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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
Temporary Chair of Committees—Senator Hon. Alan Baird Ferguson

Government Business:

Deputy President and Chair of Committees—Senator Hon. Alan Baird Ferguson

Temporary Chairs of Committees—Senators Guy Barnett, Cory Bernardi,
Thomas Mark Bishop, Carol Louise Brown, Patricia Margaret Crossin,
Michael George Forshaw, Gary John Joseph Humphries, Annette Kay Hurley,
Stephen Patrick Hutchins, Gavin Mark Marshall, Julian John James McGauran,
Claire Mary Moore, Stephen Shane Parry, Hon. Judith Mary Troeth and Russell Brunell Trood

Leader of the Government in the Senate—Senator Hon. Christopher Vaughan Evans

Deputy Leader of the Government in the Senate—Senator Hon. Stephen Michael Conroy

Leader of the Opposition in the Senate—Senator Hon. Nicholas Hugh Minchin

Deputy Leader of the Opposition in the Senate—Senator Hon. Eric Abetz

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

Manager of Opposition Business in the Senate—Senator Stephen Shane Parry

Senate Party Leaders and Whips

Australian Ministry:

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

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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  Hon. Kevin Rudd, MP
Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion  Hon. Julia Gillard, MP
Treasurer  Hon. Wayne Swan MP
Minister for Immigration and Citizenship and Leader of the Government in the Senate  Senator Hon. Chris Evans
Minister for Defence and Vice President of the Executive Council  Senator Hon. John Faulkner
Minister for Trade  Hon. Simon Crean MP
Minister for Foreign Affairs and Deputy Leader of the House  Hon. Stephen Smith MP
Minister for Health and Ageing  Hon. Nicola Roxon MP
Minister for Families, Housing, Community Services and Indigenous Affairs  Hon. Jenny Macklin MP
Minister for Finance and Deregulation  Hon. Lindsay Tanner MP
Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House  Hon. Anthony Albanese MP
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate  Senator Hon. Stephen Conroy
Minister for Innovation, Industry, Science and Research  Senator Hon. Kim Carr
Minister for Climate Change and Water  Senator Hon. Penny Wong
Minister for the Environment, Heritage and the Arts  Hon. Peter Garrett AM, MP
Attorney-General  Hon. Robert McClelland MP
Cabinet Secretary, Special Minister of State and Manager of Government Business in the Senate  Senator Hon. Joe Ludwig
Minister for Agriculture, Fisheries and Forestry  Hon. Tony Burke MP
Minister for Resources and Energy and Minister for Tourism  Hon. Martin Ferguson AM, MP
Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services  Hon. Chris Bowen, MP

[The above ministers constitute the cabinet]
Rudd Ministry—continued

Minister for Veterans’ Affairs  Hon. Alan Griffin MP
Minister for Housing and Minister for the Status of Women  Hon. Tanya Plibersek MP
Minister for Home Affairs  Hon. Brendan O’Connor MP
Minister for Indigenous Health, Rural and Regional Health and Regional Services Delivery  Hon. Warren Snowdon MP
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  Hon. Dr Craig Emerson MP
Assistant Treasurer  Senator Hon. Nick Sherry
Minister for Ageing  Hon. Justine Elliot MP
Minister for Early Childhood Education, Childcare and Youth and Minister for Sport  Hon. Kate Ellis MP
Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change  Hon. Greg Combet AM, MP
Minister for Employment Participation and Minister Assisting the Prime Minister on Government Service Delivery  Senator Hon. Mark Arbib
Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government  Hon. Maxine McKew MP
Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water  Hon. Dr Mike Kelly AM, MP
Parliamentary Secretary for Western and Northern Australia  Hon. Gary Gray AO, MP
Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction  Hon. Bill Shorten MP
Parliamentary Secretary for International Development Assistance  Hon. Bob McMullan MP
Parliamentary Secretary for Pacific Island Affairs  Hon. Duncan Kerr SC, MP
Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade  Hon. Anthony Byrne MP
Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector  Senator Hon. Ursula Stephens
Parliamentary Secretary for Multicultural Affairs and Settlement Services  Hon. Laurie Ferguson MP
Parliamentary Secretary for Employment  Hon. Jason Clare MP
Parliamentary Secretary for Health  Hon. Mark Butler MP
Parliamentary Secretary for Innovation and Industry  Hon. Richard Marles MP
Leader of the Opposition
The Hon. Malcolm Turnbull MP

Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition
The Hon. Julie Bishop MP

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

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

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

Shadow Treasurer
The Hon. Joe Hockey MP

Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House
The Hon. Christopher Pyne MP

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

Shadow Minister for Finance, Competition Policy and Deregulation
Senator the Hon. Helen Coonan

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

Shadow Minister for Energy and Resources
The Hon. Ian Macfarlane MP

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

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

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

Shadow Minister for Health and Ageing
The Hon. Peter Dutton MP

Shadow Minister for Defence
Senator the Hon. David Johnston

Shadow Attorney-General
Senator the Hon. George Brandis SC

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

Shadow Minister for Employment and Workplace Relations
Mr Michael Keenan MP

Shadow Minister for Immigration and Citizenship
The Hon. Dr Sharman Stone

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

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

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

Shadow Assistant Treasurer
The Hon. Tony Smith MP

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

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

Shadow Minister for Housing and Local Government
Mr Scott Morrison MP

Shadow Minister for Ageing
Mrs Margaret May MP

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

Shadow Minister for Veterans’ Affairs
Mrs Louise Markus MP

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

Shadow Minister for Justice and Customs
The Hon. Sussan Ley MP

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

Shadow Parliamentary Secretary for Northern Australia
Senator the Hon. Ian Macdonald

Shadow Parliamentary Secretary for Roads and Transport
Mr Don Randall MP

Shadow Parliamentary Secretary for Regional Development
Mr John Forrest MP

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

Shadow Parliamentary Secretary for Energy and Resources
Mr Barry Haase MP

Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector
Senator Mitch Fifield

Shadow Parliamentary Secretary for Water Resources and Conservation
Mr Mark Coulton MP

Shadow Parliamentary Secretary for Health Administration
Senator Mathias Cormann

Shadow Parliamentary Secretary for Defence
The Hon. Peter Lindsay MP

Shadow Parliamentary Secretary for Education
Senator the Hon. Brett Mason

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

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

Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate
Senator Concetta Fierravanti-Wells
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The PRESIDENT (Senator the Hon. John Hogg) took the chair at 9.30 am and read prayers.

PETITIONS

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

Export of Live Animals

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

This petition of undersigned citizens of Australia calls on the Australian government to end the export of live animals from Australia to the Middle East.

Australia has laws - based on community expectation - to protect the welfare of animals. It is therefore ethically and morally unacceptable to export Australian animals long distances to countries where they will endure practices and treatment that would be unacceptable or illegal in Australia.

We the undersigned therefore call on the Australian government to end this trade and, in so doing, restore Australia's reputation as a compassionate and ethical nation.

by Senator Siewert (from 182 citizens)

Export of Live Animals

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

This petition of undersigned citizens of Australia calls on the Australian government to end the export of live animals from Australia to the Middle East.

We the undersigned therefore call on the Australian government to end this trade and, in so doing, restore Australia's reputation as a compassionate and ethical nation.

by Senator Siewert (from 26 citizens)

Petitions received.

BUSINESS

Rearrangement

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.31 am)—by leave—It is worth while, while everyone is in the chamber, dealing with this so that all senators understand what will happen over the next couple of days. It is my intention, at the conclusion of this short statement, to move a motion to alter the hours of business for the Senate. I will go through that first. On Thursday—that is, today—the hours of meeting shall be, as we know, 9.30 am to 6.30 pm, when we will have a dinner break until 7.30 pm. Then we will go to adjournment. Adjournment will be at 11 pm. In addition, during today we will do a usual day—if I could say that, to the extent that it is—but consideration of general business, consideration of committee reports and government responses and Auditor-General reports will not be proceeded with. We will continue with routine of business from 12.45 pm until not later than 2 pm, which will be the non-controversial period and government business only. Then from not later than 4.15 pm—as I understand it—there will be a ministerial statement and there will be time to allow the opposition, the minor parties and the Independents to contribute. It shall be government business from then on, on the Carbon Pollution Reduction Scheme legislation. Divisions may be taken after 4.30 pm today. If the Senate is still sitting at 11 pm then it shall be suspended until 9.30 am on Friday. On Friday, 27 November, the question for the adjournment shall be put at 3.45 pm.

Senator Parry—There’s no question?

Senator LUDWIG—There will be no question time.

Senator Parry—No. No question—no adjournment debate?
Senator LUDWIG—And there will be no adjournment debate. We will conclude at 3.45 pm. The expectation is that the committee stage of the Carbon Pollution Reduction Scheme legislation would be completed at 3.45 pm that day. On Monday, 30 November the hours of meeting shall be 10 am to adjournment. The routine of business from 10 am shall be government business only. That will include no question time. The question for the adjournment of the Senate shall be proposed after the Senate has finally considered the Carbon Pollution Reduction Scheme legislation. The expectation is that we will continue to sit, although by that time I suspect that if we have completed the committee stage—with cooperation on procedures around this place—we should complete those matters of business that are required to finalise the Carbon Pollution Reduction Scheme legislation on Monday. More broadly, Tuesday may be required so I would also encourage people to ensure that they have that time available—but the expectation is that we will finish on Monday. However, if it is necessary for us to come back on the Tuesday we will deal with that by agreement. That can be dealt with between the two managers.

That is broadly the outline of what the government wants to be able to complete. There will also be a number of bills—and I think I have had the opportunity of talking or circulating to the opposition, the minor parties and the Independents the range of bills that are still to be finalised in the spring sitting. However, there is an expectation that we will be able to deal with those on Monday, where there may be some hiatus in the program while we finally conclude the Carbon Pollution Reduction Scheme legislation. But that as well will be a matter for negotiation between the managers, the minor party and the Independents. I would ask for cooperation to, as far as practicable, deal with those outstanding bills. They are listed in priority order of the government. In addition to that, there are non-controversial bills. We will need some cooperation at 12.45 to be able to complete those during that period. I know that is a long explanation, but if everyone can take that on board that is where we are at for the remainder of this week and early next week to finalise the legislative program as outlined.

Senator PARRY (Tasmania—Manager of Opposition Business in the Senate) (9.36 am)—by leave—I have a point of clarification before the minister moves the motion. You just said, Minister—through you, Mr President—that there would be a 10 am commencement on Monday. I understood from our negotiations at 7.30 this morning that there would be a 12.30 commencement and the House of Representatives would sit at 10 am.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.37 am)—by leave—As I understand it, it is 10 am. That will also allow time for the outstanding spring 2009 bills to be dealt with. Of course, it will depend on cooperation as to what we can actually achieve in that short period, but I hope that we can work through some of the more urgent bills before we recess for the year.

Senator PARRY (Tasmania—Manager of Opposition Business in the Senate) (9.38 am)—by leave—I think it is appropriate to put this on record. I have just checked with our leader and our clear understanding was a 12.30 commencement for the Senate. The House of Representatives was to come back earlier because otherwise we would be sitting around a lot longer without any action. We will not object, but we understood that that was our agreement. In relation to the bills list, I also place on record that we would want to have a negotiation about what bills are introduced because, quite clearly,
we have agreed to this for a range of reasons but one of them is for the facilitation only of the Carbon Pollution Reduction Scheme bills and we do not want to be tied up with other legislation unnecessarily.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.38 am)—by leave—I thank the opposition for their concession around the starting time on Monday, but I did indicate during my primary comments that it would be a matter of negotiation as to what bills we can achieve debate on. I understand there may not be much time available. If there is not then obviously we all have to cut our cloth accordingly, and that includes the government’s outstanding legislative program. I do understand that, to be able to bring on debate of the Carbon Pollution Reduction Scheme bills by 4.15 pm, I am now consuming time that people might want to contribute to that debate. I understand also that senators will want to provide their own contributions and ensure that others who want to contribute may also do so in the available time so that all parties may use the time effectively, I seek leave to amend government business notice of motion No. 3 to include, instead of 3.45, 4.15—that is, not for Friday but for today.

