xenophon’s amendments here to try to get support for emerging technologies. I have heard some excuses in my time, but the fact of the matter is that the coalition were desperately concerned about emerging technologies until they got the deal with the government to favour the exemptions to the big polluters—to favour coal gas, to favour everything they wanted—and then they dropped their interest in emerging technologies and have now said that they will bring it on as a private member’s bill in the lower house, knowing full well that they do not have the numbers there.

It is clear, again, that the reason this was not dealt with in June was that the coalition were more concerned about getting the exemptions for the aluminium industry et cetera than they were about putting the renewable energy target through. So what we have just heard is a whole lot of excuses. But people who want to see those emerging technologies brought on are going to know that the deal between the government and the coalition means that there will be no incentive whatsoever in this legislation to bring on solar thermal, geothermal and wave technologies. Let us get that on the record and stop this doublespeak that is going on.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.50 pm)—This is just to indicate the government’s position on this. As I have indicated to Senator Xenophon, we will not be supporting either of these groups of amendments. I think that the government’s policy position on this has been clear all along. We are supporters of emerging technologies as well. The policy question in relation to this issue is not whether you think that geothermal and other emerging technologies are a good thing and we need to invest in them; the question is: what is the best mechanism?

We are of the view that we should have a renewable energy target that is not about picking winners but about driving the deployment of renewable energy. It is a very significant expansion of the target that is being proposed by the government. But we also say that you do need to ensure that this market incentive, this market mechanism of the renewable energy target, is complemented by significant direct support for the development, commercialisation and deployment of emerging renewable technologies.

Senator Abetz interjecting—

Senator WONG—Senator Abetz, I will take that interjection because actually, yes, you might be surprised, it is the government who have been arguing for a market mechanism through the Carbon Pollution Production Scheme—obviously a market that is well regulated. We do think the renewable energy target needs to be complemented by significant direct support, as I said, for the development, commercialisation and deployment of emerging renewable technologies, including geothermal, and I would remind the chamber that the government have done this. We have a $4.5 billion Clean Energy Initiative, announced as part of the 2009-10 budget, which includes just over $1½ billion to support research and development of solar technologies and $465 million to establish the Australian Centre for Renewable Energy. The geothermal industry has, I am advised, received some $83 million in targeted grant support through government programs since the year 2000. Under this government, the geothermal drilling program, which is part of the Clean Energy Ini-
tiative, has seen $14 million in grants awarded in April this year, with $36 million remaining in the program. Applications under the second round of that program closed on 4 August. I also indicate that my colleague Minister Ferguson announced two successful projects under round 1, including $7 million each for the Limestone Coast project from Panax and MNGI’s Paralana project. It is also open to the geothermal industry to apply for grants to support demonstration of renewable energy technologies under the $300 million Renewable Energy Demonstration Program, which is also part of the Clean Energy Initiative.

Senator XENOPHON (South Australia) (5.53 pm)—I thank the minister for her response. In relation to Senator Birmingham, I take issue with his saying that my amendments on sheet 5880 are about banding. They are not about banding, technically, in the sense that the amendments are about giving incentives, as distinct from the coalition’s amendment, which has been withdrawn. That clearly was a banding amendment, and I was prepared to support that because I saw that as a way forward. I think there is a distinction between the two.

In relation to what the minister has said, it should not be about picking winners and I take her point. I guess my concern is that insofar as there has been a proliferation of wind energy, which is welcome, it does not provide consistent baseload power. In February this year, during a heatwave in South Australia, the reliability of wind turbines went down to three per cent. There is a concern that we will squeeze out emerging technologies such as geothermal, which will need very significant investment to get up and running, and that is my concern. Whilst this is not about picking winners, in a sense maybe we have already picked winners with the way that the RET has been structured, or the MRET scheme, in the context of wind energy. There has been a proliferation of wind energy, it is using up those RECs and the problem is that it may squeeze out emerging technologies, although I do take on board what the minister has said and I do note that the government does have a commitment for these emerging technologies.

I indicate that I will not request a division on these amendments. The opposition, the government and the Greens have indicated their positions and I know where people stand in relation to this.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.55 pm)—I thank the senator for his mature engagement with these issues. Just briefly, I want to make the point that the modelling the government has undertaken or commissioned—and I appreciate this is only modelling—indicates that geothermal would take about 20 per cent of the renewable energy target in 2020. In terms of the other issue he raises, which is the potential for crowding out, I make the point that the government is proposing to review the renewable energy target in 2014, so those issues could be dealt with in that context.

The TEMPORARY CHAIRMAN (Senator Moore)—Senator Xenophon, can I just confirm whether you want your amendments voted on together or separately?

Senator XENOPHON (South Australia) (5.56 pm)—Strictly speaking, they are separate notions, so let us have them separately.

The TEMPORARY CHAIRMAN—It is your call. So the first question is that Senator Xenophon’s amendments (1) to (6) on sheet 5880 be agreed to.

Question negatived.

The TEMPORARY CHAIRMAN—The question now is that Senator Xenophon’s amendments (1) and (2) on sheet 5885 be agreed to.
Question negatived.

The TEMPORARY CHAIRMAN—Opposition amendment (1) on sheet 5869 has been withdrawn so the next series of amendments will be yours, Senator Xenophon.

Senator XENOPHON (South Australia) (5.56 pm)—by leave—I move my amendments (1) to (3) on sheet 5875:

(1) Schedule 1, page 4 (after line 14), after item 2A, insert:

2AA Subsection 5(1)

Insert:

Air source heat pump water heater means a device that uses a vapour compression cycle incorporating a compressor, an evaporator that collects energy from the latent and sensible heat of the atmosphere and a condenser that delivers heat either directly or indirectly to a hot water storage container.

(2) Schedule 1, page 7 (after line 14), after item 3Q, insert:

3R At the end of subsection 21(3)

Add “which must not be before the actual date of installation”.

3S At the end of section 21

Add:

(4) Certificates must only be created for the installation of an air source heat pump water heater having a volumetric capacity of not more than 700 litres.

(3) Schedule 1, page 7 (after line 14), after item 3Q, insert:

3U At the end of Subdivision B of Division 4 of Part 2

Add:

23AB Regulations to phase out air source heat pump water heaters from scheme

(1) The regulations must provide for air source heat pump water heaters to be phased out of the scheme constituted by this Act by the end of 16 February 2010.

(2) For the purposes of subsection (1), the regulations must provide that each month the number of certificates that can be created for the installation of an air source heat pump water heater having a volumetric capacity of not more than 700 litres are proportionally reduced, so that no certificates can be created for such an installation after the end of 16 February 2010.

These amendments relate to what is clearly a rort. The amendments define air source heat pump water heaters, stop the RECs multiplier for commercial heat pump installations and introduce a six-month phase-out of air source heat pumps.

Amendment (1) inserts a definition for air source heat pump water heaters. The reason that this is important is that there can be some confusion as to the different types of water heating. A common form of water heating is solar hot water units. These units run water through a solar collector panel on a roof where the water is heated before being stored in a tank. Where there is not enough sunlight to heat all the water, either electric or gas powered boosters can be used. These units will not be impacted by this amendment. Another form of water heating is heat pumps. Broadly speaking, heat pumps use ambient energy to collate and deliver heat to water in a storage container through a condenser.

By contrast, air source heat pumps, as this definition indicates, use an air source evaporator which runs on electricity to collect both latent and sensible heat, as it is defined, to collect ambient energy. For the sake of clarity, ‘sensible heat’ refers to the heat that can be sensed or measured. Without a solar attachment this form of heat pump is little more than an inefficient electrical appliance which uses a refrigerator to create a differential that draws in heat from the atmosphere around it. It is this specific heat pump that is
the target of the following amendments. The amendments make it clear that this is about closing a loophole. I think it ought to be acknowledged that this is not what the RET scheme should be about and that it has been rorted. The amendments, by the linking of the REC to the installation date, mirror other provisions for REC calculation in the bill and give some clarity and a time frame in which to phase out these heaters.

The amendments also relate to domestic heaters. My first preference is to get rid of all of these air source heat pump heaters but also to have an alternative amendment with respect to commercial heaters over 700 litres. I note that the coalition has expressed concern in relation to this as well, as has the government. My concern, based on the evidence that was given to the Senate committee hearing in relation to this recently, is that this has been the subject of considerable rorting and abuse. That is something that we ought to stop. There have been real problems with this, particularly in relation to commercial water heaters over 700 litres. In the evidence given to the Senate inquiry recently we heard that, for instance, it might cost $2½ million to install multiple units and there are RECs of double that amount. They are being installed by one particular installer, from the information that I have been given, simply for the purpose of rorting the RECs. That crowds out installers of other, genuine renewable forms of energy and prevents them from availing themselves of this scheme.

These pumps do not create energy. They use electricity to create hot water. They have been abused on a widespread basis. It is important that we act on this to get rid of the commercial pumps immediately, and that is what this amendment seeks to do. By way of context, my office was recently contacted by Dr Hugh Saddler, Adjunct Professor at ANU and Managing Director of the Sustainability Advice Team. His organisation was previously involved in modelling the energy efficiency performance of all water heaters, including heat pumps. He has expressed concern that the modelling that he did previously for the department of the environment, which used preliminary assumptions about heat pump performance, has been used as the basis for the continued inclusion of heat pumps in the RET. He is also concerned that the modelling used by the Office of the Renewable Energy Regulator to calculate RECs entitlements for heat pumps compounds the problem of incorrect performance assumptions by using inappropriate climate assumptions. He believes that when modelling is carried out to take into account what is now known about the lower performance of heat pumps in cool climates, where the ambient temperature is lower—that is, where the appropriate climate data is used—it shows that heat pump water heaters are provided with far more RECs than their actual energy efficiency should allow. He suggests that the amount of energy purchased to meet the set demand for water heating varies greatly by city, time and season and that this should be factored into the REC calculations.

I have raised with the minister’s office what Dr Saddler has put forward, so I would be grateful if I could get a response from the government in relation to that. I would also like to know their attitude—and the opposition’s attitude, for that matter—towards what is clearly a rort in the system. The sooner we get rid of this rort, the more viable the renewable energy target will be.

**Senator WONG** (South Australia—Minister for Climate Change and Water) (6.02 pm)—I am not sure that Senator Xenophon was in the chamber when I indicated our attitude on the heat pumps issue. I did read into *Hansard* the government’s approach on this, including the flagging of regulations and the COAG review. I think senators in the chamber do share a concern
about this aspect of the legislation—that is, the actual effect on the ground not being consistent with the policy outcome. I think people would share that view in relation to heat pumps. I have put that on the record, Senator. I am happy to take you through it again if you wish me to, but I think I did that earlier in the debate.

Senator ABETZ (Tasmania) (6.03 pm)—I briefly indicate that the opposition will not be supporting Senator Xenophon’s amendments. The opposition had similar concerns to Senator Xenophon’s. There is the potential—but I think that potential is also a reality for some—to use the scheme for purposes for which it was not intended. The government has indicated to us—

Senator Xenophon—It’s called rorting.

Senator ABETZ—I heard that in your introductory comments, Senator Xenophon, and I thought I would not go quite that far. The chances are that what you are saying is right. We saw that as a deficiency that needed to be addressed. We have been convinced by the government that, by way of regulation, the matter can be addressed. In those circumstances, we are willing to accept the government’s approach on this. I think that, in general terms, the issue of not achieving the desired policy outcomes—which Senator Xenophon calls rorting—will be addressed through the government’s mechanism, which we accept as workable and doable. We think it will achieve the policy outcomes that we believe are desirable in relation to the matters raised.

Senator MILNE (Tasmania) (6.05 pm)—In my speech earlier today I referred to what a rort this is—to the point where some retailers are actually giving away these heaters for free because they benefit so much under the current rort that exists. That has to be stopped. This legislation is meant to be rolling out renewable energy, not allowing rorts, so I support the amendments that Senator Xenophon has moved.

Senator XENOPHON (South Australia) (6.05 pm)—I thank senators for indicating their position. Can the minister indicate the time frame in relation to this issue? She may be repeating herself, and I apologise for that. It may not be necessary for me to move the next amendment. Can she indicate what the time frame will be to deal with these issues? Finally, I did make reference to the work of Dr Hugh Saddler and the communication my office has had with him about the whole issue of modelling. Can she respond to that or at least take that on notice, because I think what Dr Saddler is saying about modelling ought to be used to ensure that we have a scheme that is robust. Taking into account climatic variations is important in the context of this particular part of the scheme.

Senator WONG (South Australia—Minister for Climate Change and Water) (6.06 pm)—If the question is asking what proportion of the 20 per cent target under the government’s modelling would be taken up by heat pumps and solar hot water, I think I said previously that the modelling indicated five per cent. I also said that that is obviously impacted upon by what the parliament does around eligibility criteria and the design of the scheme. The COAG process that is dealing with this issue is due to report by the end of the year. I have indicated to the opposition and the chamber that the government proposes between now and then—in the near future—to have an interim measure to try to improve the integrity of this aspect of the scheme.