Leave granted.

Senator LUDWIG—by leave—I move the motion as amended:

That—

(1) On Thursday, 26 November 2009:

(a) the hours of meeting shall be 9.30 am to 6.30 pm and 7.30 pm to adjournment;

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

(c) the routine of business from 12.45 pm till not later than 2 pm shall be government business only, and from not later than 4.15 pm shall be the government business order of the day relating to the Carbon Pollution Reduction Scheme Bill 2009 [No. 2] and 10 related bills;

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

(e) if the Senate is sitting at 11 pm, the sitting of the Senate be suspended till 9.30 am on Friday, 27 November 2009.

(2) On Friday, 27 November 2009, the question for the adjournment of the Senate shall be put at 3.45 pm.

(3) The Senate meet on Monday, 30 November 2009, and that:

(a) the hours of meeting shall be 10 am to adjournment;

(b) the routine of business from 10 am shall be government business only; and

(c) the question for the adjournment of the Senate shall be proposed after the Senate has finally considered the Carbon Pollution Reduction Scheme Bill 2009 [No. 2] and 10 related bills, including any messages from the House of Representatives.

The PRESIDENT—In the motion as moved, the Carbon Pollution Reduction Scheme bills will not be called upon until 4.15 pm today to enable the ministerial statement to be not only made but also addressed and resolved.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.40 am)—The Greens do not support the motion, but we will not call a division on it. We know everybody wants to move on. I have previously stated the reasons for not supporting the motion. We wrote to the executive about this months ago. I got no response whatsoever from Prime Minister Rudd—total indifference. Here we now have the government wanting the Senate to sit extra days ad hoc to facilitate its agenda. It is a totally cavalier
way of treating the Senate, but, if the opposition has an arrangement to go along with that, so be it.

I have just given to leaders an amendment to this motion that I had hoped to have circulated earlier to have question time tomorrow and on Monday. It has always been the Greens’ point of view that if the Senate sits there ought to be a question time. It is appropriate that, if the government wants the Senate to sit extra hours, the government should subject itself to questions on the matters that the Senate might want to raise. If there are no questions, we can go straight on with business. I move:

At the end of the motion, add:

(4) On each new calendar day on which the Senate sits a period of at least one hour be set aside for question time.

Senator FIELDING (Victoria—Leader of the Family First Party) (9.42 am) — It is funny that all those senators who support reducing carbon pollution are quite happy to fly back to Canberra next week with carbon dioxide spewing out of the planes. They are all very happy for that to happen, which is pretty unreal. We know that this debate on the Carbon Pollution Reduction Scheme is already concluded because both the government and the opposition have agreed to pass the CPRS bills before the Copenhagen conference. The debate is going to be a sham—guess what?—the two have already agreed before we have even started. There will be no changes to the legislation other than what has already been pre-agreed. It has already been predetermined, and sitting next week is an absolute joke given that the people who want to sit next week are the same people who want to reduce carbon dioxide emissions. Flying up here next week at taxpayers’ expense is just absolutely ridiculous.

Senator FAULKNER (New South Wales—Minister for Defence) (9.44 am) — I will only speak briefly. Let me assure the Senate of the importance of the ministerial statement I would like to make this afternoon. I also appreciate the points that are made about constraints of business. It had been my intention to make some very curtailed remarks and then incorporate my complete statement on Afghanistan. I intend to distribute to the chamber anyway the ministerial statement and I will be seeking leave to incorporate a more complete statement in Hansard. I hope this approach outlined by the Manager of Government Business will give the chamber adequate time—perhaps not to debate all the issues that Senator Brown was talking about but at least to, as is often the case in this chamber, allow a senator, in this case I suspect it will be Senator Johnston, to move that the Senate take note of the ministerial statement and then allow debate to ensue allow any senator who wishes to make a brief contribution to do so. Let me give this assurance to the Senate: I will keep my remarks brief to allow those senators who wish to make a contribution on
the matter this afternoon within the time that has been proposed by the Manager of Government Business.

I appreciate the courtesies extended around the chamber to enable debate on this critically important issue in relation to Australia’s involvement in Afghanistan to take place. I cannot think of anything more important in terms of a capacity for the parliament, for the Senate, to receive regular reports on the situation in Afghanistan and for the Senate to have an opportunity to consider that. But in this case, of course, as is always the case, the Senate’s consideration would be around the issue of taking note of the ministerial statement. So I appreciate the courtesies around the chamber to enable this to take place and I commend the approach that has been proposed.

Senator PARRY (Tasmania) (9.47 am)—The opposition will support the government’s substantive motion and will not support the Greens amendment. I will explain briefly why. We do not believe we need to spend any more time here than necessary to deal with the Carbon Pollution Reduction Scheme bills. We have reluctantly agreed to the extension of hours but we understand the package and the arrangements that have been negotiated between the coalition and the government. We will facilitate the additional legislation that needs to be discussed Monday morning, providing that that legislation is reached by agreement, which I indicated previously by leave.

Can I again place on the record that we have found the government’s management of the annual calendar this year and again for next year to be incompetent at a best description. I also say that we have again given up our general business today. We have not lodged a matter of public importance, to assist the facilitation of the business. Irrespective of the urgency of and the necessity of Senator Faulkner’s proposition this afternoon, we are supportive of that to take place. We note that that does eat into other time, including the consideration of other documents.

The government is not off the hook in relation to its management of hours just because we have agreed that the Carbon Pollution Reduction Scheme suite of legislation be debated. Again I request that the government increase the number of sitting weeks for the 2010 calendar year. Could I say through you, Mr President, to Senator Fielding that if the government had increased the number of sitting weeks then we would have been using the emissions that you were describing earlier because we should have been flying up and back at least another two or three weeks for this calendar year alone. Our frustration means that our patience is wearing thin. We have continually said that it is up to the government to set the sitting calendar so that we can work our entire calendars around that sitting framework. However, if the government continually refuses to allow enough sitting weeks in each calendar year then we may then have to reconsider our position and agree with the Greens and other minor parties on increasing that sitting calendar for the Senate. I do not want to have to be in a position to stand up and do that in the new year, but the government is clearly on notice that this is the situation that has arisen this year because we have run out of sitting weeks, the lowest number for a long period of time. Again I would urge the government to consider increasing its sitting schedule for the next calendar sitting year.

Question negatived.

Original question agreed to.
NOTICES
Presentation
Senator Bob Brown to move (contingent on business being called on 2 February 2010):
That so much of the standing orders be sus-
pended as would prevent the senator moving—
That:
(a) Senator Bob Brown may immediately
move a motion on the involvement and
deployment of Australian troops in Af-
ghanistan; and
(b) the motion have precedence over all other
business until determined.
Senator Xenophon to move on the next
day of sitting:
That—
(1) The following matter be referred to the
Community Affairs References Commit-
tee for inquiry and report by 14 May
2010:
The prevalence of interactive and online
gambling in Australia and the adequacy of
the Interactive Gambling Act 2001 to ef-
effectively deal with its social and economic
impacts.
(2) In undertaking the inquiry, the committee
must consider:
(a) the recent growth in interactive sports
betting and the changes in online wa-
gering due to new technologies;
(b) the development of new technologies,
including mobile phone and interactive
television, that increase the risk and in-
cidence of problem gambling;
(c) the relative regulatory frameworks of
online and non-online gambling;
(d) inducements to bet on sporting events
online;
(e) the impact of betting exchanges, in-
cluding the ability to bet on losing out-
comes;
(f) appropriate regulation, including codes
of disclosure, for persons betting on
events over which they have some par-
ticipation or special knowledge, includ-
ing match fixing of sporting events; and
(g) any other related matters.
BUSINESS
Rearrangement
Senator Ludwig (Queensland—
Manager of Government Business in the
Senate) (9.50 am)—I move:
That the following government business orders
of the day be considered from 12.45 pm till not
later than 2 pm today:
ACIS Administration Amendment (Application)
Bill 2009.
No. 10 Tax Laws Amendment (2009 Measures
No. 5) Bill 2009.
Coal Mining Industry (Long Service Leave Fund-
ing) Amendment Bill 2009.
No. 11 Family Assistance Legislation Amend-
ment (Participation Requirement) Bill 2009.
Customs Tariff Amendment (Incorporation of
Proposals) Bill 2009.
No. 12 Personal Property Securities Bill 2009.
No. 13 Personal Property Securities (Consequent-
ial Amendments) Bill 2009.
No. 14 Resale Royalty Right for Visual Artists
Bill 2009.
No. 15 Tax Laws Amendment (Resale Royalty
No. 16 Higher Education Support Amendment
(VET FEE-HELP and Tertiary Admission Cen-
tres) Bill 2009.
Question agreed to.
Rearrangement
Senator Barnett (Tasmania) (9.50
am)—by leave—I move:
That business of the Senate orders of the day
nos 8 and 9, relating to the presentation of reports
of the Legal and Constitutional Affairs Refer-
ences Committee be postponed till a later hour.
Question agreed to.
NOTICES
Postponement

The following item of business was postponed:

Business of the Senate notice of motion no. 1 standing in the name of Senator Xenophon for today, proposing a reference to the Community Affairs References Committee, postponed till 30 November 2009.

COMMITTEES

Foreign Affairs, Defence and Trade References Committee

Reference

Senator JOHNSTON (Western Australia) (9.51 am)—I move:

That the following matters be referred to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 18 March 2010:

(a) the nature, scope and purpose of an ‘Equity and Diversity Health Check’ in the Royal Australian Navy, and under what authority such an investigation is conducted;

(b) the equity and diversity issues at large on board HMAS Success (Success) giving rise to the ‘Equity and Diversity Health Check’ which was carried out on board Success between 21 April and 9 May 2009 including inter alia all disciplinary issues, the transfer of a Royal Navy exchange sailor, the management of equity and diversity issues by the ship’s Commanding Officer and his Executive Officer both before and after the ‘Equity and Diversity Health Check’;

(c) the nature and veracity of complaints and allegations made by a Petty Officer or any other person concerning equity and diversity issues on Success;

(d) the reasons and factual evidentiary basis for the ship’s Commanding Officer resolving to land a Chief Petty Officer and two Petty Officers (the senior sailors) at Singapore on 9 May 2009 from Success and the circumstances of that landing and removal from the ship including whether the Commanding Officer acted under the direction of any superior officer;

(e) whether the senior sailors were informed of the full nature of the allegations and factual evidentiary basis for the subsequent landing in a timely fashion or at all, and whether procedural fairness was provided to those senior sailors;

(f) the circumstances and events that led to the Commanding Officer of Success addressing members of the crew in relation to the landing of the senior sailors, whether the Commanding Officer referred to the senior sailors by stating words to the effect of ‘there was a rotten core on this ship and the core has now been removed’ and if so, the extent that those comments may have prejudiced any subsequent inquiry;

(g) whether the Inquiry Officer as appointed pursuant to terms of reference, dated 15 May, and as set out in Minute S1804843, dated 10 July 2009, declined to interview any relevant witnesses in circumstances where the senior sailors were prohibited from attending Success and or contacting any of the ship’s company;

(h) the way in which the inquiry into the events on Success was conducted, whether the method of questioning witnesses and gathering evidence was conducted according to the principles of justice, whether the inquiry process was free from any perception of bias, and whether any witnesses were threatened with disciplinary or other action during the course of giving evidence;

(i) whether the senior sailors requested access to evidence gathered during the inquiry into the events on Success, whether any such request was denied, and whether any subsequent finding is reasonable in the circumstances;

(j) the facts and circumstances of the treatment of the Legal Officer (the lawyer) assigned to the management and defence of the case of the senior sailors including any
threats, bullying, adverse conduct and prejudice generally, including any threat of posting to Western Australia, and whether any such conduct constituted an attempt to compromise the lawyer’s capacity to represent the best interests of the senior sailors without fear or favour;

(k) the knowledge and awareness of the ship’s Commanding Officer, the Australian Defence Force Investigative Service investigators and the broader naval chain of command of the facts and circumstances relating to the Channel 7 News reports on 4 July and 7 July 2009 (the media reports) and the dates and times of such personnel being availed of such knowledge and awareness;

(l) the knowledge and awareness of the media reports by the responsible Minister and the dates and times of the Minister being availed of such knowledge and awareness;

and

(m) all and any other matters relating to the justice and equity of the management of the senior sailors in their removal from the ship and the subsequent administrative process or processes, including their complaints as to the flawed process as set out herein.

Senator XENOPHON (South Australia) (9.52 am)—by leave—I move:

At the end of the motion, add:

(2) That the committee not conduct any hearings until after 1 February 2010.

Senator FAULKNER (New South Wales—Minister for Defence) (9.53 am)—by leave—The government does not intend to divide on this matter. I am concerned about supporting this motion to establish such an inquiry at this stage. My concerns are somewhat ameliorated by Senator Xenophon’s amendment. Issues relating to the matters covered by this proposed inquiry are currently the subject of several investigations within Defence. Those investigations have not been completed. I hope that by the time the committee begins to take evidence those investigations will be completed. I have, of course, sought advice from Defence on whether any of the current investigations might impact on Defence’s ability to participate in or provide material to the inquiry. When I receive such advice I will need to give it due consideration. Those are important considerations and assessments to make. The approach I have outlined is, I think, appropriate in the circumstances. My concern is about having an ongoing inquiry at this particular stage, given what is occurring in relation to investigations within Defence. Having said that, we will be able to make assessments come February about the status of those inquiries and investigations.

Question agreed to.

Original question, as amended, agreed to.

BUSINESS

Consideration of Legislation

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.55 am)—I move:

That standing orders 120(3) and 122(1) and (2) not apply to the consideration of the Carbon Pollution Reduction Scheme Bill 2009 [No. 2] and 10 related bills.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.56 am)—by leave—I would ask the minister to explain that briefly to the chamber.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (9.56 am)—by leave—I was debating whether I really wanted to take leave to do this again. When this legislation was introduced into the chamber not long ago, the opposition sought to split the procedural matters so that formalities that would normally be granted would have to be put back in place. What that would mean is that they would have to be a day between the status of a particular bill. What we now have is a cir-
cumstance where the formalities would be back to the way they usually are—that is, they are usually asked to be waived under standing orders. This is the usual process that happens to all bills; we usually asked for formalities to be dispensed with. In this instance we are simply asking again for those formalities to be dispensed with. What that means is that we do not have to deal with the third reading on the next day.

Senator PARRY (Tasmania) (9.57 am)—by leave—Senator Ludwig, to put it very simply, we scrambled an egg and you have unscrambled it. I did not think that was physically possible, but you have done it.

Question agreed to.

Consideration of Legislation

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.58 am)—I move:

That the government business orders of the day relating to the following bills may be taken together for their remaining stages:

(a) Personal Property Securities Bill 2009 and Personal Property Securities (Consequential Amendments) Bill 2009; and


Question agreed to.

Consideration of Legislation

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.58 am)—I move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:

ACIS Administration Amendment (Application) Bill 2009

Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009

Customs Tariff Amendment (Incorporation of Proposals) Bill 2009

Foreign Acquisitions and Takeovers Amendment Bill 2009.

Question agreed to.

TRADE PRACTICES AMENDMENT (MATERIAL LESSENING OF COMPETITION—RICHMOND AMENDMENT) BILL 2009

First Reading

Senator XENOPHON (South Australia) (9.59 am)—I move:

That the following bill be introduced:


Question agreed to.

Senator XENOPHON (South Australia) (9.59 am)—I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator XENOPHON (South Australia) (9.59 am)—I move:

That this bill be now read a second time.

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

Leave granted.

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

Leave granted.

The speech read as follows—

I am very pleased to introduce the Trade Practices Amendment (Material Lessening of Competition—Richmond Amendment) Bill 2009, or Richmond Amendment.
This Bill seeks to strengthen the Trade Practices Act to protect competition in Australia by tightening the test for proposed mergers or acquisitions, and to prevent so-called ‘creeping acquisitions’.

The Richmond Amendment takes its name from the Adelaide suburb of West Richmond, where, for the last twenty years, William and Samira Fares have owned and operated their independent United service station.

Now, they face losing their business because Woolworths has sought to open a service station of their own, right next door.

Under current laws, Woolworths can use their deep pockets to offer fuel at prices that are below cost or which undercut hard working independent petrol retailers like the Fares. Woolworths can even choose to operate their station at a loss, knowing that once the Fares are out of business, Woolies can once again raise their prices.

With no local competition to force Woolies to moderate their prices, residents of West Richmond will end up paying at the pump for Australia’s lax competition laws.

The Fares are not alone. Across the country, in all sectors, we are seeing large corporations increasing their market share and using their power to push smaller, independent operators out.

This means a bad deal for small businesses, and a bad deal for consumers.

I have previously spoken about the proposed Woolworths/Danks takeover, the Caltex/Mobil takeover, the Westpac/St George takeover and the Commonwealth/BankWest takeover. The ACCC has allowed both the Woolworths/Danks and Westpac/St George takeovers to go ahead, effectively saying that these deals will not substantially reduce competition in their respective sectors.

We now know that the recent spate of acquisitions by the four major banks has stifled competition in the Australian banking sector to the detriment of consumers. These banking acquisitions have been allowed to occur under our current weak anti-merger laws.

I note, however, that the ACCC did request that Woolworths and Danks enter into a legal undertaking to try and restrain a Woolworths-owned Danks from discriminating between the independents that it supplies. This undertaking does not however prevent Woolworths from discriminating on wholesale prices between its own Woolworths branded hardware stores and the independents that a Woolworths Danks will supply.

The Mobil/Caltex takeover is still under review.

In these cases, the ACCC applies the ‘substantial lessening of competition’ test to determine if a proposed merger or acquisition will have the effect of lessening competition in a market.

Unfortunately, the threshold included in the test is far too onerous and high.

Using this test, the ACCC approves approximately 97 percent of mergers it considers.

This has resulted in Australia having some of the most highly concentrated markets in the world.

In Australia, Woolworths and Coles together own approximately 44 percent of the petrol market, and 80 percent of the dry packaged grocery market. In petrol, Woolworths, Coles and the major oil companies control 93% of the retail petrol market.

Under the Richmond Amendment, a new test will be applied to prohibit any acquisition or merger that will have the effect, or is likely to have the effect, of ‘materially’ lessening competition in a market.

This Amendment also seeks to limit creeping acquisitions, where large corporations get around competition law by acquiring assets in a piecemeal manner. Individually, these acquisitions may not substantially lessen competition, but over time may lead to a larger market share and a reduction in competition.

In May 2009, the then Minister for Competition Policy and Consumer Affairs, the Hon. Chris Bowen, outlined a proposal for dealing with creeping acquisitions.

With all due respect to the Government, this proposal does not go far enough.

It states that a corporation would have to have a substantial market power before it would be prevented from acquiring assets that would, or would be likely to, enhance that corporation’s market power.
The Act states that, in order for a corporation to be defined as having a ‘substantial market power’, that corporation must prove it has the ability to raise prices without losing business to its rivals.

This effectively means that a corporation must have a monopoly, or near monopoly, of a market before it is prohibited by the Government’s proposal.

Instead, the Richmond Amendment would prevent any corporations with a ‘substantial market share’ from engaging in the practice of creeping acquisitions. In effect, the Amendment would put restraints on corporations before they ever reach the stage of becoming a monopoly, the stage where the Government’s proposal would finally come into effect.

For small business owners like the Fares, these changes could make all the difference. They would prevent Woolworths from acquiring the land next door to build their service station, and from continuing to do this in other areas, as a way of gradually increasing their already-powerful market share.

This amendment levels the playing field, and gives small businesses the protection they need from the anti-competitive acquisition strategies of the large and powerful corporations that dominate our markets.

We need to enhance competition in Australia. We have already seen one outcome of market dominance with OECD data listing Australia’s grocery prices among the fastest growing in the developed world.

I would like to thank Associate Professor Frank Zumbo from the University of New South Wales for his assistance with the drafting of the Richmond Amendment.

Competition is important, for small businesses who deserve a fair go, and for consumers who deserve a fair deal.

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

Leave granted; debate adjourned.

NATIONAL PREVENTATIVE HEALTH TASKFORCE
Order

Senator CORMANN (Western Australia) (10.00 am)—I, and also 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 Friday, 4 December 2009, a copy of the Government’s response to all of the recommendations set out in the National Preventative Health Taskforce report, National Preventative Health Strategy.

The PRESIDENT—The question is that the motion be agreed to. Those of that opinion say aye, against say no. Do the ayes have it? I am interested in trying to make a call on a vote here. I am not trying to put pressure on others in the chamber. Did you move your mouth, Senator Xenophon?

Senator Xenophon—That was an aye.

The PRESIDENT—You are an aye. Then the ayes have it.

Senator O’BRIEN (Tasmania) (10.01 am)—It is difficult for us to know the outcome of this motion on the call, Mr President. It would turn on the vote of a senator who is not in the chamber. In terms of this matter, I ask that this vote be postponed until we can ascertain that.

Senator Cormann—Call a division!

Opposition senators interjecting—

The PRESIDENT—Order! Are you calling a division, Senator O’Brien?

Senator O’BRIEN—Yes, we are.

The PRESIDENT—A division is required.

Question put.

The Senate divided. [10.06 am]

(The President—Senator the Hon. JJ Hogg)
COMMITTEES

Agricultural and Related Industries Committee

Extension of Time

Senator HEFFERNAN (New South Wales) (10.10 am)—I move:

That the time for the presentation of the following final reports of the Select Committee on Agricultural and Related Industries be extended to 30 June 2010:

(a) food production in Australia; and
(b) incidence and severity of bushfires across Australia.

Senator FIELDING (Victoria—Leader of the Family First Party) (10.10 am)—Mr President, I am wondering whether Senator Heffernan could make a short statement as to the reasons why, so that we can hear it publicly.

The PRESIDENT—That is not normal procedure, Senator, in these formality motions.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.11 am)—Mr President, I seek leave to make a brief statement.

The PRESIDENT—Leave is granted for two minutes.

Senator BOB BROWN—I thank the Senate. With due respect to Senator Heffernan, after 2007, this Senate came to an agreement to restore the committee system which existed before the majority Howard government changed it in 2004. That committee system was to deal with all the issues that came before the Senate. There were, pre-existing, some special committees, including this one, which were to be wound up and were to have their business dealt with by standing and reference committees. This motion cuts right across that. It extends into the never-never a committee that ought to have been wound up in July last year if not earlier.
than that. The process is wrong. We ought to have kept to the commitment and the original committee system, which was totally adequate for dealing with these issues, ought to prevail. That is just good process, and that is the point of view the Greens have, so we do not support this motion.