Senator XENOPHON (South Australia) (6.07 pm)—Further to what the minister has said, if those who are currently rorting or doing the wrong thing—and I think Senator Abetz acknowledges that there are real problems with the scheme—know that the writ-
ing is on the wall with respect to commercial pumps of over 700 litres then there could be massive orders or a massive push with that. Finally, Dr Saddler asked whether the modelling took into account the lower performance of heat pumps in cooler climates. Rather than delaying this committee stage, the minister could provide a response to that in due course.

Senator WONG (South Australia—Minister for Climate Change and Water) (6.08 pm)—I will take that on notice, if I may.

Question negatived.

The TEMPORARY CHAIRMAN (Senator Troeth)—Senator Xenophon, do you wish to proceed with amendment (1) on sheet 5884?

Senator XENOPHON (South Australia) (6.08 pm)—Given what has transpired and Senator Wong’s comments, I will not proceed with amendment (1) on sheet 5884.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (6.09 pm)—I move Greens amendment (12) on sheet 5816 revised:

(12) Schedule 1, page 9 (after line 17), after item 7E, insert:

7F After Part 3

Insert:

Part 3A—Acquisition of electricity from owners of qualifying generators

34A Object of Part

The object of this Part is to support the commercialisation of a broad range of prospective renewable energy technologies by:

(a) providing specifically tailored support for a range of renewable energy technologies that are currently not adequately assisted by the mandatory renewable energy target;

(b) requiring electricity distributors to permit owners of both small and large scale qualifying generators to supply the electricity grid with electricity generated from selected renewable energy sources;

(c) providing a payment or a rebate to owners of qualifying generators after the commencement of this Part for the renewable electricity which they produce after the commencement of this Part from renewable energy sources;

(d) establishing an effective regime to monitor the extent of production of renewable electricity by owners of qualifying generators.

34B Definitions

In this Part:

direct customer means a person or company who:

(a) is directly connected to an electricity distribution network other than by means of the distribution system of the electricity retailer; and

(b) satisfies other criteria (if any) prescribed by the regulations for the purposes of this definition.

electricity distributor means:

(a) a company or other entity licensed for the distribution of electricity through an electricity network; and

(b) in relation to an electricity connection service for premises—a company or other entity licensed to provide the service for the premises.

electricity retailer means a company or other entity that supplies electricity to customers.

excluded network means an electricity distribution network that supplies electricity to less than 10,000 retail customers.

feed-in-tariff rate scheme means the scheme established by section 34F.

kWh means kilowatt hour.

qualifying generator means a renewable energy electricity generator:
(a) that complies with the relevant Australian Standard; and

(b) that is connected to an electricity distribution network in a manner that allows electricity generated by the renewable energy electricity generator to be fed into the electricity distribution network, other than where the electricity distribution network is an excluded network; and

(c) that generates electricity from a source listed in subsection 17(1) as an eligible renewable energy source; and

(d) that forgoes participation in the mandatory renewable energy target scheme; and

(e) for which an application for registration has been made under section 34D after the commencement of the Renewable Energy (Electricity) Amendment Act 2009.

quarter means a period of 3 months commencing on 1 January, 1 April, 1 July or 1 October of a year.

quarterly return means a return for a period of 3 months commencing on 1 January, 1 April, 1 July or 1 October of a year.

retail customer means a customer who:

(a) ordinarily acquires electricity primarily for domestic or business use; and

(b) is not a direct customer; and

(c) satisfies other criteria (if any) prescribed by the regulations for the purposes of this definition.

34C Feeding-in of electricity to grid by owners of qualifying generators

(1) Electricity distributors must, subject to compliance by the owner of a qualifying generator with any relevant technical, safety or other requirements imposed by or under this or any other Act or relevant instrument, connect the qualifying generator to the grid and permit the owner to feed into the grid electricity generated by the qualifying generator.

(2) Electricity retailers must:

(a) purchase, on application in the prescribed form by an owner of a qualifying generator connected to the grid under subsection (1), any electricity fed into the grid by that qualifying generator; and

(b) comply with any reporting requirements in this Act or that are prescribed in the regulations.

(3) Payment for electricity purchased by an electricity retailer under paragraph (2)(a) is to be made under section 34J or 34K, as the case may be.

(4) An owner of a qualifying generator who feeds into the grid under subsection (1) must install a meter, of a type prescribed by the regulations for the purposes of this subsection, to measure the total amount of renewable electricity energy generated by the qualifying generator.

34D Registration of qualifying generators

The owner of a qualifying generator must apply in the prescribed form for registration of the qualifying generator in the Feed-in-Tariff Register established under section 34I.

34E Eligibility for payment or rebate of feed-in-tariff rate

(1) The owner of a qualifying generator who feeds into the grid electricity generated by the qualifying generator is eligible to receive payments or rebates of the feed-in-tariff rate under section 34J or 34K, as the case may be, subject to:

(a) registration of the qualifying register under section 34D; and

(b) compliance with any relevant technical, safety or other requirements imposed by or under this or any other Act or relevant instrument.

(2) If a qualifying generator has been registered under section 34D and included
in the Feed-in-Tariff Register established under section 34I and there is a change to the installed capacity of that qualifying generator, the owner of the qualifying generator must advise the Regulator, in the prescribed form, of the new installed capacity of the qualifying generator.

34F Feed-in-tariff rate scheme

(1) The feed-in-tariff rate scheme is established by this section.

(2) The feed-in-tariff rate scheme is the payment under section 34J or the rebate under section 34K of an amount to the owner of a qualifying generator that is registered with the Regulator, calculated by reference to:

(a) the relevant feed-in-tariff rate set by the Minister under section 34G; and

(b) all the electricity produced by that qualifying generator, not just the electricity which is fed into the electricity grid.

34G Feed-in-tariff rates

(1) The Minister must, within 28 days of the commencement of the Renewable Energy (Electricity) Amendment Act 2009, set the feed-in-tariff rates for qualifying generators that are to be paid or rebated under the feed-in-tariff rate scheme in respect of a qualifying generator that is registered for the first time during the financial year in which that Act commences.

(2) The Minister must, by the end of each financial year:

(a) review the current feed-in-tariff rates for qualifying generators, taking into account the following factors:

(i) the prospect of the technology reliably producing competitively priced electricity by the end of the calendar year 2020; and

(ii) the environmental cost or impact of the technology; and

(b) set the feed-in-tariff rates for qualifying generators that are to be paid or rebated under the feed-in-tariff rate scheme in respect of a qualifying generator that is registered for the first time during the following financial year.

(3) In setting the feed-in-tariff rates under subsection (1) or (2), the Minister may take into account:

(a) any Commonwealth, State or Territory government payments or rebates already made or received in respect of a qualifying generator; and

(b) the type of renewable energy technology used by the qualifying generator; and

(c) the location of a qualifying generator; and

(d) the installed capacity of a qualifying generator.

(4) If the Minister has set the feed-in-tariff rates that are to apply for a financial year, the Minister must not vary those rates during that financial year.

(5) In setting the feed-in-tariff rates under subsection (2) that are to apply for the following financial year, the Minister may increase, vis-à-vis the current financial year feed-in-tariff rates, a feed-in-tariff rate that is to apply during that following financial year.

(6) Subject to section 34E, the relevant feed-in-tariff rate is payable or rebateable to an owner of a qualifying generator for each kWh of electricity generated by the qualifying generator during a billing period.

(7) In setting the feed-in-tariff rates under subsection (1) or (2), the primary objective of the Minister is to support the economic viability of a range of prospective renewable energy technologies.

(8) If the Minister reduces a feed-in-tariff rate, the reduction must not be more
than 5% of the rate that applied before the reduction.

(9) A feed-in-tariff rate set under subsection (1) or (2) and payable or rebate-
able to the owner of a qualifying gen-
erator at the date of the registration of the qualifying generator is fixed and
guaranteed for a period of 20 years from the date of that registration. That
period of 20 years does not restart if the installed capacity of that qualifying
generator is increased at any time.

(10) The Minister must provide a statement explaining how the feed-in-tariff rates
are calculated and must table that statement in both Houses of Parliament
within 15 sitting days after the end of each financial year.

(11) The feed-in-tariff rates set under sub-
sections (1) and (2) are legislative in-
struments for the purposes of the Legis-

34H Feed-in-tariff levy rate

(1) The Minister must, within 28 days of
the commencement of the Renewable
Energy (Electricity) Amendment Act
2009, set the feed-in-tariff levy rate per
MWh of electricity acquired from the
electricity grid, to fund payments under
the feed-in-tariff rate scheme in sec-
tion 34J for that financial year. The
feed-in-tariff levy is to be imposed by
the Renewable Energy (Electricity)

(2) The Minister must, by the end of each
financial year, set a feed-in-tariff levy
rate per MWh of electricity acquired from
the electricity grid, to fund payments under
the feed-in-tariff rate scheme in section 34H for the follow-
ing financial year. The feed-in-tariff levy is to be imposed by the Renewable
Energy (Electricity) Feed-in-Tariff Levy
Act 2009.

(3) The Minister must ensure that the feed-
in-tariff levy rate set under subsection (1) or (2) is sufficient to cover the
estimated cost of payments under the
feed-in-tariff rate scheme under sec-
tion 34J.

(4) The feed-in-tariff levy is payable by all
electricity retailers and direct custom-
ers, calculated by reference to the
amount of electricity acquired by an
electricity retailer or a direct customer,
as the case may be, as set out in its an-
nual energy acquisition statement
lodged under section 44.

Note: The annual energy acquisition
statement is used to calculate the
renewable energy shortfall
charge of an electricity retailer
or a direct customer (a liable
entity). The same statement is
to be used to calculate the
amount of the feed-in-tariff
levy.

(5) The Minister must provide a statement explaining how the feed-in-tariff levy
rate is calculated and must table that statement in both Houses of Parliament
within 5 sitting days after:

(a) in the case of the levy rate set under
subsection (1)—setting the rate; or

(b) in the case of a levy rate set under
subsection (2)—the end of each pre-
ceeding financial year.

(6) The feed-in-tariff levy rates set under
subsections (1) and (2) are legislative
instruments for the purposes of the Legis-

34I Establishment of a Feed-in-Tariff
Register

(1) The Regulator must establish a register
to be known as the Feed-in-Tariff Reg-
ister (the Register).

(2) The Regulator must record in the Reg-
ister:

(a) details of all qualifying generators
for which an application for registra-
tion has been made under sec-
tion 34D, including the name and
address of the owner of the qualify-
ing generator, the date of registra-
tion of the qualifying generator, the
type of renewable energy technology used by the qualifying generator and the installed capacity of the qualifying generator; and
   (b) in the case of a qualifying generator with an installed capacity equal to or greater than 1MW, the total amount of electricity produced each quarter by that qualifying generator, as notified in the quarterly return lodged under subsection 34J(1); and
   (c) the feed-in-tariff rate to be paid to the owner of a qualifying generator and the period for which the feed-in-tariff rate will be paid; and
   (d) if there is any change to the installed capacity of a qualifying generator, the new installed capacity of the qualifying generator.

(3) The Regulator must provide details of the amount of total payments made under the feed-in-tariff scheme under subsection 34J(2) for inclusion in a report prepared under subsection 34L(1).

34J Feed-in-tariff rate payments—installed capacity equal to or greater than 1MW

(1) The owner of a qualifying generator with an installed capacity equal to or greater than 1MW must lodge with the Regulator within 15 days after the end of each quarter that ends after the date of registration of the qualifying generator a quarterly return in the prescribed form indicating the metered electricity produced by the qualifying generator in respect of that quarter.

(2) The Regulator must make a payment, calculated in accordance with the feed-in-tariff rate, to the owner of a qualifying generator within 30 days of receiving from the owner a quarterly return under subsection (1).

(3) Payments under subsection (2) are to be made from money appropriated by the Parliament for that purpose.

34K Feed-in-tariff rate rebates—installed capacity of less than 1MW

(1) The owner of a qualifying generator with an installed capacity of less than 1MW is entitled to payment for electricity purchased by an electricity retailer under paragraph 34C(2)(a), in the form of a rebate against charges payable by the owner for the supply of electricity by the electricity retailer to the owner.

(2) An electricity retailer must read a meter installed under subsection 34C(4) by the owner of a qualifying generator at the same time as the electricity retailer reads the meter for the supply of electricity to the owner.

(3) The rebate under subsection (1) must be calculated in accordance with the feed-in-tariff rate, and credited to the account of the owner of the qualifying generator for a billing period on the same day as any charge for the supply of electricity is debited against the account for the billing period and before the account for the billing period is sent to the owner of the qualifying generator.

(4) If the whole of an amount to be credited to the owner of a qualifying generator under subsection (3) in a particular billing period has not been set-off against the charges payable by the owner for the supply of electricity by the expiration of 12 months after the end of that billing period, the owner is entitled to the payment of the outstanding balance.

34L Review of operation of Part

(1) The Minister must cause to be prepared an independent report on the operation of this Part for the period beginning on the date of the commencement of the Renewable Energy (Electricity) Amendment Act 2009 and ending on the next 30 June after that date, and for each subsequent 12 month period ending on 30 June in a later year.
(2) If the day on which the Renewable Energy (Electricity) Amendment Act 2009 commences is on or after 1 January in a year, the report prepared under subsection (1) in relation to the period from that day to 30 June in that year must be included in and presented with the report prepared under subsection (1) for the year beginning on 1 July next following the commencement of this Act.

(3) The Minister must cause a copy of a report prepared under subsection (1) to be laid before each House of the Parliament within 5 sitting days of that House after the day on which he or she receives the report.

(4) A report prepared under subsection (1) must include:

(a) details of total renewable energy produced from each source listed in section 17; and

(b) total payments made under the feed-in-tariff rate scheme under section 34J; and

(c) total amounts of feed-in-tariff levies received under the Renewable Energy (Electricity) Feed-in-Tariff Levy Act 2009.

The Greens also oppose schedule 1 in the following terms:

(7) Schedule 1, items 4 to 7, page 7 (line 15) to page 8 (line 10), items TO BE OPPOSED.

Senator Milne has been proposing a national feed-in tariff for a long time now. This is something that has worked extraordinarily well in Germany. Here is an opportunity for the government and the opposition to support the proposal, but I am not holding my breath. The great value in this can be seen with the much lauded pig farmer in Germany who got rid of his pigs and put solar panels on his two hectares. Because of the feed-in tariff he sat on the veranda watching the money come in and did much better than he did with his pigs.

Senator Boswell—What happened to the people who wanted to buy bacon?

Senator BOB BROWN—Senator Boswell wonders about people who want to buy bacon. If he went to Germany, he would very likely find that the bacon is processed with renewable energy, so you can feel good about having your bacon without having so much of an impact on the planet, although my friends in the vegetarian movement say that, if you stop eating bacon, there will be a double advantage for the planet.

Senator Siewert—And your health.

Senator BOB BROWN—Senator Siewert reminds me, ‘And for your health,’ too. We have seen the statistics for cancer if one has too much bacon for breakfast, particularly with coffee.

Let us get back to this serious proposal. It is a fundamental part of the reason that Germany has the biggest renewable energy industry in the world—and it may be overtaken by China shortly—with some 250,000 people employed and a multibillion dollar income from the export of renewable energy and other technologies to the rest of the world. It is a much better system than the multiplier proposal that is in this legislation.

Let us get back to this serious proposal. It is a fundamental part of the reason that Germany has the biggest renewable energy industry in the world—and it may be overtaken by China shortly—with some 250,000 people employed and a multibillion dollar income from the export of renewable energy and other technologies to the rest of the world. It is a much better system than the multiplier proposal that is in this legislation.

Senator WONG (South Australia—Minister for Climate Change and Water) (6.12 pm)—I have previously indicated to Senator Milne that we cannot support this amendment. In general, there are two different policy alternatives: the feed-in tariff and the renewable energy target. The government chose before the last election to go to the Australian people with a renewable energy target rather than a feed-in tariff. I have pre-
viously indicated our views to the good senator.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (6.13 pm)—The point of the feed-in tariff is that it stimulates the renewable energy sector. I wonder if the minister could tell the chamber whether the government has taken a feed-in tariff off its policy agenda, which is what that sounded like to me.

The TEMPORARY CHAIRMAN (Senator Troeth)—Perhaps not.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (6.13 pm)—I will put the question again: Minister, is a feed-in tariff not on the policy agenda of the government?

The TEMPORARY CHAIRMAN—Senator Brown, I cannot call you a third time.

Senator Bob Brown—That is true. With this deafening silence, I will leave the chamber to make up its own mind.

The TEMPORARY CHAIRMAN—The question is that items 4 to 7 of schedule 1 stand as printed.

Question agreed to.

The TEMPORARY CHAIRMAN—The question now is that Greens amendment (12) be agreed to.

Question negatived.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (6.15 pm)—by leave—I move Australian Greens amendments (8) and (14) on sheet 5816 revised, together:

(8) Schedule 1, item 6, page 8 (lines 1 to 3), omit subsection 23B(3), substitute:

(3) However, the regulations may provide for a number of certificates to be multiplied only if the certificates relate to:

(a) in the case of a small generation unit whose energy source is hydro—the first 10kW of the rated power output of the unit;

(b) in the case of a small generation unit whose energy source is wind—the first 10kW of the rated power output of the unit;

(c) in the case of a small generation unit whose energy source is solar (photovoltaic)—the total rated power output of the unit.

(14) Schedule 1, page 10 (before line 1), after item 8, insert:

8AA After section 40
Insert:

40A Required GWh of renewable source electricity for 2011 to 2016
(1) The required GWh of renewable source electricity in section 40 for the years 2011, 2012, 2013, 2014, 2015 and 2016 must be increased as specified in a declaration made under subsection (3).

(2) The Regulator must, by the 30 September next after each period specified in column 1 in subsection 23B(2) (a relevant column 1 period), calculate the number of certificates created in accordance with the regulations as mentioned in subsection 23B(2) and publish the result of that calculation on the Internet.

(3) The Regulator must, within 15 days of complying with subsection (2), make a declaration increasing the required GWh of renewable source electricity in section 40 for the following year to offset the certificates created in accordance with the regulations as mentioned in subsection 23B(2) for the relevant column 1 period.

(4) A declaration made under subsection (3) is not a legislative instrument.

The purpose of this is to remove the 1.5-kilowatt cap and replace it with a 10-kilowatt cap. The reason for that is, for example, if you have a remote community who are not connected to the grid and want to build a
facility of more than 1.5 kilowatts, they are not going to get the benefit under this system for the whole of their scheme. The cap should be lifted to 10 kilowatts so that, by inadvertence, the government and opposition do not legislate such very worthy communities out of the full benefit of this legislation.

The TEMPORARY CHAIRMAN (Senator Troeth)—Order! Senator Brown, can I confirm that you are speaking to sheet 5816 revised?

Senator BOB BROWN—I am speaking to amendments (8) and (14).

The TEMPORARY CHAIRMAN—Yes, on sheet 5816 revised?

Senator BOB BROWN—That is correct.

The TEMPORARY CHAIRMAN—That is correct. Please proceed.

Senator BOB BROWN—I would like to hear from the government and/or the opposition as to what their objection to that proposal is.

Senator WONG (South Australia—Minister for Climate Change and Water) (6.17 pm)—Thank you, Madam Temporary Chairman, and I appreciate that perhaps I have it wrong, but I think sheet 5816 revised deals with the required number of gigawatt hours and, essentially, making it a total proportion of energy as opposed to gigawatt hours. But I appreciate that Senator Bob Brown is obviously handling this debate in the absence of Senator Milne so I propose to respond on both amendments.

In relation to the first amendment on sheet 5816 revised, I have indicated to Senator Milne that I am prepared to read into Hansard certain words that deal with one aspect of her concerns—I do not pretend that it deals with all of them—and that is in relation to the 2014 review. The 2014 review will examine the likely effectiveness of the renewable energy target legislation in supporting deployment of renewable energy equivalent to 20 per cent of electricity demand by 2020. This would include consideration of actual deployment at that time, updated projections of renewable generation deployment and electricity demand, and any necessary adjustment to the target expressed in gigawatt hours. That was the government’s response to the amendments (8) and (14) on sheet 5816 revised.

In relation to the amendments on sheet 5887, the contents of which I think Senator Brown was referring to, can I say that this was raised with us this morning by Senator Milne. There is some merit in the matters raised by the Greens on this issue. I would like to indicate that we are prepared, as the government, to consider introducing a measure for off-grid power systems. We do think, after considering this issue in recent hours, that there are a range of policy issues which would merit full consideration of this matter before being put to parliament. We propose to refer this issue to the COAG review of small-scale technologies which can consider the desirability, the measure, and information on the extent to which this benefits remote communities including, in particular, Indigenous communities.

The review would take into account the experience with the renewable remote power generation program. It would also assess whether some of the parameters of that program are still relevant. For example, there are issues relating to the definition of remoteness from the grid, the costs of connection and the costs of both small-scale renewable technologies and other power generation technologies. The government would need to ensure that the level of any assistance contemplated is commensurate with contemporary and likely future trends in key costs. Finally, the review would need to consider the implications for the renewable energy
target as a whole consistent with its focus on other small-scale technologies.

So, as I said, we think there is some merit in the policy issues raised. We would like to consider some of the issues I have raised more closely in a measured and timely manner, and I have indicated to the chamber that we propose to look at this through the COAG review process.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (6.20 pm)—I thank the minister for that response. I have a little bit of difficulty with the use in the same sentence of ‘measured and timely’ and ‘COAG’ because COAG, as we know, is a lowest common denominator outcome where the eight or nine governments of the Commonwealth get together and whoever holds back prevents an agreement. With that in mind I ask the minister: has the rest of this legislation gone through COAG and, if it has, can the minister give some measure of assurance that this part of the legislation will go through the next appropriate COAG meeting? In short, I would like to know whether the minister anticipates having legislation which reflects the intent of this good amendment available, if it is found to be acceptable in the way we both think it is, this year.

Senator WONG (South Australia—Minister for Climate Change and Water) (6.21 pm)—Senator Brown, it is a pity that you have not been part of the discussions. The COAG review is scheduled to report at the end of the year and, yes, this legislation did go through COAG. The policy parameters went through COAG and were announced in April of this year.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (6.21 pm)—Yes, the policy parameters do not exclude this amendment by the Greens. I am wondering why the minister is singling out an amendment from the Greens—it has accepted a whole tranche of amendments from the coalition today—when it obviously has merit. If there is a problem with it down the line, we all know that that can be fixed up. I am concerned that this is going on to the never-never. The minister has made no real commitment to getting back to the chamber with a determination on this matter, and I would like to know whether we can get an agreement that that will happen this year.

The TEMPORARY CHAIRMAN (Senator Troeth)—There does not appear to be a response to that, Senator Brown, so I will put your amendments (8) and (14).

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (6.22 pm)—I know it is late in the proceedings, but there should be a response to that. This is a chamber discussing important matters, and silence on a simple question about the timetabling of an important amendment, which the minister sees merit in, is not satisfactory. I am not going to press the issue. If that is the way it is going with the minister, so be it. But it is not satisfactory as a response from a minister in a chamber discussing issues like this. Communities across this country would want to have the certainty of the outcome which this amendment provides, but which they will not have. Some certainty could have been provided by the minister in a spirit of goodwill, but there you go.

Question negatived.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (6.24 pm)—by leave—I move Australian Green amendments (8A) and (8B) on sheet 5887 revised:

(8A) Schedule 1, item 6, page 8 (line 1), after “However,”, insert “subject to subsection (3A),”.

(8B) Schedule 1, item 6, page 8 (after line 3), after subsection 23B(3), insert:
(3A) However, in the case of an off-grid small generation unit, the regulations must provide for a number of certificates to be multiplied in relation to the first 20kW of the rated power output of the unit.

(3B) In subsection (3A):  

**off-grid small generation unit** means:

(a) a small generation unit at least 1 kilometre from the nearest main-grid line; or

(b) in the case of a small generation unit less than 1 kilometre from a main-grid line—

the owner has provided written evidence from the local network service provider that the total cost of connecting the unit to the main-grid is more than $30,000, making it uneconomic to connect the unit to the main-grid.

Question negatived.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (6.25 pm)—by leave—I move Australian Greens amendment (10) and (15) on sheet 5816 revised:

(10) Schedule 1, page 8 (after line 10), after item 7, insert:

7AB  At the end of Division 4 of Part 2

Add:

Subdivision D—Period of validity of certificates

24A Period of validity of certificates

A certificate created in accordance with this Division is a valid certificate for the period ending 4 years from the date of its creation.

(15) Schedule 1, page 10 (before line 1), after item 8, insert:

8AB Section 45

Before “A certificate”, insert “(1)”.

8AC At the end of section 45

Add:

(2) For the purpose of paragraph (1)(a), a certificate is a valid certificate for the period ending 4 years from the date of its creation.

These amendments limit the banking of the RETs to four years. The outcome of this amendment would be to smooth out the boom-bust potential in the system as it is before the chamber. We are not going to die in a ditch over this, but it would give more stability to the system were it to be accepted.