Senator FERGUSON (South Australia) (10.12 am)—Mr President, I seek leave to make a very short statement.

The PRESIDENT—Leave is granted for two minutes.

Senator FERGUSON—Mr President, in response to Senator Brown, can I say as Chair of the Procedure Committee that this was discussed at the time of the change to the committee system that we have today. One of the things that was also discussed was that there had been a proliferation of select committees under the old system and we did not want that to remain. It was always agreed amongst members on the Procedure Committee that there should be up to three select committees that were allowed to keep going at any one time.

Senator Bob Brown—But this is blocking that process.

Senator FERGUSON—I am sorry, we said that there could be up to three. At that stage there were five or six. The others are winding up but this select committee has a specific purpose and I think we ought to correct the record as far as select committees are concerned. There was never a move at that time to get rid of all select committees.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (10.13 am)—Mr President, I seek leave to make a short statement.

The PRESIDENT—Leave is granted for two minutes.

Senator LUDWIG—There is an expectation from the government, which does sit on the Procedure Committee, that there are up to three select committees. There should not be, as Senator Ferguson highlights, a proliferation of select committees. There is a huge onus on people bringing forward select committees to ensure that they are there for a specific purpose and for a specific time. If there are matters that should be dealt with in a references committee then they should go to a references committee. The reason that we have references committees is to deal with substantive matters that may take some time and may require examination by senators over a longer period.

My expectation and that of the Procedure Committee—I think I am right about that; I am happy to be corrected—is that there are up to three select committees. They are designed for and confined to specific matters that would not be able to be dealt with in a references committee. Select committees are special committees. They also assume a cost to the Senate, and I am sure that, with budgetary constraints as they are, we do not want to provide additional costs that are unnecessary. I only want to put that on the record so that everyone in the chamber has the opportunity of understanding that these things are and should only be brought forward for specific purposes. If senators can ensure that specific issues can be dealt with through a references committee, then please do so.

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

The Senate divided. [10.17 am]
(The President—Senator the Hon. JJ Hogg)

Ayes…………… 36
Noes…………… 33
Majority……… 3
Question agreed to.

NATIONAL YEAR OF ACTION ON MARRIAGE EQUALITY

Senator HANSON-YOUNG (South Australia) (10.21 am)—I move:

That the Senate notes that Saturday, 28 November 2009 marks the start of the National Year of Action on Marriage Equality and that rallies will be held in capital cities across the country.
Senator FIELDING (Victoria—Leader of the Family First Party) (10.23 am)—I seek leave to make a short statement.

The PRESIDENT—Leave is granted for two minutes.

Senator FIELDING—A bloke cannot marry his brother; it is not right. A woman cannot marry their sister; it is not right. A bloke cannot marry a bloke because it is not right and a female cannot marry a female because it is not right.

Honourable senators interjecting—

Senator FIELDING—No, I don’t support this.

Senator HANSON-YOUNG (South Australia) (10.24 am)—I seek leave to make a short statement.

Leave not granted.

Senator Bob Brown—Mr President, I rise on a point of order. As leave has not been granted to Senator Hanson-Young, we will make sure that is a consistent follow-through in the next three days. If that is what the opposition wants we will follow in the same vein.

Senator Parry—Mr President, on the point of order: we have a longstanding practice in this chamber that notices of motion are not to be debated. We allow a very brief debate because people want to make a statement but we have restricted it to one per party. That is only fair. That is the way it has always been. To have two speakers from the one party on the same motion is not fair.

Senator Hanson-Young—Mr President, on the point of order: the reason that I stood—and I believe that I should have been given the ability to make a short statement—is that the motion was misrepresented by the statements made by Senator Fielding. Unless we are going to enter into a debate around the issue of same-sex marriage and debate my bill which is currently before the parlia-

ment, then we should not be having this debate. We should be debating the substance of the motion.

The PRESIDENT—that is not a point of order.

Question put:

That the motion (Senator Hanson-Young’s) be agreed to.

The Senate divided. [10.27 am]

(The President—Senator the Hon. JJ Hogg)

Ayes………… 6

Noes………… 48

Majority……… 42

AYES

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

NOES

Abetz, E. Barnett, G.
Bernardi, C. Bilyk, C.L.
Bishop, T.M. Boswell, R.L.D.
Brown, C.L. Bushby, D.C.
Carr, K.J. Cash, M.C.
Colbeck, R. Collins, J.
Coonan, H.L. Cormann, M.H.P.
Crossin, P.M. Eggleston, A.
Farrell, D.E. Feeney, D.
Ferguson, A.B. Fielding, S.
Fifield, M.P. Fisher, M.J.
Forshaw, M.G. Furner, M.L.
Hogg, J.J. Humphries, G.
Hurley, A. Hutchins, S.P.
Johnston, D. Joyce, B.
Kroger, H. Ludwig, J.W.
Lundy, K.A. Mason, B.J.
McGauran, J.J.J. McLucas, J.E.
Moore, C. O’Brien, K.W.K.
Parry, S. * Polley, H.
Ryan, S.M. Scullion, N.G.
Stephens, U. Sterle, G.
Trost, J.M. Trood, R.B.
Williams, J.R.

* denotes teller

Question negatived.
CIVIL PARTNERSHIPS

Senator HANSON-YOUNG (South Australia) (10.31 am)—I move:

That the Senate—

(a) notes the recent passing by the Australian Capital Territory Legislative Assembly of the Civil Partnerships Amendment Bill 2009; and

(b) congratulates the first couple to hold a legally-recognised ceremony in the Australian Capital Territory, Mr Warren McGaw and Mr Chris Rumble, who on 25 November 2009 celebrated their love and commitment in front of family and friends.

Question put.

The Senate divided. [10.32 am]

(The President—Senator the Hon. JJ Hogg)

Ayes.............. 6
Noes.............. 47
Majority.......... 41

AYES

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

NOES

Abetz, E. Barnett, G.
Bernardi, C. Bilyk, C.L.
Bishop, T.M. Boswell, R.L.D.
Brown, C.L. Bushby, D.C.
Carr, K.J. Cash, M.C.
Colbeck, R. Collins, J.
Coonan, H.L. Cormann, M.H.P.
Crossin, P.M. Eggleston, A.
Farrell, D.E. Feeney, D.
Ferguson, A.B. Fielding, S.
 Fifield, M.P. Forsshaw, M.G.
Furner, M.L. Hogg, J.J.
Hurley, A. Hutchins, S.P.
Johnston, D. Joyce, B.
 Kroger, H. Ludwig, J.W.
Lundy, K.A. Marshall, G.
Mason, B.J. McGauran, J.J.J.
McLucas, J.E. Moore, C.

LEGISLATIVE POWER OF THE TERRITORIES

Senator HANSON-YOUNG (South Australia) (10.36 am)—I, and also on behalf of Senator Humphries, move:

That the Senate recognises the sovereignty of the territory parliaments to legislate within the powers conferred on them by the Federal Parliament, without interference from the Federal Government.

Question put.

The Senate divided. [10.37 am]

(The President—Senator the Hon. JJ Hogg)

Ayes.............. 7
Noes.............. 50
Majority.......... 43

AYES

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

NOES

Abetz, E. Adams, J.
Bernardi, C. Bernardi, C.
Barnett, G. Bishop, T.M.
Bilyk, C.L. Boyce, S.
Boswell, R.L.D. Busby, D.C.
Brown, C.L. Cash, M.C.
Carr, K.J. Collins, J.
Colbeck, R. Cormann, M.H.P.
Coonan, H.L. Eggleston, A.
Crossin, P.M. Farrell, D.E.
Ferguson, A.B. Fifield, M.P.
Furner, M.L. Fielding, S.
Hurley, A. Hogg, J.J.
Johnston, D. Hutchins, S.P.
Kroger, H. Feeney, D.
Lundy, K.A. Forsshaw, M.G.
Mason, B.J. Furner, M.L.
McLucas, J.E. Hurley, A.
Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (10.40 am)—I seek leave to make a short statement relating to notices of motion Nos 674 and 675.

The PRESIDENT—Leave is granted for two minutes.

Senator LUDWIG—I held this up so I could combine the two statements in the interests of both making the government’s position plain and not asking for four minutes to speak on notice of motion No. 674 and No. 675. The government’s position is that it is our view that it is not appropriate to single out one particular civil partnership. Since the laws were enacted last year in the Australian Capital Territory, there have been a number of couples who have had their relationships officially recognised as civil partnerships. There are also couples in Victoria and Tasmania who are able to access relationship recognition schemes. The Rudd government supports the development of relationship recognition schemes, which provide for couples which have a mutual commitment to a shared life to have their relationship officially recognised.

In respect of general business notice of motion No. 675, as indicated, the government does not support the motion. Any changes to self-government in the ACT must be based on broad consultation and consensus across the community. The constitutional implications for any change to self-government arrangements would need to be carefully considered by the Commonwealth. Any changes must strike the right balance between the Commonwealth’s direct interests in the territory as the national capital and home to Australia’s democratic institutions and the territory’s legislative powers. Any change must also strike the right balance between local sovereignty and Australia’s nationhood.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.42 am)—I seek leave to make short statement.

The PRESIDENT—Leave is granted for two minutes.

Senator BOB BROWN—That is a statement from a government made up in this case of undemocratic wowsers and sad sacks. Why on earth in 2009 can’t this Labor government remove discrimination from people who care to love each other and want to engage in the same rights to publicly celebrating that connection that everybody else in the community has? It is just a Howardian hangover by Rudd Labor. It is offensive, it is hurtful and it is destructive. On top of that is this ongoing propensity for Labor to override the will of the elected representatives of the Australian Capital Territory. That is trammelling democracy itself. This is a Rudd government showing not only its bigotry but its disrespect for a representative assembly. It ought to think long and hard about that. This is the Rudd government saying to the people of the ACT: ‘You are second rate. You don’t deserve the same right to determine your affairs as people in the states do.’ I will shortly be introducing a piece of legislation to help rectify that. It is time the Rudd government
treated the people of the ACT—and, indeed, the Northern Territory—with the same respect that all Australians have and that they deserve to have as well.

COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

Order

Senator MILNE (Tasmania) (10.44 am)—I move:

That there be laid on the table, no later than 1 pm on 26 November 2009, Dr Clive Spash’s uncensored and unamended research paper, The brave new world of carbon trading.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.44 am)—by leave—We will not be dividing on this matter but I do want to publicly indicate the government’s strenuous opposition to this proposal on the basis that it is misguided and totally misunderstands the nature of the relationship between this parliament and the CSIRO. Like all public research agencies, CSIRO is governed by a charter of research freedom and autonomy. That charter guarantees CSIRO’s right to pursue lines of inquiry, to publish results and to participate in public debate without political interference. It does not provide a basis for the government to micromanage the organisation.

The CSIRO produces over 3,700 papers per year. It is a ludicrous proposition to suggest that the minister would individually vet those papers. The government has no role in the discussions between CSIRO and Dr Clive Spash about the research paper which is the subject of this motion. This is entirely a matter for the CSIRO to manage. As I understand it, discussions between CSIRO and Dr Spash are continuing. Peer review is central to research enterprises. CSIRO has its own internal peer review processes. Those processes have been established to maintain the standards of excellence that have made CSIRO an international research icon. They have been established to protect the CSIRO brand and to ensure that Australia gets the best possible return on its investment in research. (Time expired).

Senator MILNE (Tasmania) (10.46 am)—by leave—There is nobody in Australia who is not proud of the CSIRO but there is nobody in Australia who is also so naive as to not realise that for 10 years under the Howard government the CSIRO was heavily suppressed in what it could produce. The culture within the CSIRO has led to self-censorship by management to make sure that they know full well what their ministers are prepared to accept or not accept. What is required here is for the minister to tell the CSIRO that the charter allows for the widest possible interpretation so that that suppression order can be lifted.