Question negatived.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (6.26 pm)—I move Australian Greens amendment (13) on sheet 5816 revised:

(13) Schedule 1, item 8, page 9 (line 18) to page 10 (before line 1), omit the item, substitute:

8  Section 40

Repeal the section, substitute:

40 Required GWh of renewable source electricity

(1) The **required GWh of renewable source electricity** for the years 2001 to 2009 is set out in the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>GWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>300</td>
</tr>
<tr>
<td>2002</td>
<td>1100</td>
</tr>
<tr>
<td>2003</td>
<td>1800</td>
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<td>2005</td>
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<td>4500</td>
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<td>2007</td>
<td>5600</td>
</tr>
<tr>
<td>2008</td>
<td>6800</td>
</tr>
<tr>
<td>2009</td>
<td>8100</td>
</tr>
</tbody>
</table>

(2) The **required GWh of renewable source electricity** for the years 2010 to 2030 is set out in the following table:
Required GWh of renewable source electricity as a percentage of total electricity produced

<table>
<thead>
<tr>
<th>Year</th>
<th>GWh</th>
</tr>
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(3) The Minister by 30 September each year must cause to be prepared and tabled a report estimating for subsequent years the GWh of renewable source electricity to which the percentage targets in subsection (2) are likely to equate.

(4) The Minister must review and increase the target specified in subsection (2) for a year if the value of a renewable energy certificate is below $40 for more than 6 months.

This is an important amendment, and this is certainly one that will show the space between the Greens and the two older parties. The amendment reviews the target and it effectively increases the target to 30 per cent of renewable energy to be delivered by 2020.

Senator Boswell interjecting—

Senator BOB BROWN—I hear Senator Boswell laughing about that. I do not know why. I did see one figure of 28,000 jobs being created by the 20 per cent figure—

Senator Boswell—What nonsense!

Senator BOB BROWN—Senator Boswell says ‘nonsense’ to that. That is his attitude and the National Party’s attitude to the creation of jobs—mostly in rural and regional Australia, I might add. By adopting this amendment, you could guarantee another 10,000-plus jobs being created in Australia and the internal competition between the different renewable energy options being somewhat relieved.

The minister has added to her 20 per cent target the advantageous gases coming from coalmining to be used to produce energy. But a much wiser proposition here is to have Australia catch up a little bit with the rest of the world. Our targets are way behind those for renewable energy in countries like Austria, Denmark, Norway and a whole range of other European countries, and New Zealand. This is simply going some way towards giving the renewable energy industry the boost that it deserves to get.

The opposition to that is the coal based industries. I used that figure of 28,000 as a potential outcome from the renewable energy industry coming from this legislation, but it can be much bigger. Using 2007 figures, that is the equivalent of the jobs held by the whole of the coalmining industry in Australia. But we are not talking about replacing them; we are giving them alternatives here—including to many of them in rural and regional Australia—to an industry which is going to see job shedding in the coming decades simply because the world is turning away from coal. It is a very important differ-
ence you see here between the Greens and the coalition and the Labor Party.

This amendment would set this country on the road to renewable energy much faster. This amendment of itself would stimulate research and development as well as stimulate the manufacturing, the deployment and the maintenance of renewable energies right across this country. There would be a multi-thousand-dollar spin-off from it. It would inevitably increase our export industries, because they go hand in hand with the domestic research, development and production of renewable energy in this country. We think it is still a very conservative target for a nation like ours. The whole driver of this is climate change.

I reiterate to the chamber the point of view of global economists like Sir Nicholas Stern that countries which take a lead in environmental technology will be those with the strongest economies in the coming decades. The target, as it is in this government’s legislation, leaves us way behind other countries. This amendment is the Greens modestly increasing that target to see that we go somewhere towards matching the rest of the world. It is basic.

Senator Wong has been talking about what the government took to the last election. The Greens took much stronger proposals for a green new deal, if you like, to the last election, and we will be going to the next election with updated proposals to put the Australian economy in the forefront of this new age of green technology—the greening of manufacturing and the greening of whole economies. We are lagging way behind that under this government, as we did under the last government. The Greens are a stimulus to achieving that and here is a legislative opportunity to help Australia move into an age of reaping the benefits of environmental technology, not least through small business. This is a gift to small Australian enterprises—putting money as well as clean energy into local communities and creating jobs in local communities. I commend the amendment to the chamber.

Senator ABETZ (Tasmania) (6.32 pm)—Just briefly on behalf of the coalition, we oppose the amendment. As I indicated during my second reading contribution, the coalition has a proud record of having introduced the renewable energy electricity legislation into this country. We believe that renewable energy targets need to be set in a staged, safe and sustainable manner. We are now debating moving the renewable energy target to 20 per cent. We support that. The Greens are saying, ‘Let’s just increase it to 30 per cent.’ That would be a 50 per cent increase above and beyond that which would be proposed.

The reason that we say that we need to move on these things on a safe, steady and sustainable basis is that we do know that the cost of renewable energy is more expensive than that obtained from coal and other sources. Those other sources, unfortunately, do have more of an environmental impact. That is why we see the benefit in moving to renewable energy. But, in doing so, we have to make sure that our industries such as aluminium, cement, pulp and paper and food manufacturing do not move offshore because their capacity to compete is so dented by the cost of energy that they cannot compete anymore. So, whilst the Greens like to use the mantra that we support the big polluters, the Greens do have to wake up and realise that, if the price of power increases by dint of increasing the renewable energy targets to such an extent that industries can no longer compete on a global scale, they will remove themselves from Australia. They will then be in China, Brazil, Russia, India and all the other countries that do not have the environmental standards that we do.
There is the zinc industry, for example, in my home state of Tasmania. If my figures are correct, Nyrstar produces a tonne of zinc for about two tonnes of CO2 equivalent. In China, that same tonne of zinc is produced courtesy of six tonnes or three times as much CO2 equivalent pollution being produced. So, when the Greens say that we support the heavy polluters, what they are in fact saying is that they would not mind seeing the closure of these manufacturing plants in Australia and the pollution being put offshore into facilities that would pollute even more than they do in Australia. In those circumstances, the world environment would be worse off and our economy would be mud. That is why we have always said that these renewable energy targets need to be done on a staged basis. The Howard government has a proud record of having introduced the renewable energy target. We see that it is now time to move on to increase it on the basis of a staged evolution that is economically sustainable and, of course, will ensure that the world environment is not adversely damaged.

Senator BOSWELL (Queensland) (6.36 pm)—I listened very carefully to Senator Brown, and when I realised that he was prepared to move an amendment to increase the RET from 20 per cent to 30 per cent, it sent shivers down my spine. I think it is time that people actually understood how this system works: a megawatt hour of gas costs about $50 to produce; a megawatt hour from a photovoltaic cell costs $200; and a megawatt hour from wind costs $100. So, to make renewable power work, it has to have a huge subsidy, a subsidy of somewhere around $50, $60, $70. Who pays that? Not Senator Brown. Not the Greens. It will be the hospitals that will have to find another $2.7 million to cover their rent. It will be the industries that do not quite get to the break-even point with electricity. It will be the Murray Goulburn dairy companies. It will be the abattoirs in rural and regional Australia. This is not a gift; this is not just a windmill pumping wind that is cheap. It costs a lot of money. And when that money has to be paid by people who produce jobs, people who actually employ, people who have to compete against imported products—or even exported products, if they want to export—it kills their advantage. There is no such thing as free renewable power. It is very expensive. And it does not actually do anything, or much, to get rid of the CO2.

The Productivity Commission has never been a friend of the National Party. We call it ‘Dr No’. Australia’s leading research body, the Productivity Commission, says RET schemes would ‘not achieve any additional abatement but impose additional costs’ and would ‘most likely lead to higher electricity prices’. It also says they would encourage a new corrosion of politics by signalling ‘that lobbying for government support for certain technologies and industries over others could be successful’. That is the Productivity Commission. So, Senator Brown, don’t come in here and say you can create jobs by putting the cost of manufacturing up in Australia. Yes, you can create jobs—but, for every job you will create, you will lose jobs. Australia’s great advantage is cheap energy. That is why we employ people: because we have cheap energy. We have primary industries, we have cheap energy and we have mining. Those are three of our natural advantages. Putting the price of power up is going to take one of those advantages away. It is also going to impact on mining and it will certainly impact on primary industry. So, to all those people who think that green power is a wonderful thing, I say: yes, it gets rid of a bit of CO2—there is no question about that—but, by gee, it is an expensive way to do it. Any idea of putting this up to 30 per cent is quite
bizarre. I am surprised that you would even go down that track.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (6.40 pm)—I must respond to that little piece of last century. The world is facing catastrophic climate change because of that thinking. In the last year, on the best estimates that are available—and, if Senator Boswell has better estimates, I would like to hear them—the impact of climate change on the globe was measured in many billions of dollars and 300,000 people losing their lives. I think that is a very modest estimate. I ask Senator Boswell: what is the cost of that? It seems to me that the National Party is stuck in this mindset that everything comes from the largesse of the coal industry and the logging industry.

Senator Boswell interjecting—

Senator BOB BROWN—Senator Boswell calls the coal industry a primary industry. You see, the problem is that the National Party has lost its way. Once upon a time it was the agricultural industries that were primary industries—the food producers and the fibre producers, the people on the land who provided the food, sustenance and shelter for the people in the cities. That is the view the Greens still take. It is a view that is undermined by this persistent and full-on support of the coal industry and its subsidies, come what may.

Let me explain a little bit more about that to the chamber. Firstly, about 75 per cent of the coal industry’s profits flow overseas, because it is largely overseas owned. Some National Party—to be putting that up against the rural producers in this country. The second thing, as I said earlier, is that it employs some 28,000 people, but the rural industries employ hundreds of thousands of people. If you look at the Garnaut report, just on the Murray-Darling Basin, and the impact of climate change coming down the line, 128,000 jobs are at risk there. A report just a week ago pointed to the Great Barrier Reef, where there are 63,000 jobs at risk, and the potential, if we do not act on climate change, of some $38 billion being taken out of the wellbeing of the Queensland economic base. The National Party will put the coalmining industry—foreign owned, with its profits flowing out of this country, massively subsidised—in front of the industries based on the Great Barrier Reef and the rural industries. Here is the problem: you cannot have it both ways. I for one am not going to allow that double-handedness of a National Party that has lost its way trying to have it both ways. Senator Boswell has said, ‘Well, you will have to subsidise this renewable energy industry.’ The question is: what about the fossil fuel industry?

Senator Boswell interjecting—

Senator BOB BROWN—If the National Party has alternative figures, put them before the Senate. But on best estimates there is $9,500,000,000 in subsidies in this country, from state and federal governments—largely Labor governments, but it has been built up under coalition governments in the past as well. That is money being drained out of the economy to put into the pockets of those who are promoting not just the burning of fossil fuel, in this day and age—and I know our economy has been based on that—but the expansion of that. That is what the National Party, and indeed the Labor Party, are in favour of, with billions of dollars more set aside. This is in direct subsidies through infrastructure spending coming up in the future. What for? For coal-loading facilities to expand and accelerate the digging up and export of coal from Australia to be burnt elsewhere on the planet, not least Japan and China, and to put more greenhouse gases into the atmosphere. For what purpose? To line the pockets of these big multinational
corporations that are largely owned outside this country.

If Senator Boswell or any of his National Party colleagues want a debate on this, they can name the time, the place and the adjudicator and I will be there to debate it. We have last century thinking getting in the way of this century innovation. Other countries are way ahead of us with their renewable energy targets. The Greens say 35 per cent. Austria—and there is a big hydro component to this—is up over 80 per cent. Denmark is aiming for much more than half of its energy economy to be based on renewable energy. The argument has come from the National Party and its Liberal Party colleagues—and a lot of Labor Party members as well—that we cannot progress to reduce greenhouse gas emissions in this country before the rest of the world does it. This is the China syndrome: ‘Until China does it, we won’t.’ But other countries around the world, including China, are way ahead of us in moving to renewable energy.

Then we hear from Senator Boswell that we should stay behind because we will get the advantage of cheap, subsidised—and taxpayers pay for those subsidies—coal-burning industries in Australia. We have just had the debate about burning forests, which is highly subsidised by the taxpayer under the Rudd government as well. It is time that they were taken on about this. And we will take them on about this, and we will do it around this country. What is happening here is that we are supporting the fossil-fuel-burning industries to expand and supporting the logging industry to start burning native forests at Eden, in the Tamar Valley and elsewhere in this country. This will rip away the high job-creating potential of the clean, green economy of the future.

It is very sad indeed that the best that the Labor government could do today was to cave into the coalition to give these big polluters another windfall. That is effectively what has happened with the agreement made today between the coalition and the opposition. They have lined up again. Who is the beneficiary? Is it the Australian public? Not on your life. Is it small business? No, it is not. This arrangement made today will line the pockets of the big polluters. That is what the outcome will be. And Senator Boswell comes in here—

Senator Boswell interjecting—

Senator BOB BROWN—And I welcome him here, as he says, ‘How dare Senator Brown come in here.’ You are welcome in here as far as I am concerned, Senator Boswell. The more you want to debate this, the more that I will take you on, because you are wrong, outdated and backing the wrong horses. We back the Australian people, a new economy, a green new deal, jobs into the future and a much healthier economy instead of the old fossilised industries, which are largely overseas owned, that the National Party is backing.

Let me put this other statistic in as a challenge to The Nationals or indeed anybody else in this chamber: it is expected by global forecasters that we will increase our individual wealth by 200 to 300 per cent by mid century. If we were to tackle climate change as if it mattered and so that we were world’s best practice instead of mediocre or world’s worst practice, it would knock a per cent or two off that. If you take all the current parameters, it is not going to materially change the wellbeing of our economy by mid century. What does change is that you give security to the planet. What does change is that you give people the feeling that they are in an age in which we are not continually drawing on the limited capital of this planet, its atmosphere, its natural resources and its oceans—all of which are threatened by fail-
ure to act. What we will have here tonight if this amendment goes down will be a studied failure to act by people in the government and on the opposition benches in the Senate.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (6.49 pm)—Obviously, I have to respond to that. The Greens always come up with this Calamity Jane type of politics: the world is going to end and therefore that becomes the excuse for everything else to be set aside. Australia would be in no position in the world to propose anything if we had our backside hanging out of our pants. If we were broke and if no-one had a job, there would not be much point standing on a pulpit then. That would quite obviously be a great recommendation that your position was without note.

Senator Brown talks about catastrophic global warming. There seems to be some sort of idea that there is a nexus here and that something we do here in this chamber is going to change that. First of all, I have to put on the record that I have serious doubt about our ability to change the climate. What we must do on the way through is nurse our economy so that it is still there at the end for us.

They always come up with the same hoary chestnuts. They talk about the National Party, the Liberal Party and the coalition running scare tactics. But the obvious one that gets dragged out is that the Great Barrier Reef is going to perish. I do not pretend to be an oceanographer, but I know people who are. I refer to Dr Peter Ridd, who is the oceanographer from James Cook University. He did the thesis on it, not me. He says that this is rubbish and that the Great Barrier Reef is far more robust than the Greens want to give it credit for. I think that he knows more than we do, sorry; I think that he does. That issue has to be taken on board.

Then we have the Carbon Pollution Reduction Scheme. If carbon is pollution, then rainforests are rubbish. I do not think that carbon is pollution. Carbon is a substance. If carbon was pollution, then I have big problems. One of the interests that I have in common with Senator Brown is an interest in botany. I remember the Wollemi pine, Wollemia nobilis. One of the reasons that is given for the abundance of life that was apparent at the point in time when that pine was common was supersaturation of carbon—1,000 to 1,500 parts per million. Looking at the Antarctic, we had the development of animals with the capacity to deal with long nights and long days. The botany was of that form as well.

I am just premising this because the amendments and the propositions that Senator Brown puts forward work on the core argument that more carbon is bad. The world has been through times when there was vastly more carbon in the atmosphere than there is now and a short period of time when there has been less. We cannot just destroy the Australian manufacturing industry and believe that we will have anything to offer the world other than a great reason not to have more environmentally sensitive purposes.

I think one of the good things about renewable energy targets is that they start breeding efficiency. I wish that we had biofuels and other things like that involved in this. With forests, I think it is absolutely essential that we do not just take the logs and waste the rest of the trees. If we have the capacity to use what is lying around, that is good. Senator Brown draws this connection between the National Party and the coal industry. I do not think—and neither does anyone else in the National Party—that coal should be used in prime agricultural land, but I am not going to flush Australia’s major export down the toilet. That should not just be
the position of the National Party. It should be the position of the National Party, the Liberal Party and the Labor Party. It is Australian working families who are one of the greatest beneficiaries of the coal industry. For the life of me, I have never seen any constructive, economic presentation of facts that shows us how we are going to progress the Australian economy away from the coal industry. We get lots of hyperbole and statements about glowing horizons of wonderment of where Australia may end up. I know where we will end up if we completely disarticulate the main export earner and the main income earner for our nation. We will end up broke. That is not clever.

I suppose the National Party has to be cognisant of the economic reality we live in. We rely on the money that comes into this nation from export sources. Our main export source is the coal industry. It would stand to reason, therefore, that we would be supporting the coal industry, being one of the biggest employers in regional areas. We do not support it absolutely, unequivocally and in every corner of the countryside, and we have been leading the debate to make sure there is a protection of prime agricultural land that should not be exploited by coal. But the Greens have this all-or-nothing approach to politics. They occupy a very distinct part that never has to actually cough up the reality of the positions they put forward. Senator Boswell has stated the obvious: what the Greens are hoping to do is put a proposition forward that is once more going to start eating into the capacity of Australia to maintain a manufacturing base. It is a Labor Party Prime Minister who says, ‘We want to have a nation that makes things.’ You cannot make things if you are completely unviable on the international market. How do you actually sell something? I close by saying to Senator Brown: if it is really the be-all and end-all of carbon reduction, then you will have to look at taking on nuclear power. If you do not take on nuclear power, then you unfortunately are living in the 1950s.

Senator WONG (South Australia—Minister for Climate Change and Water) (6.56 pm)—I wonder whether I could perhaps just indicate the government’s view on where the passage of this legislation is. The estimate from the Clean Energy Council on the investment forgone per week is around $2 million as a result of this bill not yet being passed. We are very keen to have this legislation passed, and we have worked hard. I acknowledge the approach of the cross-benchers and the opposition to seeking passage of this legislation and negotiating amendments. I appreciate we have very different views about what should be included. I respectfully submit to the chamber that those views have been well ventilated. The differences of opinion of individual parties and senators have been put on the record on a number of occasions.

Obviously, it is entirely a matter for the chamber how it wishes to proceed with this debate. I respectfully suggest that what we are now doing is not actually debating the amendments but debating a whole range of different issues around climate change. As the Minister for Climate Change and Water, I think the chamber would note that I am not averse to having that debate—I am quite up for that debate—but I am asking the chamber to consider whether we could expeditiously deal with the amendments in light of the fact that senators have put their parties’ positions and their personal positions on this issue very clearly, given the genuine public policy merit in the passage of this legislation. It is legislation that I think demonstrably, despite our differences of opinion about aspects of it, does have the support of a significant number of senators in the chamber.
Senator IAN MACDONALD (Queensland) (6.58 pm)—I appreciate and acknowledge what the Minister for Climate Change and Water has just said and I have indicated to Senator Abetz and our whip that I will only be a couple of minutes in my contribution. I am absolutely sick and tired of the myths that continue to be propagated by the Greens political party. We just had another instance 10 minutes ago when Senator Brown was saying that the Great Barrier Reef, the 64,000 jobs it generates and all the money that comes from the Great Barrier Reef will be destroyed because we did not pass the CPRS Bill during the week. That is absolute myth. It is fantasy. It is absolutely ridiculous. What will save the Great Barrier Reef is if the United States stops emitting, if China stops emitting, if India stops emitting, if Russia stops emitting, if Indonesia stops emitting, if Colombia stops emitting, if South Africa stops emitting and if the rest of the world stops emitting. With less than 1.4 per cent of the world’s emissions, to suggest that by passing a bill last week that dealt with a small section of Australia’s less than 1.4 per cent of emissions Australia would cure all the ills that the Great Barrier Reef may or may not be facing is just fantasy.

The Greens continue to propagate those sorts of myths. Regrettably, they con some people. Some people go along with that, but as someone who lives up there, who understands and loves the reef and who is concerned to make sure that the reef is in the best possible state, I want to achieve an outcome that is real. But this parliament is simply passing a bill dealing with less than 1.4 per cent—

Honourable senators interjecting—

Senator IAN MACDONALD—You can laugh! The Greens, I suspect, almost believe their own conning of the Australian public, although they are clever enough to realise that it is a great con job on the Australian people. I will not sit by and let the Australian people be conned, particularly in relation to the Great Barrier Reef, by the sorts of drivel that comes out of the mouths of the Greens political party members.

I promised Senator Abetz that I would not take more than three minutes and I do understand the point that Senator Wong has made so I will cease there, but I could not, in all honesty, allow that sort of conning of the Australian public to go unchallenged.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (7.01 pm)—Well, you can see why Senator Macdonald, whom I think is now leaving the chamber, had one of the shortest tenures as minister for forests, in Australian history. That was an appointment made by Mr Howard, which he did not—

Senator Ian Macdonald—Four years!

The TEMPORARY CHAIRMAN (Senator Moore)—Senator Brown, I take you back to the amendment.

Senator Ian Macdonald—It was four years. I was one of the longest-serving forestry ministers.

Senator Abetz—I was shorter!

Senator BOB BROWN—Senator Abetz is bidding and saying that his term was shorter, which shows that Prime Minister Howard did have some judgment!

Senator Ian Macdonald—I think I was probably the longest-serving forestry minister ever.

The TEMPORARY CHAIRMAN—Thank you, Senators.

Senator BOB BROWN—I did get confused between the longevity of the tenure and the ability. I was talking about the quality and the ability of the minister.
Senator Ian Macdonald—You might be right there but—

Senator BOB BROWN—At least he says that I am right there. We have agreement that his quality and ability was a spectacle at the time. I want to get back to the amendment. Senator Joyce has indicated that nuclear power would be a better alternative. Again, here is a National Party point of view which the Greens do not agree with. I was at a meeting of chief executives of entities which have big investment potential for Australia today and I was asked a question about nuclear power. I will only take a minute or two here to ask: what is it with the Rudd government that follows up on the Howard government in exporting our uranium to China, which has rockets that can reach Sydney and Melbourne, and which is simply using uranium from Australia to displace uranium going into its nuclear power stations to allow it—if you believe there is a division capable here—to increase its nuclear weapons stockpile?

Through you, Temporary Chair, Senate Joyce is wrong. The nuclear industry, even if it did exhaust the high-potential uranium stocks on the planet, could not meet the need for the world to get away from burning fossil fuels. But what can do that is renewable energy and energy efficiency. That is why this amendment is so important—because we are saying, ‘Let’s catch up with world’s best practice here.’ Let’s not, as Senator Macdonald suggested, wait for Columbia—or Russia, China or any of the other countries he mentioned—to take the first move. That was quite a remarkable statement from a senior coalition member. I hope that schools will reach for Hansard to read that statement because it shows the mindset that we are working against here.

There is a lot of anger, no doubt, on the more conservative side of the opposition benches, but the point I was making is that the government and coalition have got together today to make an unsatisfactory piece of legislation much more of a polluters’ handout, against the interests of the renewable energy industry. This amendment would increase by 50 per cent the aliquot of energy that is required to come from renewable, and therefore non-climate-change-enhancing, sources in this country by the year 2020. That is way below the target of many comparable countries elsewhere in the world, and yet the combined wherewithal of the government and big opposition party in here is against that. That sells out the best of Australia’s national interest into the future, including rural and regional Australia, and it is just not good enough.

Senator ABETZ (Tasmania) (7.05 pm)—Very briefly, can I indicate that what we are debating is what the renewable energy target ought be—20 per cent or 30 per cent. Senator Wong’s party went to the election with a promise of 20 per cent, as we did, and, as I understand the situation, about 90 per cent of the Australian people voted for the two majors in relation to that. To suggest that some deal has been struck today in relation to changing that target is simply wrong. It has been our policy position for quite some time, endorsed by about 90 per cent of the Australian people.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (7.06 pm)—It is a complicated piece of legislation we are dealing with. Senator Abetz thinks that the deal that the opposition and the government struck today was about this target. That escaped me. Yes, they have agreed on a 20 per cent target, but the amendments that were made today, I will let him know—I thought he may have been informed about it by his coalition spokesperson—are simply to facilitate a bigger handout to the polluters. That is at the expense of the renewable en-
nergy industry, which is far more labour intensive, far more small business oriented and far more regional Australia oriented and which puts its money back into this country— unlike those big polluters who put the majority of the money into the pockets of people elsewhere on the planet. We lose out in every direction. I am surprised that Senator Abetz has confused the Greens amendment with the big deal made between his party and the opposition on a range of polluter oriented amendments today.