Senator Carr—to politically intervene.

Senator MILNE—It is not intervention in individual papers; it is to tell the CSIRO that the culture has changed, that openness and transparency are now the go. If that does not happen with this, then the culture of self-censorship will continue. That is why it is essential we get this paper absolutely tabled as it was written and peer reviewed and not as it is going to be amended by CSIRO management.

Question agreed to.

NORTHERN TERRITORY EMERGENCY RESPONSE REDESIGN CONSULTATION

Order

Senator SIEWERT (Western Australia) (10.48 am)—I move:

That there be laid on the table by the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs (Senator Evans), no later than Friday, 4 December 2009, the complete and unedited transcripts of all
four tiers of consultation meetings held under the Northern Territory Emergency Response Redesign Consultation process and any associated documents.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (10.48 am)—by leave—The government opposes this motion. The Minister for Families, Housing, Community Services and Indigenous Affairs has released a comprehensive report on the Northern Territory Emergency Response redesign consultations. The consultation process involved feedback from several thousand people at more than 500 meetings and workshops covering 73 remote Northern Territory communities and town camps between June and August 2009. The consultations were also independently audited. The government contracted the Cultural and Indigenous Research Centre Australia to review the engagement and communication strategy for the NTER design consultations and to observe a number of the consultations. Their report considered the openness and integrity of the consultations. This independent report is also publicly available. Given the scale of the consultation process, one of the largest with Indigenous Australians in the Northern Territory, it would be a significant use of administrative resources to provide to the Senate the materials requested. If the Senate has any specific questions about any of the detail in the report, the government is only too willing to respond to those questions.

Question negatived.

Senator SIEWERT (Western Australia) (10.50 am)—by leave—I reject the government’s comments on this issue. Yes, there was a large amount of consultation and yes, there was a supposedly an independent audit, but the really truly independent review showed a significant difference between what the government say the community said and in fact what the community says. The independent review has in fact released the transcripts of the meetings they have audited, which are significantly different from what the government claim was said in those meetings. That is why we want the full transcripts—so that we can actually see whether the government are selectively quoting from that consultation process, and the evidence to date strongly suggests they are. The government are basing the whole of their new welfare process supposedly on the consultation process. It is only right and fair, given the discrepancy between what the government say the community says and what the truly independent review by Melbourne university said, that they release those transcripts, on which they are basing the most fundamental change in welfare in Australia for a long time. They are basing that change on what that community supposedly said. That is why we want those transcripts, and I would have thought the opposition would have wanted those transcripts as well.

SNOWY WATER LICENCE

Senator SIEWERT (Western Australia) (10.51 am)—I move:
That the Senate—
(a) notes:
(i) the failure of the New South Wales Government to establish the Snowy Scientific Committee in a timely fashion prior to the first 5 year review of the Snowy Water Licence, as required by legislation,
(ii) that a decision on whether to allow environmental water to be released to the Snowy River from Mowamba Weir, in addition to Jindabyne Dam, would require at least 6 months to allow the Snowy Scientific Committee to complete further studies as required, and
(iii) that a decision to amend the licence to allow environmental water releases via Mowamba Weir as well as Jindabyne Dam made after the finalisation of the
Snowy Water Licence review could result in substantial compensation being provided to Snowy Hydro Limited; and
(b) calls on the Commonwealth Government to insist that the New South Wales Government delay finalisation of the Snowy Water Licence review for at least 6 months, to allow the Snowy Scientific Committee to review the environmental benefits of permitting releases from Mowamba Weir, in order to make a decision on this issue during the time of the review and thus avoid the risk of unnecessary payment of compensation.

Question agreed to.

Senator O'BRIEN (Tasmania) (10.52 am)—by leave—The government opposes this motion. We recognise that Senator Siewert has the support of the coalition and therefore has a majority for the motion and we will not call a division.

VOLUNTEERS AND VOLUNTEER SUPPORTING ORGANISATIONS

Senator BARNETT (Tasmania) (10.52 am)—I, and also on behalf of Senator Fifield, move:
That the Senate—
(a) notes:
(i) the outstanding contribution volunteers and volunteer supporting organisations make to Australian society, estimated to be worth more than $42 billion per annum,
(ii) that more than 5.4 million adults (34 per cent of the population) do voluntary work each year, contributing more than 700 million hours annually,
(iii) that volunteering has benefits of promoting a sense of community belonging, personal fulfilment and professional skills development for those who volunteer, as well as providing services to the community that may otherwise not be provided by government,
(iv) the sacrificial efforts of volunteers and volunteer organisations throughout Australia is under recognised and undervalued and without them society as we know it would collapse, and
(v) that International Volunteer Day will be celebrated around the world on 5 December 2009; and
(b) calls on the Government to continue to recognise and support volunteers and volunteer supporting organisations in our community.

Question agreed to.

COMMİTTEES

Environment, Communications and the Arts References Committee

Extension of Time

Senator BIRMINGHAM (South Australia) (10.53 am)—I move:
That the time for the presentation of the report of the Environment, Communications and the Arts References Committee on the impact of mining operations on the Murray-Darling Basin be extended to 4 December 2009.

Question agreed to.

AUSTRALIAN CAPITAL TERRITORY (SELF-GOVERNMENT) AMENDMENT (DISALLOWANCE AND AMENDMENT POWER OF THE COMMONWEALTH) BILL 2009

First Reading

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.54 am)—I move:
That the following bill be introduced:
A Bill for an Act to abolish the power of the Commonwealth executive government to disallow or amend any Act of the Legislative Assembly of the Australian Capital Territory, and for related purposes.

Question agreed to.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.54 am)—I present the bill and move:
That this bill may proceed without formalities and be now read a first time.

Question agreed to.
Bill read a first time.

Second Reading

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.55 am)—I move:

That this bill be now read a second time.

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

Leave granted.

Senator BOB BROWN—I table the explanatory memorandum and I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—
At the election in 2008, 220019 voters in the Australian Capital Territory elected a legislature. Its laws should not be overridden by the federal government, in particular, the executive of the federal government.

The Commonwealth parliament’s power to make laws for the territory comes from Sections 52 and 122 of the Constitution. Notably, the Constitution gives this power to the parliament. In 1988, the parliament delegated the power to the elected Legislative Assembly of the ACT through the Australian Capital Territory (Self-Government) Act 1988. However, the Self-Government Act provided for the Commonwealth parliament or the executive to disallow or amend any act of the ACT’s Legislative Assembly.

This bill removes that power from the executive. It leaves no doubt that any disallowance or amendment of an ACT law should be by legislation of the parliament as a whole. The executive can and does meet in secret, without the direction or agreement of the parliament. The provision for the executive override of the ACT’s laws leaves parliament, and its consultative committee system, diminished and reactive. This is not in the spirit of the Constitution.

This bill removes this anomaly and restores the Parliament’s exclusive power to wield or constrain constitutional authority over the territorial assembly.

I commend the bill to the Senate.

Senator BOB BROWN—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

BUSINESS

Rearrangement

Senator IAN MACDONALD (Queensland) (10.55 am)—I seek leave of the Senate to ask Senator Ludwig, the Special Minister of State, a question clarifying his initial motion this morning about sitting times.

Leave not granted.

The PRESIDENT—Senator Macdonald, Senator Ludwig has just indicated to me that he is going to talk with you.

COMMITTEES

Appropriations and Staffing Committee

Report

The PRESIDENT (10.56 am)—I present the 48th report of the Appropriations and Staffing Committee.

Ordered that the report be printed.

Senator Bob Brown—Mr Acting Deputy President, I am being approached by an angry senator and I ask you to have him desist.

The ACTING DEPUTY PRESIDENT (Senator Bernardi)—Senator Brown, I do not see anything inappropriate taking place. Senator Macdonald is simply conversing with a colleague.

Publications Committee

Report

Senator McEWEN (South Australia) (10.57 am)—On behalf of Senator Carol Brown, I present the 15th report of the Senate Standing Committee on Publications.

Honourable senators interjecting—

The ACTING DEPUTY PRESIDENT (Senator Bernardi)—Order! Senators, if you are going to carry on a conversation in
the chamber please resume your seats. Thank you.

Ordered that the report be adopted.

**Education, Employment and Workplace Relations References Committee**

Report: Errata

Senator HUMPHRIES (Australian Capital Territory) (10.58 am)—I present errata to the report of the Education, Employment and Workplace Relations References Committee on the provision of childcare.

Ordered that the document be printed.

**BUDGET**

**Consideration by Estimates Committees**

**Additional Information**

Senator McEWEN (South Australia) (10.59 am)—I present additional information received by committees relating to the following estimates:

Budget estimates 2009-10—

Community Affairs Legislation Committee—Additional information received between—

29 October and 25 November 2009—Health and Ageing portfolio.


Finance and Public Administration Legislation Committee—Additional information received between 20 August and 26 November 2009—

Department of Climate Change.

Finance and Deregulation portfolio.

Human Services portfolio.

Prime Minister and Cabinet portfolio.

Budget estimates 2009-10 (Supplementary)—

Economics Legislation Committee—Additional information received between 21 October and 25 November 2009—

Innovation, Industry, Science and Research portfolio.

Treasury portfolio.

Finance and Public Administration Legislation Committee—

Hansard record of proceedings.

Additional information received between 19 October and 26 November 2009—

Department of Parliamentary Services.

Department of the Senate.

Finance and Deregulation portfolio.

Legal and Constitutional Affairs Legislation Committee—Additional information received between 28 October and 25 November 2009—

Immigration and Citizenship portfolio.

**ACIS ADMINISTRATION AMENDMENT (APPLICATION) BILL 2009**

**COAL MINING INDUSTRY (LONG SERVICE LEAVE FUNDING) AMENDMENT BILL 2009**

**FOREIGN ACQUISITIONS AND TAKEOVERS AMENDMENT BILL 2009**

First Reading

Bills received from the House of Representatives.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (10.59 am)—I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I shall move a motion to have the bills listed separately on the Notice Paper. I move:

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

Question agreed to.

Bills read a first time.
Second Reading

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (11.00 am)—I table a revised explanatory memorandum relating to the Foreign Acquisitions and Takeovers Amendment Bill 2009 and move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

ACIS Administration Amendment (Application) Bill 2009

The ACIS Administration Amendment (Application) Bill 2009 confirms that the commencement date for the ACIS Administration Amendment Act 2009 is 1 January 2010.

The Government’s ‘New Car Plan for a Greener Future’ committed to providing the motor vehicle producers with a smooth transition to the new Automotive Transformation Scheme by providing increased assistance under ACIS in 2010. It was also the Government’s decision that this additional assistance be conditional on the enactment of the Automotive Transformation Scheme Act 2009, which occurred on 29 September 2009.

The amendment corrects the unintended consequence arising from the link between the ACIS Administration Amendment Act 2009 and the commencement of the Automotive Transformation Scheme Act 2009.

This Bill clarifies that the commencement date for the ACIS Act is 1 January 2010.

The amendments to the ACIS Administration Amendment Act 2009 also include an application provision to make it explicit that additional assistance to be provided to the motor vehicle producers is limited to their production of motor vehicles, engines and engine components from 1 January 2010. It removes any uncertainty that the new provisions could be applied to production of motor vehicles, engines and engine components undertaken in the final three months of 2009 for which duty credits will be issued in the first three months of 2010.

Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009

This Bill will amend the Coal Mining Industry (Long Service Leave Funding) Act 1992 (the Funding Act) to ensure the continued operation of existing unique long service leave arrangements in the black coal mining industry. The amendments will clarify that the existing long service leave entitlements preserved by the Fair Work Act 2009 will be covered by the Funding Act. The Bill will also introduce definitions of ‘black coal mining industry’, ‘employee’ and ‘employer’ and amend the definition of ‘eligible employee’ in the Funding Act to ensure that the scheme applies universally in the black coal mining industry.

Long service leave entitlements in the black coal mining industry currently flow from industrial instruments (awards and workplace agreements) and from contracts of employment. They are based on an employee’s service in the industry, rather than service with a particular employer.

Employees in the black coal mining industry have accessed portable long service leave entitlements under the terms of federal awards since 1949 which in turn were funded by an excise on coal production. Since 1993, under the Funding Act and related legislation, the funding of entitlements has been through an employer levy scheme. The Funding Act also established the Coal Mining (Long Service Leave Funding) Corporation, which administers the scheme. The Funding Act provides for the reimbursement of employers where they have made a payment to an eligible employee in respect of the employee’s entitlement to long service leave.

From 1 January 2010, the present industry awards prescribing long service leave will be superseded by modern awards under the Fair Work Act 2009 which are not permitted to include long service leave entitlements. While long service leave entitlements will be preserved through the operation of the National Employment Standards under section 113 of the Fair Work Act after 1 January 2010 they will no longer be award-based. As a consequence, from 1 January 2010, employers in
the black coal mining industry will not be entitled to reimbursement under the Funding Act in respect of long service payments they make to employees in respect of the preserved entitlements. These amendments will address this by ensuring the Funding Act applies to the preserved entitlements in the *Fair Work Act 2009*. The amendments also ensure all eligible employees will be entitled to the longstanding existing standard of long service leave for the black coal mining industry as of 1 January 2010. The government has had representations from both industry and unions for these amendments to be made.

The bill will include definitions of the ‘black coal mining industry’, ‘employee’ and ‘employer’ and amend the existing definition of ‘eligible employee’, to align with the Modern Award. Industry stakeholders have suggested to the government that these definitions will provide greater certainty as to the scope and application of the existing scheme. Those definitions will also apply to related legislation, that is, the *Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992* and the *Coal Mining Industry (Long Service Leave) Payroll Levy Collection Act 1992*.

The government considers that these proposals by industry participants are sensible and is happy to facilitate them by making these minor amendments.

The effect of this Bill is to preserve existing arrangements for employees in the black coal mining industry with respect to long service leave and also ensuring the reimbursement of employers from the fund in respect to long service leave payments they make to eligible employees.

The government considers that this is a desirable measure that recognises the unique historical circumstances surrounding long service leave in the black coal mining industry.

I commend this bill.

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Foreign Acquisitions and Takeovers Amendment Bill 2009

Today I introduce legislation to improve the integrity of Australia’s foreign investment screening regime.

The Foreign Acquisitions and Takeovers Amendment Bill 2009 clarifies the operation of the Foreign Acquisitions and Takeovers Act to ensure that the Government has the capacity to examine all substantial investment proposals that could potentially raise national interest concerns.

The Government welcomes and encourages foreign direct investment because of the benefits that it provides the Australian economy.

Foreign investment creates new job opportunities for Australians, encourages innovation and skills development, introduces new technologies and promotes competition amongst our industries.

Foreign investment has helped build the competitiveness of our economy and will continue to do so into the future.

The Foreign Acquisitions and Takeovers Act 1975 seeks to get the balance right between encouraging investment into Australia and ensuring that the Government can review significant foreign investment proposals and intervene where these could undermine the national interest.

The Act requires foreign investors to notify the Government of their transactions in certain circumstances and empowers the Treasurer of the day to block, or place conditions upon, those proposals that could be contrary to the national interest.

The Act focuses on situations where a foreign investor obtains substantial influence or ‘control’. Overall, the current provisions in the Act that deal with control have worked well, and its approach remains sound.

However, since the Act was drafted in the 1970’s, more complex investment instruments have evolved.

The use of innovative financing arrangements has been a growing feature of investment activity over recent years. These arrangements have highlighted that ownership interest and control can be held in a variety of forms other than through traditional shares and voting power.

While these types of investment arrangements have a solid commercial basis, they have raised questions around the Act’s full application.
It was for this reason that the Government announced earlier this year that we would amend the Act, to safeguard its policy intention.

The Bill clarifies that under the Act, foreign investors must notify the Government where the investment arrangement could deliver influence or control over an Australian company valued above the relevant monetary threshold.

And the Act will apply equally to all investments, irrespective of how they are structured.

The amendments specifically include transactions involving instruments that eventually convert into shares.

This will be achieved by first, expanding the definition of ‘voting power’ so that it covers the number of votes that could be cast if it is assumed that a future right is exercised.

And second, by clarifying where the Act deals with interests in shares. The Act currently provides that a person is deemed to hold an interest in a share if they have a right to acquire a share or to have a share transferred to them.

The Bill clarifies that a right can include a right under an instrument, agreement or arrangement, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not.

The amendments are designed to capture all significant foreign investments that have the potential to provide substantial influence or control over an Australian company.

These amendments are not the result of any one investment proposal. They ensure the Foreign Investment framework keeps pace with the changing nature of foreign investment proposals and with trends that were evident some time before this Government was elected.

The amendments in this Bill apply from 12 February 2009—the date that I announced the changes—to provide certainty around the Act’s application.

To ensure that investors are not unfairly affected by the retrospective start date, the Bill includes transitional provisions that apply in relation to business proposals and transactions that occurred between 12 February and the date of Royal Assent.

The transitional provisions provide flexibility for foreign investors to notify of any relevant transactions that became subject to the amended Act in the transition period within 30 days after commencement.

Subject to the need for post-commencement notification, these investors will not be subject to the normal criminal penalties in respect of those transactions entered into during the transition period.

I consider that these changes improve the integrity of the Act and capture arrangements that may be deliberately structured to avoid foreign investment screening.

These changes are consistent with Australia’s international obligations under our free trade agreements.

The full detail of these amendments is contained in the explanatory memorandum.

This Bill does not change the robust national interest framework that underpins our foreign investment policy, nor the screening and examination arrangements of the Foreign Investment Review Board.

These procedures are well established and familiar to foreign investors.

The examination procedures and the decision to block or impose conditions on foreign investment proposals will continue to be based on whether an investment has, or will, alter the control of an Australian business or corporation and whether the investment is contrary to the national interest.

I am confident that this Bill strengthens and modernises Australia’s foreign investment framework.

As we build stronger foundations for Australian prosperity beyond the global recession, the Government is committed to a regulatory regime that gets the balance right—protecting the national interest, while ensuring that Australia is a more competitive destination for foreign investment.

Debate (on motion by Senator Stephens) adjourned.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (11.01 am)—I move:
That the resumption of the debate be made an order of the day for a later hour.

**Senator IAN MACDONALD** (Queensland) (11.01 am)—I would like to speak on this motion. In so doing, I preface my remarks by indicating that the arrangement of the program is such that we are now going to have to return to this chamber next week. Mr Acting Deputy President Bernardi, you will know that the travel allowance given to senators and members relates to the registered sitting days. Next week it will be a question of whether senators—and I assume members—can afford to bring staff down under their existing travel budget. So, in considering this motion, it is a question of whether, when we next sit and the orders of the day are being presented, we will have the benefit of having staff here.

I appreciate that ministers and party leaders like Senator Brown, who tried to stop me from asking this question, are in a different situation. Obviously Senator Brown, as a leader, gets a lot more pay and allowances than the rest of us. That is obviously why he wanted to prevent me from asking this question. In a most unprecedented way leave was refused. I indicate to the Greens that if they ask for leave for anything for the rest of this year—

**Senator Siewert**—You have just denied us leave!

**Senator IAN MACDONALD**—I didn’t deny you anything. It happened to be the Labor Party.

**The ACTING DEPUTY PRESIDENT** (Senator Bernardi)—Order!

**Senator Hanson-Young**—Mr Acting Deputy President, I raise a point of order. I do not think that accusations across the chamber are appropriate for any member of this chamber, particularly people who should know better and are mature enough to speak to people properly and like human beings. I think the senator should reflect on his comments.

**The ACTING DEPUTY PRESIDENT**—There is no point of order, but I will make the point that interjecting is disorderly and responding to interjections does not assist the conduct of the Senate. Senator Macdonald.

**Senator IAN MACDONALD**—Thank you, Mr Acting Deputy President. I will ignore that interjection from someone whose judgment one would call into question here. I repeat that the Leader of the Greens deliberately prevented me from asking this question, no doubt because he has extra pay, extra allowances and extra staff, so it did not really worry him. In an unprecedented way he has refused to let me ask the question at the appropriate time. But I think it is relevant to do so on this motion before the chair. It just shows how much the Leader of the Greens lives in relation to his former political associations: freedom and democracy are not important.

Getting back to the issue, ministers have staff here next week, so it does not really matter to them, but we senators have a travel budget for bringing staff here based on the number of days in the schedule, and we are going to be in a very difficult situation next week. I ask the Special Minister of State, in considering this motion, and perhaps the Parliamentary Secretary for Social Inclusion and for the Voluntary Sector, in responding, to indicate that additional allowances will be made to senators and members to allow them to bring staff to Canberra next week to assist us in the debate on a very important topic before the chamber. I appreciate that the parliamentary secretary may not have the information, but I cannot imagine that the government would object to that. Every minister has a huge team of staff here in Canberra to assist them. Other members in the chamber—apart from the Greens leader, who
clearly has a lot of staff and a lot of allowances—do need the assistance of staff, and we find ourselves budget constrained unless the government will extend the travel allowance to allow us to bring staff to Canberra. I would ask that Senator Ludwig seriously consider that and perhaps respond sometime during the day.

Question agreed to.

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

**AUSTRALIAN CENTRE FOR RENEWABLE ENERGY BILL 2009**

**AVIATION TRANSPORT SECURITY AMENDMENT (2009 MEASURES No. 2) BILL 2009**

**NATIVE TITLE AMENDMENT BILL (No. 2) 2009**

**SAFETY, REHABILITATION AND COMPENSATION AMENDMENT BILL 2009**

First Reading

Bills received from the House of Representatives.

**Senator STEPHENS** (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (11.06 am)—I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I shall move a motion to have the bills listed separately on the Notice Paper. I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

**Australian Centre for Renewable Energy Bill 2009**

Australia faces a key challenge to reduce greenhouse gas emissions, while ensuring energy security. This Government is committed to implementing a comprehensive response to reduce Australia’s greenhouse gas emissions, with technology playing a vital role.

The Australian Government believes that the development of affordable and efficient low emission and renewable energy technologies is crucial to addressing this challenge. It is important that a sensible approach is taken to the development of these technologies; there is no simple, “one size fits all” technology that can be applied, either within Australia or globally. The world requires a variety of different clean energy technologies, reflecting different local attributes and circumstances, to draw upon if it is to address this massive challenge.

The Government’s efforts to develop these new low emission energy technologies are directed towards a few broad areas: energy efficiency, low emission coal and renewable energy sources.

Australia is lucky to possess many outstanding renewable energy resources—sun, wind, geothermal, biomass and ocean, just to name a few. While many of these renewable energy sources offer great potential, their reliability must increase and their generation costs must decrease if they are to make a significant contribution to increasing Australian and global energy security. The Australian Government is focussing on these issues so that renewable energy sources can play a key role in the Australian and global energy mix.