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

The committee divided. [7.11 pm]
(The Chairman—Senator the Hon. AB Ferguson)

Ayes............. 5
Noes............... 38
Majority......... 33

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

NOES
Abetz, E. Adams, J. *
Arbib, M.V. Back, C.J.
Barnett, G. Bilyk, C.L.
Birmingham, S. Bishop, T.M.
Boswell, R.L.D. Brown, C.L.
Cash, M.C. Colbeck, R.
Crossin, P.M. Farrell, D.E.
Faulkner, J.P. Feeney, D.
Ferguson, A.B. Fielding, S.
Fisher, M.J. Furner, M.L.
Humphries, G. Hurley, A.
Hutchins, S.P. Johnston, D.
Joyce, B. Lundy, K.A.
Marshall, G. McEwen, A.
McLucas, J.E. Moore, C.
Folley, H. Pratt, L.C.
Stephens, U. Sterle, G.

Trood, R.B. Williams, J.R.
Wong, P. Wortley, D.

* denotes teller

Question negatived.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (7.14 pm)—I move Australian Greens revised amendment (16) on sheet 5886:

(R16) Schedule 1, item 9, page 11 (lines 1 to 16), omit section 162, substitute:

162 Biennial review of operation of renewable energy legislation

(1) The Minister must cause an independent review of the following to be undertaken as soon as practicable after 30 June 2012 and every 2 years after that date:

(a) the operation this Act and the scheme constituted by this Act;
(b) the adequacy of the renewable energy target set by this Act;
(c) the operation of the regulations;
(d) the operation of the Renewable Energy (Electricity) (Charge) Act 2000;
(e) the diversity of renewable energy access to the scheme constituted by this Act;
(f) a cost benefit analysis of the environmental impact of that access.

(2) A review must be undertaken by a person who, in the Minister’s opinion, possesses appropriate qualifications to undertake the review.

(3) The person undertaking a review must give the Minister a written report of the review before 31 December in that year.

(4) The Minister must cause a copy of the report to be tabled in each House of the Parliament within 15 sitting days of that House after the day on which the report is given to the Minister.

(5) The report is not a legislative instrument.
This amendment provides for biennial reviews of the functioning of the legislation and to provide information from those reviews to the parliament so that we can get an assessment of how it is going. It is inevitable in this fast-changing field of energy legislation that there is going to be a need for informed parliaments all the way down the line able to review what is happening and improve upon legislation, no matter what we might think of this. I thank Senator Xenophon, on behalf of Senator Milne, who came to the same conclusion on the value of these reviews.

There may be some anxiety about the debating of this amendment. This will not take long, and there are a couple of other amendments to come, which means we are unlikely to get through this tonight. But it will pass on the morning. The indications are that it will, and the Greens have every intention to see this legislation through this place before we rise tomorrow. That said, I commend this amendment to the chamber.

Senator XENOPHON (South Australia) (7.16 pm)—I briefly indicate that I support this review. It is similar to an amendment that I was going to move. The Greens have incorporated my concerns and I am very pleased to support this amendment.

Senator WONG (South Australia—Minister for Climate Change and Water) (7.16 pm)—The government will not be supporting this amendment. Given that we are not going to get this through tonight, I thought I might respond to a couple of the barbs from Senator Bob Brown, including his comments about climate change et cetera. I just want to say this: even with the passage of this legislation, Australia’s contribution to climate change will continue to worsen. So for Senator Brown to come in here and say that, after he has chosen to vote down the first piece of legislation to put a legislated limit on Australia’s contribution to climate change—the first legislated limit on Australia’s carbon pollution—is really extraordinary. If he really were about delivering policy to reduce our contribution to climate change—to put in place the price incentives, the system that will drive innovation in clean technologies and drive the development of the new economy that he talks about—he would not have sat with Senators Boswell, Joyce and Fielding to vote against the government’s Carbon Pollution Reduction Scheme. Because even if the legislation that is before the chamber now passes this Senate—which I hope it will, given the contributions which have been made—we know that Australia’s carbon pollution will continue to rise to 120 per cent of 2000 levels by 2020. So there is an enormous amount of posturing in this debate today and previously. I hope that we can, as a Senate, debate the issue of policy on climate change in a more sensible way than we have seen thus far in this debate and certainly in the debate last week.

The senator asked about our attitude on a feed-in tariff. I again remind the good senator that the government did not go to the election with a commitment to implement a feed-in tariff; we went to the election with a commitment to implement what is before the chamber: a 20 per cent increase in Australia’s renewable energy target, a fourfold increase in Australia’s renewable energy by the end of the decade.

In relation to the response on the off-grid issue, the senator talked about COAG and the never-never. I did not respond, because I had previously responded to the question. I had said that the COAG review was anticipated to report by the end of the year. I trust that we are able tomorrow to get through some of the amendments. I am very happy to have a debate on climate change. I would remind those in this chamber that everyone other than Labor senators voted against hav-
ing a debate in committee and simply voted to oppose that legislation. They may want to move on from that, but the reality is that the Greens and the opposition voted to ensure Australia’s carbon pollution continued to rise. I understand that the senator is sensitive about this, but that is the reality, Senator Brown.

The TEMPORARY CHAIRMAN (Senator Moore)—Senator Brown on a point of order? You have five seconds, Senator Brown.

Senator Bob Brown—It is the deal covering the coalition the senator has with the Nationals and the Liberal Party tonight. That is what it is all about.

Progress reported.

ADJOURNMENT

The PRESIDENT—Order! It being 7.20 pm, I propose the question:

That the Senate do now adjourn.

Millennium Development Goals

Senator PRATT (Western Australia) (7.20 pm)—This evening I rise to speak on the importance of Millennium Development Goals 4 and 5, particularly in the face of the current global economic downturn. These goals enshrine our commitment to reduce child mortality and improve maternal health in the developing world. Indeed, the effects of the downturn are far more pronounced in the developing world than in developed countries.

The downturn we are experiencing is having a severe human cost—a cost that is being borne disproportionately by poor women and children. The World Bank has highlighted the gender-specific impacts of the current downturn. It estimates that, if the current crisis were to persist, there would be between 200,000 and 400,000 additional infant deaths per year in the 2009 to 2015 period. This represents up to 2.8 million additional infant deaths over these years.

Negative financial shocks are indeed more harmful to girls than boys. In developing nations, a one or more unit fall in GDP is estimated to increase infant mortality by 7.4 deaths per 1,000 for girls compared to an increase of 1.5 deaths per 1,000 for boys. In response to reduced survival rates for children, the birthrate often increases, and it is women who are exposed to pregnancy related risks as a result. Similarly, girls in poor countries with low rates of female schooling are highly vulnerable to being pulled out of school when average household incomes decline. Reductions in women’s incomes in developing countries are problematic, as women have a preference to invest scarce resources in child wellbeing.

We know that women’s income in developing countries will be reduced as a result of the global downturn that we are experiencing. There are losses in employment in export related industries, as well as a tightening in microfinance lending, which supports many small businesses run by women. The gender dimension must be recognised in any effective response to the global downturn. Women’s empowerment and their economic agency are critical to a meaningful recovery.

As the Director for Gender and Development, World Bank, Mayra Buvinic said:
It is important to protect women in this crisis as they will be among the worst affected. But let us not look at women only as victims. Women can be agents of change. Considering them as full economic actors and investing in them is a smart way to help rebuild the economies of the world.

The Managing Director of the World Bank has urged developing countries to target women’s economic empowerment in stimulus packages. The thing is, such targeting can help ensure healthier growth in the future that reduces poverty more quickly for everybody. It is also equally important that devel-
oped nations do not use the current economic downturn as a reason to renege on their overseas aid commitments. Having met with the Burma Relief Centre and the Dalit Freedom Network today, it is very clear that the global financial crisis has resulted in difficulties for NGOs raising aid and a credit crunch that is affecting microcredit schemes. This must be addressed.

However, I am pleased that the Rudd Labor government’s commitment to the Millennium Development Goals remains undiminished in the face of the current economic crisis. The Rudd government is making good on our commitment to increase our official development assistance to 0.5 per cent of our gross national income by 2015. This budget saw us reach a spending level on development assistance of 0.34 per cent of GNI. That means we are on track to reach our 0.5 per cent target by 2015. I am pleased that the Rudd government has recognised that to meet the Millennium Development Goals we have to assist countries in our region to make faster progress on child mortality and maternal health. Progress in these very critical areas has been far too slow, and particularly slow in the Pacific. That is why the Rudd government has focused on developing a new framework for delivering official development assistance in the Pacific. This framework embodies a long-term joint commitment to achieving better outcomes on the Millennium Development Goals. Australia has since signed new partnership agreements for development with a number of Pacific countries, including the Solomon Islands and Papua New Guinea. These partnerships recognise that constraints in health workforce capacity must be addressed if the Millennium Development Goals are to be achieved.

Yesterday, I was very pleased to meet representatives from World Vision Australia. They discussed with me their experience of what works and what does not work when it comes to reducing child deaths and improving maternal health in the Pacific. Their experience confirms that training, deployment and support of appropriately qualified community health workers and, most especially midwives, is absolutely critical. World Vision Australia recently produced a report on their experiences in the Solomon Islands and PNG. I urge senators to look at it. This report is a very timely reminder that, while these problems may seem intractable and progress has been very slow, change is possible. We have to remember that in Asia, where the largest reductions in poverty have been achieved, 30 to 50 per cent of economic growth has been attributed to favourable demographic and health changes. That is a powerful argument for devoting a substantial portion of our development assistance to health priorities, especially maternal health and family planning. By working in partnership with developing nations, we are able to make a real difference.

In the Solomon Islands, for example, the maternal mortality rate has dropped quite dramatically since 2000: from 550 down to 140 per 100,000 births. This fall in maternal deaths has coincided with the increased deployment of midwives. Most of these midwives were trained through the Solomon Islands Diploma in Midwifery, which includes a very substantial component of practical training under the supervision of clinical educators. This diploma was only established in 2001 and it is already making a real difference. It demonstrates that it really is possible to produce significant numbers of skilled midwives quickly.

Contrast this with PNG, another Melanesian country with the same GDP per capita and the same population growth rate as the Solomon Islands. In PNG the maternal mortality rate stands at 733 per 100,000, and there is evidence to indicate that it has actually gone up over the past 10 years. That rate
is the second highest in the Asia-Pacific and is second only to Afghanistan. That rate is five times as high as the rate in the Solomon Islands. That is, five times as many women die—many of them mothers; all of them of critical importance to their communities. The experience in the Solomon Islands strongly suggests that there is nothing inevitable about these deaths. The vast majority of these women do not need to suffer and die, leaving their partners, siblings, parents and children bereaved and bereft of their support. The maternal mortality rate in PNG is, quite frankly, a disgrace. Progress in the critical areas of maternal health is essential to the welfare of poor families and the empowerment of women. We must make a difference in these areas.

In closing, it is of vital important that our aid is targeted at women, their economic independence and their health. Without this commitment, we will not only continue to deprive women and children—sometimes of their lives—but fail to reach overall economic and social development goals.

**Bushfires**

Senator WILLIAMS (New South Wales) (7.30 pm)—I rise to talk about the environment, especially national parks. I take the Senate back to what I said in my maiden speech to this chamber last September:

I disagree with a lot that the New South Wales government has done over recent years. Bob Carr had a policy of creating new national parks, which are not managed properly. You cannot simply lock them up and leave them. If you do, fire will destroy them.

That is what I want to talk about tonight. The national parks in New South Wales have been developed and simply not managed. The three things necessary for a raging fire are high temperatures, wind and fuel on the ground. It is a disgrace—that is the correct word—to see the damage caused in these national parks when you drive through those areas after these fires. Two and a half years ago I drove through the Pilliga area of New South Wales. A huge fire had raged through that state forest and national park. The fuel levels were far too high—there was no grazing and no management. All that was left were black sticks and trees burnt right to the crown. A hot fire reached to the top and that is what devastates those trees. These fires kill both the small animals and those larger animals that cannot move quickly, such as koalas.

In the previous year we had a huge fire in the Goonoo State Forest between Dubbo and Mendooran. It was the same thing: hundreds and hundreds of thousands of acres burned to a cinder. The question I ask is: why is this policy in New South Wales? The answer is simple: it is the pressure of the Greens. To secure their vote in the Legislative Council, the government is pressured by the Greens to lock up national parks to be seen to be conservationists—to be seen to be green and looking after the environment. The result is destruction. When you lock these areas up and do not manage them, the fuel levels grow, lightning strikes and fire burns from one end to the other, killing the animals and the trees—and people call it conservation. I call it stupidity. That is what it is.

A few years ago a bloke addressed a National Party gathering in Sydney. His name was Professor John Wamsley. He spoke about how Australia used to be before the fox was introduced to this country. We had a great many small species of kangaroos, for example, that grazed the grasses heavily and those fuel levels would not build up, so when the Aborigines lit fires or lightning strikes caused fires you would get a gentle fire creeping through the forests and the heavily timbered areas, not a raging fire. Unfortunately, one of the stupid things we did—hindsight is a wonderful thing—was to bring
things like foxes and cats to this nation that have destroyed so many of our native animals, including and especially our birdlife.