The Australian Government has made an unprecedented commitment to the development of new low emissions coal and renewable energy technologies. In May this year, the Government announced its $4.5 billion Clean Energy Initia-
The Clean Energy Initiative contains three key elements to support the research, development and demonstration of low emission and renewable energy technologies, being:

- the Carbon Capture and Storage Flagships Program, involving funding to support the construction and demonstration of large-scale integrated carbon capture and storage projects in Australia;
- the Solar Flagships Program, involving funding to support the construction and demonstration of large-scale solar power stations in Australia; and
- the Australian Centre for Renewable Energy, or ‘ACRE’.

These initiatives, along with others already underway, will create a world-class portfolio of Australian clean energy technology projects.

The Clean Energy Initiative will complement the Carbon Pollution Reduction Scheme and expanded Renewable Energy Target, which will deliver 20 per cent renewable energy generated by 2020. The expanded Renewable Energy Target provides a strong incentive to accelerate the uptake of Australia’s abundant renewable energy sources. However, there are significant technical and commercial issues facing the renewable energy industry that cannot be solved by the operation of the expanded Renewable Energy Target alone. These issues require a complementary effort to develop promising renewable energy and enabling technologies to a point where they can be competitive with existing energy technologies.

It is here that ACRE fills the gap. It provides an injection of funds to help develop and commercialise emerging renewable and enabling energy technologies.

Australian Government support for renewable energy technologies has not been well coordinated, as it has historically been delivered across a range of agencies. This fragmented approach has the potential to confuse industry stakeholders and lead to inefficiencies in delivery.

It is clear that there needs to be a more coordinated focus on renewable energy technology support. This is why the Government is establishing ACRE as the national renewable energy technology body. ACRE’s objective will be to promote the development, commercialisation and deployment of renewable energy and enabling technologies and to improve their competitiveness. It will achieve this by:

(a) developing and implementing a funding strategy capable of supporting projects along the innovation chain;
(b) encouraging additional investments, including investments from the private sector and State and Territory governments;
(c) managing the cost effective delivery of Government funded renewable energy and enabling technology programs;
(d) providing support and advice to governments, industry and the community on renewable energy and enabling technologies, strategies and related issues when requested;
(e) fostering collaboration between governments, industry and the research community on renewable energy projects;
(f) supporting growth in skills and capacity in renewable technologies for the domestic and international markets; and
(g) any other activities that it is directed to undertake by the Government to support renewable energy and enabling technologies.

ACRE will be a one-stop shop for Australian renewable energy businesses, drawing together more than $560 million of renewable energy investment. ACRE will also have money for new initiatives, including funds that were allocated to the formerly envisaged Clean Energy Program. The focus for new investments will be on the development, commercialisation and deployment of promising renewable energy and enabling technologies to help improve their competitiveness in the market.

In terms of existing renewable energy technology programs, ACRE will consolidate the following:

- the Renewable Energy Demonstration Program;
- the $15 million Second Generation Biofuels Research and Development Program;
- the $50 million Geothermal Drilling Program;
the $20 million Advanced Electricity Storage Technologies program;  
the $14 million Wind Energy Forecasting Capability Program; and  
the $18 million Renewable Energy Equity Fund.

This consolidation of Australian Government renewable energy and enabling technology programs has many advantages including:

- it will benefit stakeholders such as researchers and industry as there will now be one central point of Government contact for renewable energy technology development;
- it will also allow for better tracking and benchmarking of outcomes; and
- it will centralise information on support for renewable energy technologies.

ACRE will consist of three important elements:

- an independent advisory board, which will provide expert advice to the Government;
- staff from my Department who will support the board; and
- a Chief Executive Officer (CEO) who will report to the Secretary of my Department, and who will be an ex-officio member of the Board.

The bill I am introducing today establishes the ACRE Board and the position of CEO.

The membership of the Board will draw upon the significant talent we already have in the Australian industry and research community. It is critical that the Board employs a wide range of expertise to maximise the return on the Government’s investment in these key energy technologies.

The key job of the Board will be to advise the Government about how to best support the development of renewable energy and enabling technologies along the innovation chain.

I will be appointing up to six non-executive members to the Board, plus a non-executive Chair. Members will be chosen for their high level skills in areas such as research, venture capital, intellectual property, commercialisation and other fields relevant to the Board’s functions. They will then bring their knowledge and experience forward in advising the Government. The term of appointment will not exceed two years.  

As I mentioned earlier, ACRE’s objective is to promote renewable energy and enabling technologies and to improve their competitiveness in Australia. The Board will help to achieve this objective by advising the Government on:

- strategies to fund and promote renewable energy technologies;
- funding of promising projects and measures;
- management of programs and the improvement of existing program delivery;
- provision of venture capital funding; and
- priority areas for government support.

In relation to advising on the funding of renewable energy and enabling technology projects and measures, the Board will first apply its expertise in assessing projects and measures which have been referred to it for consideration by Government.

I will be asking the Board to take an innovative approach in providing advice on the design of these strategies and their underpinning programs to ensure that we get the most out of the investments that the Government makes over the next few years.

The Board will also establish links with state and territory government agencies and the private sector with a view to developing strategies for stimulating investment in renewable energy technologies. This is a real opportunity for State and Territory governments and the business community to join with the Australian Government in a common goal.

I expect that the Board will manage its affairs in a manner reflecting the highest standards of probity and the highest ethical standards and governance practices. The legislation includes provisions to help achieve these standards.

The Bill also establishes the position of the CEO, who will be recruited to round out the leadership team for ACRE. The CEO will be an ex-officio member of the Board and will run ACRE on a day to day basis. This person will have an understanding of the issues facing the industry and very strong stakeholder management skills.
In summary, the establishment of ACRE is a significant step forward in the development of affordable and efficient renewable energy and enabling technologies. If Australia is to play its part in addressing the global challenge of reducing greenhouse gas emissions while increasing energy security, it will need to make a significant contribution to the development of a suite of viable renewable energy technologies. ACRE will be central to this contribution.

I commend the Bill.

Aviation Transport Security Amendment (2009 Measures No. 2) Bill 2009

The framework of Australia’s aviation security legislation has a number of layers to ensure the deterrence, detection and prevention of acts of unlawful interference with an aircraft. That framework is under constant review to ensure it is responsive to changing threats to the Australian aviation industry.

The Aviation Transport Security Amendment (2009 Measures No. 2) Bill 2009 will tighten the air cargo supply chain in a balanced and strategic way.

It is the Government’s view that cargo which can either be transported by road or air should, where possible, be certified for security purposes early in the supply chain.

An example of this is express parcels that are transported domestically. At present, air cargo security measures such as x-ray examination, physical search and explosive trace detection tests are not used until it is decided that the parcel in question will definitely travel by air, which can be when the relevant package is at the airport.

The Amendments being proposed in this Bill will allow for better security checking earlier in the supply chain, when goods are in a less consolidated state and more easily unpacked and scrutinised if necessary.

Further, under the current legislative arrangements, only aircraft operators may certify air cargo even though other industry participants earlier in the supply chain apply security measures such as X-ray screening or explosive trace detection tests. This means that an aircraft operator may have to certify something which has been examined and packed by someone else earlier in the supply chain.

The amendments in the Bill will allow for the certification of cargo at the appropriate point in the supply chain. The Bill expands the classes of industry participants who may certify cargo for carriage on an aircraft, meaning the person who examines the cargo can also certify it at the same time.

In the example of an express parcel, these amendments mean the parcel can be inspected and cleared before it is sealed, allowing for a greater amount of certainty that its contents do not pose a threat to aviation security.

Specifically, this Bill contains six key amendments to the Aviation Transport Security Act 2004 to expand the regulatory scope for supply chain security by the Office of Transport Security, Australia’s aviation security regulator.

Firstly, the Aviation Transport Security Act 2004 will expand the definition of cargo to include circumstances where cargo is reasonably likely to be transported by aircraft.

The Regulations would then provide that goods are considered to be ‘reasonably likely’ to be transported by aircraft when, for example, they are identified by the consignor as express or priority freight or goods accompanied by a dangerous goods statement as required by the Civil Aviation Act 1988.

The amendment will ensure all cargo likely to be transported by aircraft is dealt with by parties who are regulated and obliged to apply measures at each stage, consistent with their operations.

The second amendment will expand the scope of industry participants who may certify cargo through a revised definition of the term ‘certified’. The revised definition will allow certification of cargo by Regulated Air Cargo Agents, Accredited Air Cargo Agents and Aircraft Operators. This amendment will reflect the expanded scope of industry participants who may certify cargo.

Thirdly, the Bill will allow regulation-making powers to prescribe the circumstances in which cargo may be certified. The scope of industry participants who may certify cargo will be ex-
panded to include Regulated Air Cargo Agents and Accredited Air Cargo Agents. This amend-
ment will allow certification to take place along
the supply chain in line with cargo examination
processes performed by industry participants and
enhance compliance to these processes by indus-
try participants.

The fourth amendment in this Bill will allow the
Secretary to issue a notice describing the circum-
stances in which cargo may be certified. The Sec-
retary will be empowered to specify criteria for
certification appropriate to the changes in the
threat to aviation security, technological ad-
vancements and international obligations. This
amendment will provide greater flexibility and
alter certification criteria to ensure they are fit for
circumstance and carried out by appropriately
regulated industry participants.

The fifth amendment will introduce a transitional
provision for Transport Security Programs to en-
sure a consistent application of measures in line
with the amended definition of cargo proposed in
this Bill. Transport Security Programs with the
existing definition of cargo will be taken to be
amended as if they included the new definition of
cargo.

The final amendment will preserve existing Regu-
lations until such time as new regulations take
effect.

In summary, the proposed amendments will clar-
ify the obligations of aviation industry partici-
pants in applying security measures along the
cargo supply chain and empower the Secretary to
specify criteria for cargo certification appropriate
to prevailing circumstances.

These amendments will enhance the security of
the air cargo supply chain and, as a result, strenthen aviation security in Australia.

It is vital to achieving the advances needed in
health, education, and employment participation outcomes for Indigenous Australians.

The Native Title Amendment Bill (No. 2) 2009
contains an important measure to complement
and assist the agenda to close the gap by facilitat-
ing the timely provision of quality public housing
and associated infrastructure.

It will facilitate the construction of housing on
land in indigenous communities which is or may
be subject to native title.

The Government has committed an unprece-
dented $5.5 billion over 10 years to address his-
toric under-funding of housing in remote Indige-
nous communities.

Further, the Government is determined to ensure
that Indigenous communities can benefit as
quickly as possible from this historic investment.

To ensure the new delivery model for Indigenous
housing avoids the pitfalls of the past, secure
tenure arrangements are now a requirement of all
major investment in housing and other infrastruc-
ture.

This makes government responsible and account-
able for effective management and maintenance
of these assets.

However, some state governments have indicated
that uncertainty in relation to native title can be a
barrier to meeting housing and service delivery
targets. This is creating delays.

This Bill introduces a new process specifically for
public housing and a limited class of community
facilities including education, health and emer-
gency services facilities.

It will apply primarily to acts of State, Territory
and local government bodies.

The new process strikes a balance between the
urgent need for these services and the need to
engage meaningfully with native title parties and
protect native title rights and interests.

It also contains important safeguards to ensure
genuine consultation with native title parties.

It sets in place a framework for meaningful en-
gagement with key stakeholders in decisions
about housing and other services for Indigenous
communities.

Native Title Amendment Bill (No. 2) 2009
The Rudd Government has a genuine commit-
ment to improving the lives of Indigenous Austra-
lians through progressing an agenda that aims to
close the gap on Indigenous disadvantage.

Housing is at the centre of to this commitment.
The new process sets out reasonable and specific periods for comment and consultation, and provides flexibility to allow native title parties to choose the level of engagement they feel is appropriate for each individual project.

It will be subject to State and Territory heritage processes.