My concern is that this policy simply continues. We saw the federal government, in conjunction with the New South Wales government, buy the 90,000-hectare Toorale Station at Bourke. About 100 jobs are gone and the food production is gone. It has been shut up to become national park. Unfortunately, someone is going to stand up in this place in years to come and say, ‘Toorale Station just burnt from one end to the other as well.’ The fuel levels will increase, lightning will strike and fire will burn from one end to the other, killing the animals and the trees—and what happens then? The country just comes up in what are called woody weeds. It becomes a haven for wild pigs and feral goats and nature is destroyed. This is the effect the Greens are having on governments throughout this nation. They think that having more and more national parks is the way to conservation. It is not the way to conservation; it is the way to destruction. It is destroying those areas of our environment. If governments are going to establish more national parks, surely they must at least have the manpower there to manage those areas. They should be grazing those areas.

When Canberra was under threat from the huge fires some years back, Peter Cochrane stated, ‘The old-timers warned you: let the grass keep growing and, when stinking hot days come with savage, severe winds and high fuel levels, what do you have? You have a build-up of enormous potential danger and trouble.’ We have to learn to manage this country and keep the fuel levels down.

We think of Black Saturday in Victoria. What a tragedy that day was. I was in Victoria the week before. I think it was 44 degrees, and that hot weather continued. Of course, the winds blew up, but what were the fuel levels? The fuel levels were extreme. I recall seeing on TV that one bloke had cleared an area of a couple of hundred metres around his house. He cleared the trees and kept the grass down. He was fined $50,000 by the local government for clearing out natural vegetation. The insurance companies should have given him the $50,000 for the fine because it was the only house left standing. They did not have to rebuild his house because he managed the environment around him. This is what we have to learn: to manage these parks and the fuel levels. As Senator Ian Macdonald said, the fuel levels are out of control. Sure, we have had some droughts and some lean years, but the rains do come, especially in the northern and subtropical areas. The fuel levels are just getting higher and higher and, when the hot weather and the winds come and lightning strikes, how could you ever control a fire? The simple answer is: you cannot.

These are the problems we are having with national parks. This is all politically driven. The Greens are driving this very issue in order to wave their fist of power, especially in the Legislative Council of New South Wales. And the Labor Party is caving in to them. It is crazy. Bob Carr said his would be the greenest government New South Wales has ever seen and all we have are firebombs ready to go when the weather warms up again.

It is a tragedy when you are driving through these areas after they have been burnt and for 30 kilometres or so there is nothing left alive. When you walk in there, there is not a bird; there is no noise; there is just silence because everything is dead and those animals that were lucky enough to escape the fire, however they travel, have moved off to other areas. When are we going to learn our lesson about this? Surely, after the tragedy in Victoria, common sense will prevail to allow grazing in these areas. The
best ways to keep your fuel levels down are to either graze the land or to use hazard reduction burning. Hazard reduction burning requires a lot of manpower—manpower that we do not have. Governments are not employing people to manage the national parks. Surely, after the mess we saw last summer, some common sense should be brought into the equation to allow grazing—whether sheep or cattle; it does not matter what it is—to reduce those fuel levels and to reduce the heat of the fire and the danger.

As I stated in my maiden speech last September, if we are going to be serious about managing our environment then we need to get the politics out of it. Do not allow the Greens to go around gloating about how they have got more national parks, because under the current management of those national parks all we are doing is destroying them. To me, that is a tragedy. So let us hope that soon, because of what we have learnt from the past, common sense will prevail and proper management of our national park areas will be put in place to prevent these sorts of things from happening again.

Sri Lanka

Senator FURNER (Queensland) (7.38 pm)—On Tuesday afternoon of this week, I greeted two young Australians, Seran and Vishna, who had just completed a 300 kilometre walk from Sydney to Parliament House. The journey took nine days. It commenced in the heart of Sydney and went through country towns, finally ending in Canberra. Their intention was to raise concerns about the situation in camps in Sri Lanka, where there are an estimated 300,000 citizens, including their relatives, being held. Vishna is a 20-year-old who is currently studying criminology at UNSW, and Seran is a professional dancer, choreographer and teacher.

Both Seran and Vishna explained that the situation in the camps is severe, with a lack of water, food and medication, and major hygiene issues. They also stressed the importance of having these citizens released well before the annual monsoon season begins. Already there are reports that one of the camps is flooded, which has created serious health issues. I am informed that the camps are providing shelter in tents, which are extremely overcrowded with many families. The weather at the moment is dry with temperatures up to 42 degrees. There have been outbreaks of diseases such as meningitis, hepatitis and typhoid throughout the camps. As you can appreciate, there are pregnant women, children, the elderly, the injured and the disabled trying to survive in this environment. On top of these health issues, as one can imagine, there is the development of psychological trauma.

Both activists have different stories and different reasons for campaigning to bring these issues to our attention. Saran’s story, in part—which I quote from the internet—is as follows:

I got my first chance to visit my hometown in 2003, where I visited Jaffna in the North of Sri Lanka. It was a trip that I could say was bittersweet, mixed with many happy yet haunting memories. We stayed in a house with our relatives, relatives who I never knew I had. The walls of the house had many bullet holes, in fact nearly all the houses in the area had been damaged by the war.

Sadly, it is these same family members and friends who are currently detained within internment camps, even though they have homes and belongings of their own. They have become displaced within their own land and that is something they struggle with everyday. In my mind, there is no excuse for them to be there, the war is over, so why must they continue to suffer in camps? Along with them are 300,000 other Tamils, who are longing to return to their homes and homeland.
When I hear news of 1,400 people dying in a single camp (Manik Farm) and reports of forced prostitution, starvation, lack of proper sanitation and shelter, I can’t help but picture the faces of my family and friends. Images of my relatives, cousins, aunts and uncles flood my mind and I am engulfed in grief at the thought of them and what they are going through.

This walk is symbolic for me; it is 300km or 300,000 meters. I am walking a meter for every life which suffers in these camps today. I aim to create awareness about their plight, and I ask for your help, so that together we can help release the Tamils and re-settle them in their villages again. I hope that we can provide them with the basic necessities and human rights that we freely enjoy as Australians.

Vishna’s story is, in part, as follows:
I first visited the island of Sri Lanka in 2004 at the age of 15, and I must say it was an experience that definitely changed the way that I look at the world. I gained so much from that 4 month trip, where I spent time helping victims of the Boxing Day Tsunami. The damage caused by the Tsunami was terrible and I volunteered to look after children, teach infants and adults English and was able to learn more about Tamil culture and traditions, that I had not experienced back home in Australia.

All over the news, appear the images of howling children who have just been orphaned, and piles of human bodies stacked upon each other due to disease and starvation within the camps. The people and their faces have permanently entrenched themselves into my mind.

300km is a long way, but to think that as I write this, there is a child crying in their mother’s arms for food, or that an old grandparent is suffering uncontrollably from not being able to access adequate medicines, and so many other forms of unimaginable torture, I know that my walk is only the least I can do. By carrying out this walk, I hope and urge the Australian government and the general public to apply as much pressure as they can muster on the Sri Lankan government to release the 300,000 Tamils detained within camps.

Despite having different backgrounds and experiences, the young men had one common goal, and that is to help those Tamils in Sri Lanka to have access to what we have taken for granted: freedom, good health, wholesome food, water and an adequate roof over their heads.

The UN High Commissioner for Human Rights has called for unrestricted humanitarian access to the displacement camps and for an independent and credible international investigation into allegations which have consistently surfaced in the course of the fighting regarding serious violations of international humanitarian and human rights laws on the part of both sides. I am informed that the UN agents are not being granted full access to the displacement camps. Should this be factual, all restrictions on the access to the displacement camps preventing the successful work of the UN agencies, the ICRC and humanitarian NGOs must be removed to ensure that satisfactory medicine, food and other basic assistance can be provided. As the UN High Commissioner for Human Rights noted, this ‘will make the difference between life, illness and even death to many’.

The concerns and stories Seran and Vishna raised are very consistent with what I have been told through other persons from Sri Lanka. Last Sunday I was invited to attend the official opening of the Crusade for Peace and Justice, Australian Tamil Congress national launch at Toowong in Brisbane. Following the official launch a further guest speaker from the Queensland chapter of Amnesty International spoke of concerns their organisation holds for those people in Sri Lanka. In closing, we must continue to raise the concerns that inspired Seran and Vishna to walk 300 kilometres to campaign to save those 300,000 Tamil civilian lives in the camps of Sri Lanka.
Work of the Senate

Senator PARRY (Tasmania) (7.45 pm)—I wish to raise a couple of matters not only concerning my particular role as Manager of Opposition Business but also defending the good work of the Senate. On Monday, 17 August, Mr Albanese, the Leader of the House, made some remarks in relation to adjusting the order of business for the House of Representatives. I will quote two comments he made, and I refer to the Hansard of 17 August. The first thing he said was:

I take the opportunity to make the point that, while the House of Representatives is engaged in discussion about legislation and also about issues of concern that members have in their electorates, I think the same, unfortunately, cannot always be said of the other place.

He was referring, obviously, to the Senate. Later on in that same extract from Hansard he said:

The fact that the Senate has not extended its sitting hours, unlike the House of Representatives in both this chamber and the Main Committee, is also an issue which needs to be given proper consideration by the Senate. I would certainly ask that they do so.

I appreciate that Mr Albanese is trying to facilitate the business of the House of Representatives but his ignorance of the Senate, I think, is quite poor for someone in such a senior position. I issued a statement, following Mr Albanese’s comments in the House of Representatives, indicating that the Senate does extend its hours and has done on numerous occasions this year.

Mr President, I know it will be of no surprise to you when I remind the chamber of the extra sitting hours of the opposition in this place—at the request of the government and sometimes on our own initiative to assist the government. We have had some extra sitting days: an extra sitting day on Friday, 20 March; an extension until 10 pm on Tuesday, 11 August; and there have been eight major extensions of hours for the consideration of business. In addition to this the opposition has willingly given up valuable time—as we have done this week to facilitate legislation—on countless occasions at the request of the government and to assist the government with its legislative program. In particular we have made available the time on a Thursday afternoon when the opposition has its only chance to really prosecute major items and important issues in this place on behalf of our constituents and also on behalf of senators. That is our time of opposition business each Thursday afternoon for about 2½ hours.

In addition the opposition has traditionally had matters of public importance raised on a Monday, Tuesday and Wednesday and occasionally on some Thursdays. We have given up those on countless occasions to assist the government by giving them extra hours. Even this week there was the extra half-hour we facilitated because there were no government documents. Also after the period of non-controversial legislation that is put through in this place on a Thursday afternoon we have allowed the government to revert back to government business at the conclusion of that period, which in the past has not always been done. I just hope that Mr Albanese understands that the Senate does work hard and, contrary to his remarks, does extend hours.

Following the release of my statement with some of those facts, Mr Albanese then went back into the chamber and indicated that he disagreed with my remarks. He believed he was misrepresented. Mr Albanese then went to disguise some figures by indicating that the House of Representatives had sat for 534 hours and the Senate only 236 hours for the same period of time. He did declare though that there are two houses run-
ning simultaneously in the House of Represent-atives. They have the main chamber and the Main Committee where they can double up the number of hours, whereas we only have the one chamber operating here.

I think Mr Albanese needs to really reconsider his views about the Senate. The Senate works exceptionally hard and often sits longer. Whilst the Senate does not sit business hours, Mr Albanese did not take into account the 9 am to 11 pm sittings every day during estimates, sitting at the same time as the House of Representatives, which would probably give us an hour rating higher than the House of Representatives.

I would like Mr Albanese to talk to his Senate ministerial colleagues to understand the difficult nature of this place and how it works. We do not have the luxury—and certainly the government does not have the luxury—of being able to gag debates, so the legislation program is obviously going to be slower. Mr Albanese has had many occasions when the debate has been gagged, finished or cut-off so that the question on legislation can be put, but with a clear majority there is no choice or alternative.

Mr Albanese needs an education in the workings of the Senate and the valuable work that is conducted in this place. I know that some government members would be disappointed with his comments. I will be forwarding him a copy of the Hansard of this evening so that he is more aware of what the Senate does and of the fact that we do not take lightly some off-the-cuff remarks about how this chamber works, because this a great chamber and it works exceptionally well.

Senate adjourned at 7.51 pm

DOCUMENTS
Tabling
The following documents were tabled by the Clerk:
Commonwealth Authorities and Companies Act—Notices under section 45—
Australian Rail Track Corporation Limited, dated 24 June 2009.
Australian Rail Track Corporation Limited, dated 11 August 2009.

Indexed Lists of Files
The following document was tabled pursuant to the order of the Senate of 30 May 1996, as amended:
Indexed lists of departmental and agency files for the period 1 January to 30 June 2009—Statement of compliance—Health and Ageing portfolio agencies.

Departmental and Agency Contracts
The following documents were tabled pursuant to the order of the Senate of 20 June 2001, as amended:
Departmental and agency contracts for 2009—Letters of advice—
Finance and Deregulation portfolio agencies.
Foreign Affairs and Trade portfolio agencies.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Environment, Heritage and the Arts: Legislative Instruments
(Question No. 1705)

Senator Minchin asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 10 June 2009:

1. How many and which: (a) Acts; and (b) legislative instruments, including select legislative instruments, statutory rules and regulations, are administered within the Minister’s portfolio.

2. With reference to the ‘clean-up’ of redundant and potentially-redundant regulations being coordinated by the Department of Finance and Deregulation, which Acts or legislative instruments have been identified as redundant or potentially-redundant and why.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

1. I am advised that the Minister representing the Attorney-General will provide in her answer a complete list of legislative instruments and Acts broken down by portfolio.

2. In relation to redundant and potentially redundant regulations which have not yet been removed, advice relating to these groups cannot be provided at this point in time as the instruments are still subject to policy, legal and other considerations.

Housing and Status of Women: Legislative Instruments
(Question Nos 1714 and 1715)

Senator Minchin asked the Minister representing the Minister for Housing and Minister for the Status of Women, upon notice, on 10 June 2009:

1. How many and which: (a) Acts; and (b) legislative instruments, including select legislative instruments, statutory rules and regulations, are administered within the Minister’s portfolio.

2. With reference to the ‘clean-up’ of redundant and potentially-redundant regulations being coordinated by the Department of Finance and Deregulation, which Acts or legislative instruments have been identified as redundant or potentially-redundant and why.

Senator Wong—The Minister for Housing and Minister for the Status of Women has provided the following answer to the honourable senator’s question:

1. I am advised that the Minister representing the Attorney-General will provide in her answer a complete list of legislative instruments and Acts broken down by portfolio.

2. With reference to the ‘clean-up’ of redundant and potentially redundant regulation being coordinated by the Department of Finance and Deregulation in their 2008 stock-take and subsequently removed, there is one regulation involved:

<table>
<thead>
<tr>
<th>Name of regulation</th>
<th>Why considered to be redundant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security (Assurances of Support) Determination 2004</td>
<td>This Determination was considered to be redundant because it no longer had any application to social security payments administered by FaHCSIA.</td>
</tr>
</tbody>
</table>

In relation to redundant regulations and potentially redundant regulations which have not yet been removed, advice relating to these groups cannot be provided at this point in time as the instruments are still subject to policy, legal and other considerations.
Boston Consulting Group and Allen Consulting Group
(Question No. 1740)

Senator Ronaldson asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 10 June 2009:
Can a list be provided of contracts awarded to: (a) the Boston Consulting Group; and (b) the Allen Consulting Group, by the department and/or any of its agencies, of any value, between 1 January 2008 and 31 May 2009, including the value and primary deliverable of the contract.

Senator Conroy — The answer to the honourable senator’s question is as follows:
Between the period 1 January 2008 to 31 May 2009 two agencies within the Broadband, Communications and Digital Economy portfolio have awarded contracts to the Boston Consulting Group and the Allen Consulting Group as follows:

Australian Broadcasting Corporation (ABC)

<table>
<thead>
<tr>
<th>Organisation Awarded Contract between</th>
<th>Value of Contract (excluding GST)</th>
<th>Primary Deliverable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston Consulting Group</td>
<td>$1.5m</td>
<td>TV Broadcast Management System</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Web Content Management System</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Production Review</td>
</tr>
</tbody>
</table>

Australian Postal Corporation (Australia Post)

<table>
<thead>
<tr>
<th>Organisation Awarded Contract between</th>
<th>Value of Contract (excluding GST)</th>
<th>Primary Deliverable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allen Consulting Group</td>
<td>$394,704.55</td>
<td>Corporate Social Responsibility audit and assistance with policy development.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>External stakeholder research and development, and assistance with engagement review and planning.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Assistance with paper based strategy development.</td>
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Pulp and Paper Manufacturing Industry
(Question No. 1825)

Senator Milne asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 24 June 2009:
(1) Does the Government have a policy prohibiting the purchase of timber or timber products illegally logged in the country of origin.
(2) What brands of paper are purchased by the Government.
(3) Can the Government guarantee that timber products procured by the Government was not illegally logged.

Senator Sherry — The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:
I am advised that the Department of Agriculture, Fisheries and Forestry (the department) does not have access to information regarding the policies employed by other agencies, and therefore can only provide advice in respect of its own practices.

(1) The department procures goods and services in accordance with principles outlined in the Commonwealth Procurement Guidelines which set requirements for achieving value for money in government procurement processes.

(2) The department primarily purchases recycled paper from Paper Australia.

(3) While it would not be possible to provide an absolute guarantee on this matter, the department minimizes the risk of this occurring by conducting an assessment to confirm suppliers have the legal, commercial, technical and financial abilities to fulfill the requirements of the procurement. The rigor of this assessment is predicated on the risk and material value of the procurement.

**Pulp and Paper Manufacturing Industry**

(Question No. 1833)

**Senator Bob Brown** asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 1 July 2009:

How much of the Government’s $9 million Forest Industries Development Fund has been paid to Gunns Limited.

**Senator Sherry**—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

Gunns Limited was not an applicant for round 1 of the Forest Industries Development Fund and has received no funds through this program.

**Rudd Government: Non-Statutory Reviews**

(Question Nos 1836 to 1872)

**Senator Barnett** asked the Minister representing the Prime Minister and other ministers, upon notice, on 2 July 2009:

(1) (a) Since November 2007, what is the total number of: (i) completed, and (ii) ongoing, non-statutory reviews in and/or affecting the portfolio/agency; and (b) for each review: (i) identify the review and its terms of reference, (ii) its duration, and (iii) its cost.

(2) In relation to the completed non-statutory reviews: (a) what action or initiatives have been implemented; (b) can a copy of the reviews be provided; and (c) has the Government responded to the reviews’ recommendations; if so, what further action has it taken; if not, when will the Government be responding.

(3) In relation to the non-statutory reviews still ongoing, when will each review be concluded.

(4) What further non-statutory reviews are planned for the 2009-10 financial year.

**Senator Chris Evans**—The Prime Minister has provide the following answer to the honourable senator’s question:

Given the openness and breadth of this question, it is considered that the resources necessary to compile the information to answer this question in a consistent manner across the Australian Public Service cannot be justified.
Families, Housing, Community Services and Indigenous Affairs: Consultancies
(Question No. 1883)

Senator Barnett asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 2 July 2009:

(1) (a) Since November 2007, what is the total number of: (i) completed, and (ii) ongoing, consultancies in the portfolio/agency; and (b) for each consultancy: (i) who is the consultant, (ii) what is the subject matter, (iii) what are the terms of reference, (iv) what is its duration, (v) what will it cost, and (vi) what is the method of procurement (i.e. open tender, direct source, etc.).

(2) Can copies be provided of all the completed consultancies.

(3) (a) How many consultancies are planned or budgeted for: (i) 2009, and (ii) 2010; (b) have these been published in the Annual Procurement Plan on the AusTender website; if not, why not; and (c) in each case, what is the: (i) subject matter, (ii) duration, (iii) cost, (iv) method of procurement, and (v) name of the consultant if known.

Senator Chris Evans—The Minister for Families, Housing, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

(1) The following information is provided and is up-to-date as at 16 July 2009:

(a) (i) The total number of completed consultancies since November 2007 is 325. (ii) The total number of ongoing consultancies since November 2007 is 66.

(b) Broad details of each of the consultancies are publicly available on the AusTender website.

(2) It is not practical to provide copies of all completed consultancies but broad information is publicly available for each on the AusTender website.

(3) Planned consultancies for the 2009-10 financial year are described in FaHCSIA’s Annual Procurement Plan which was published on AusTender on 26 June 2009. The Annual Procurement Plan provides a forecast of planned activity over the next 12 months and includes a brief description of each consultancy topic and the expected date of the approach to market. No further details about these planned consultancies are available at this time.

Australian Taxation Office: Debt Collection Services
(Question No. 1947)

Senator Bob Brown asked the Assistant Treasurer, upon notice, on 3 July 2009:

With reference to the two firms contracted to provide debt collection services for the Australian Taxation Office (ATO):

(1) How much did Dun & Bradstreet Unit Trust recover on behalf of the ATO for the period 2 November 2007 to 30 June 2009.

(2) How much did National Credit Management Limited recover on behalf of the ATO for the period 24 March 2008 to 30 June 2009.

Senator Sherry—The answer to the honourable senator’s question is as follows:

(1) The ATO commenced referring debt to Dun & Bradstreet (Australia) Pty Limited on 26 November 2007. To 30 June 2009, they had collected $185 million on behalf of the ATO.

(2) The ATO commenced referring debt to National Credit Management Limited on 31 March 2008. To 30 June 2009, they had collected $55 million on behalf of the ATO.
Salt Ash Air Weapons Range  
(Question No. 1948)

Senator Bob Brown asked the Minister representing the Minister for Defence Personnel, Materiel and Science, upon notice, on 3 July 2009:

(1) Has the Salt Ash Air Weapons Range been gazetted under the Defence Force Regulations 1952 as a defence practice area; if not, why not; if so, have both the land and the airspace been gazetted.

(2) If only the land has been gazetted, why was the airspace not gazetted.

(3) If any part of the range has been gazetted, have any claims for compensation been made under regulation 57(1) of the Defence Force Regulations 1952; if so, what was the outcome.

(4) Are the aircraft using the range flying over residential areas with activated weapons.

(5) When is the review of the weapons range, initiated by the former Minister for Defence (Mr Fitzgibbon), as reported in The Herald, 7 May 2009, scheduled to be finished.

(6) When will the department publicly release its report about noise emission data from the F-35 Joint Strike Fighter as reported in The Herald, 7 May 2009.

Senator Faulkner—The Minister for Defence Personnel, Materiel and Science has provided the following answer to the honourable senator’s question:

(1) Yes. The gazettal includes both the land and the airspace.

(2) Not applicable.

(3) Defence has received six claims for compensation for the effects of aircraft noise from residents within the vicinity of RAAF Williamtown and the Salt Ash Air Weapons Range (SAAWR). Five of the six claims are regarded as abandoned because the claimants failed to pursue them following deemed refusal by Defence under the Regulation. One claim is presently under consideration.

(4) No.

(5) An internal review was completed in March 2009.

(6) Defence plans to publicly release available noise data as part of a consolidated information package on the expected environmental impacts from the introduction of the Joint Strike Fighter in late 2010.

Resources and Energy, and Tourism: Water  
(Question Nos 1977 and 1978)

Senator Abetz asked the Minister representing the Minister for Resources and Energy and Minister for Tourism, upon notice, on 21 July 2009:

For the department, each agency of the department and the offices of each Minister/Parliamentary Secretary, in the 2008-09 financial year, how much was spent on: (a) bottled water; (b) bulk water; (c) cooler rental; (d) cooler hire; and (e) water delivery.

Senator Carr—The Minister for Resources and Energy and Minister for Tourism has provided the following response to the honourable senator’s question:

The Department of Resources, Energy and Tourism

(a) to (e) - Cold filtered water is available in the kitchen of each office; however this service was installed as part of the office fit-out, or was already in the fit-out of leased premises, and is not recorded or charged separately.

Geoscience Australia

(a) to (e) - nil

QUESTIONS ON NOTICE
Tourism Australia
(a) to (e) – Tourism Australia spent approximately $15,992.21 in total on these items. Tourism Australia is unable to break down these costs individually.
This total includes costs of providing water at Tourism Australia’s trade events and the costs of providing water at its international offices (including those in markets where tap water is not safe to drink).
National Offshore Petroleum Safety Authority
(a) – $722.50
(b) to (e) – nil
Ministers Office
(a) – $10.90
(b) to (d) – nil
(e) – $1.13
The Minister’s inherited contract was terminated as a cost saving measure and unnecessary expenditure.

Prime Minister and Cabinet: Media Training
(Question No. 1994)
Senator Abetz asked the Minister representing the Prime Minister, upon notice, on 21 July 2009:
(1) Has the Minister undertaken any media training since 24 November 2007; if so:
   (a) when;
   (b) who was the provider; and
   (c) what was the total cost.
(2) Have any of the Minister’s staff undertaken any media training since 24 November 2007; if so:
   (a) who, including their Members of Parliament (Staff) Act 1984 classification;
   (b) when;
   (c) who was the provider; and
   (d) what was the total cost.
Senator Chris Evans—The Prime Minister has provided the following answer to the honourable senator’s question:
(1) No.
(2) No.