The Bill also enables the Attorney-General to prescribe how consultations with native title parties should occur, including general guidance on the issues to be included in consultation.

This includes the capacity to set more detailed requirements such as face to face meetings and provision of interpreters.

The Bill also requires that reports on consultation be provided to the Attorney-General.

The Commonwealth may make these reports public, providing for public scrutiny on the new process.

Acts covered by the new process will be invalid if there is a failure to notify, provide a consultation report or observe the minimum specified time periods.

This ensures that a proper process is followed and that governments can then be certain that the investment has been validly applied.

Finally, the new process will sunset after 10 years.

The 10 year period approximates the duration of the National Partnership Agreement on Remote Indigenous Housing under which $5.5 billion has been committed.

Conclusion

The Government is determined to continue on the course of resetting the relationship between Indigenous and non-Indigenous Australians and to recognise and respect native title.

Alleviating poverty and improving housing and infrastructure in Indigenous communities is paramount to this effort.

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Safety, Rehabilitation and Compensation Amendment Bill 2009

The Safety, Rehabilitation and Compensation Act 1988 (SRC Act) establishes a statutory framework of workers’ compensation and rehabilitation for employers and employees in the Commonwealth jurisdiction. It also covers private corporations that are licensed to self-insure their workers’ compensation liabilities under the Common-wealth scheme.

These self-insurance arrangements were introduced in the SRC Act in 1992 and enabled privatised Commonwealth government business enterprises to remain under the scheme for workers’ compensation and rehabilitation purposes. For reasons of competitive neutrality, corporations competing in the marketplace with Commonwealth-owned or formerly Commonwealth-owned businesses could also apply to join the scheme for workers’ compensation purposes.

For a number of years, all self-insurers under the SRC Act were either current or formerly-owned Commonwealth authorities. The previous government made a decision to declare Optus eligible to apply for a self-insurance licence. The High Court in 2007, in Attorney-General (Vic) v Andrews, upheld the validity of the SRC Act’s self-insurance provisions. Following that decision, a number of corporations with no prior connection to the Commonwealth were granted licences to self-insure under the SRC Act.

Following changes to the Commonwealth’s Occupational Health and Safety Act 1991 by the previous government in March 2007, licensed private sector self-insurers under the SRC Act have also been subject to a single national workplace health and safety regime under Comcare.

In the last 18 months of the previous government, there was a 45 per cent increase in the number of employees covered by the Comcare scheme for workers’ compensation and OHS purposes. The increase means the Comcare scheme covers more employees than previously in industries such as transport and logistics, construction, security, banking and communications. There are currently 29 licensees under the scheme.

With the expansion of the types of industries covered by Comcare, the Rudd Government has been concerned to ensure that all employees under the scheme are protected by rigorous OHS safeguards and appropriate workers’ compensation benefits.

To this end, on 11 December 2007, I announced a review of the Comcare scheme. The purpose of
the review was to ensure that Comcare is a suitable OHS and workers’ compensation system for self-insurers and their employees. I also announced a moratorium on new companies joining the scheme.

The review entailed an analysis of 80 written submissions, and consultations with 20 stakeholders including government, non-government, employer, union and legal bodies.

Since the Department of Education, Employment and Workplace Relations provided its report on the review to me, there have been a number of significant developments that have a bearing on the issues canvassed in the review.

Significant progress has been made under this Government towards nationally harmonised OHS arrangements. In July 2008 the Council of Australian Governments signed an historic Inter-Governmental Agreement for Regulatory and Operational Reform in Occupational Health and Safety. This agreement provides for the development of a nationally uniform OHS legislative framework. It also provides for the establishment of a new national tripartite body with primary responsibility for driving national policy development in respect of OHS and workers’ compensation, including the development of harmonised OHS laws. All states, territories and the Commonwealth have committed to adopt uniform OHS laws by 2011, complemented by nationally consistent approaches to compliance and enforcement.

The Workplace Relations Ministers’ Council in May 2009 decided on the optimal structure and content of a model OHS Act to be uniformly adopted by the Commonwealth, state and territory jurisdictions. Safe Work Australia, the new tripartite national body established to drive the reform process, is developing the draft model OHS laws. An exposure draft model OHS Act is currently undergoing a six week period of public consultation.

In June 2009 the Workplace Relations Ministers’ Council noted the Commonwealth’s intent to transfer OHS coverage of self-insured licensees from the Comcare scheme to state and territory jurisdictions, following the implementation of uniform OHS laws in all jurisdictions.

The rationale for this is that uniform OHS laws and nationally consistent approaches to compliance and enforcement will remove the need for Comcare’s OHS coverage of licensees. The transfer of OHS coverage would also reduce the number of dual jurisdiction worksites.

On 7 September 2009, the Senate passed the Safe Work Australia Act 2008. Safe Work Australia will now be established as an independent statutory agency with primary responsibility to improve occupational health and safety and workers’ compensation arrangements across Australia. It is expected that the new statutory agency will become operational from 1 November 2009. Prior to its legislative establishment, Safe Work Australia was established administratively from April 2009 to progress the OHS reform process without undue delay.

Given the proposed transfer of OHS coverage for Comcare self-insurers to states and territories, I announced on 25 September 2009 that the Government will maintain the current moratorium on new companies joining the scheme until 2011 when uniform OHS laws have been implemented in all jurisdictions. To do otherwise would cause unnecessary dislocation in that, if new entrants were permitted to join the scheme, they would need to adapt to Comcare and then quickly change again to adapt to the new model laws.

I also announced on 25 September 2009 a number of improvements to the Comcare scheme. These include introduction of a statutory time limit for the consideration of workers’ compensation claims; reinstatement of workers’ compensation coverage for off-site recess breaks; and continuation of payment of medical and related costs where a workers’ weekly compensation benefits are suspended for refusing to participate in the rehabilitation process.

The Government also recently increased substantially the lump sum and weekly death benefits under the Comcare scheme to align them more closely with death benefits payable under state workers’ compensation schemes.

Furthermore, Comcare is undertaking a review of the permanent impairment arrangements in the scheme, in particular the current Permanent Impairment guide. The purpose of this review is to determine whether the scheme provides reason-
able access to, and reasonable levels of, compensation in the case of workplace injuries which result in permanent impairment.

I have also announced that I will direct Comcare to strengthen its OHS enforcement approach. This is to include development of guidance material which reflects a proactive enforcement policy, and to increase the expertise of its investigators. Furthermore, I will be writing to Comcare regarding the issuing of guidance material which encourages employers, as part of their health and safety management arrangements, to consult with all workers at or near the workplace, not just their direct employees. The guidance material will emphasise that consultation should be an ongoing process.

The proposed amendment to section 100 of the SRC Act needs to be viewed against the background of progress with OHS harmonisation. It also needs to be viewed against the Commonwealth's intent to transfer OHS coverage of licensees to state and territory jurisdictions after uniform OHS laws have been implemented in all jurisdictions. Section 100 provides for the Minister to declare corporations that meet certain criteria to be eligible to apply for a self-insurance licence. The amendment will give the Minister greater flexibility in dealing with applications under section 100 of the SRC Act.

When the Government first announced the moratorium on new companies joining the scheme, it was in the context of the establishment of the Comcare review. Now that the moratorium is to continue for a further period, the Government considers that it is appropriate to formalise the arrangements for the moratorium through legislation.

The proposed amendment provides that the Minister is not compelled to consider a request for a declaration of eligibility under section 100 by corporations seeking to join the Comcare scheme as self-insurers. This would apply to new requests or applications, and any existing applications that have been made but not determined.

The Bill will provide the Minister with a clear discretion on whether or not to consider a request for a declaration. It makes it explicit that section 100 of the SRC Act empowers, but does not oblige, the Minister to consider requests for declarations of eligibility.

The proposed amendment to section 100 contained in this Bill will enable the Minister to consider important developments, such as progress with OHS harmonisation, in deciding whether to consider any applications to join the Comcare scheme. Importantly, under the proposed amendment the Minister will retain the flexibility to consider applications to join the scheme.

Ordered that further consideration of the second reading of these bills be adjourned to the first sitting day of the next period of sittings, in accordance with standing order 111.

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

HEALTH INSURANCE AMENDMENT (COMPLIANCE) BILL 2009

Consideration of House of Representatives Message

Message received from the House of Representatives returning the Health Insurance Amendment (Compliance) Bill 2009, informing the Senate that the House had agreed to amendments (2) to (9) made by the Senate and disagreed to amendments (1) and 10, and requesting the reconsideration of the amendments disagreed to by the House.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (11.08 am)—I move:

That consideration of the message in committee of the whole be made an order of the day for the next day of sitting.

Senator CORMANN (Western Australia) (11.08 am)—I would like to speak against this motion on the Health Insurance Amendment (Compliance) Bill 2009 and forewarn that I will be moving an amendment to it on behalf of the opposition and on behalf of Senator Xenophon and Senator Fielding. This legislation should be dealt with today. There has been enough time wasting
by the Minister for Health and Ageing in relation to the issue of cataract surgery rebates for patients. Yesterday the Senate for the second time disallowed a cold-hearted and massive cut to patient rebates through Medicare for cataract surgery. We did this in the most responsible fashion. The Senate has bent over backwards to ensure that the disallowance of those particular cataract surgery rebate items would result in a return to the previous rebates. We passed a private member’s bill which is still in the House of Representatives and which the government could bring on today to ensure a return to previous rebates to make sure that elderly patients across Australia do not get hurt by the complete mess created by the Minister for Health and Ageing, Nicola Roxon, through her handling of this very important issue.

The opposition calls on the Prime Minister to step in and take over from his bungling Minister for Health and Ageing, who is quite happy to hurt elderly patients by denying them access to this life-changing surgery. As well as having disallowed twice these massive cuts in patient rebates for cataract surgery, as well as having passed a private member’s bill and having passed amendments to the Health Insurance Amendment (Compliance) Bill 2009 to ensure that we would fix up the mess created by the government, we have also asked a whole series of questions. For example, the minister claimed to have legal advice that the actions of the Senate were unconstitutional. In this circumstance the government was giving advice to itself about the fact that the actions of the parliament were supposedly unconstitutional. The government was giving advice to itself, patting itself on the back. The government has the constitutional power—the Senate does not have the constitutional power—to make this disallowance process more effective in relation to Medicare rebates. The circumstance we have here is a government that imposed a massive cut of 50 per cent to patient rebates for cataract surgery.

The Senate disagreed with the reduction in rebates, but because of the way these regulations are structured the only option that the Senate had procedurally was to disallow the item number itself rather than being able to disallow the reduction. That is completely unsatisfactory and it is why the Senate initially passed a private senator’s bill, the Health Insurance Amendment (Revival of Table Items) Bill 2009, which is in the House of Representatives. When the government irresponsibly and recklessly buried that piece of legislation in the House of Representatives, we amended the Health Insurance Amendment (Compliance) Bill 2009. It is absolutely critical that we deal with this today so that it can go back to the House of Representatives today for the government to finally put an end to the uncertainty for patients and tidy up the mess created by the Minister for Health and Ageing, Nicola Roxon.

Minister Roxon said she had legal advice that this course of action pursued by the Senate was unconstitutional. In the House of Representatives on 29 October—and I will give you the very specific reference: it was at 9.59 am—Nicola Roxon said, ‘We are happy to provide that legal advice.’ We thought that was great, at least she will be prepared to swap notes so we can check, test and scrutinise whether the arguments that she is putting forward hold sway. Taking the minister at her word, my office made contact with the minister’s office and asked for a copy of that legal advice. The minister claimed to have legal advice that the actions of the Senate were unconstitutional. In this circumstance the government was giving advice to itself about the fact that the actions of the parliament were supposedly unconstitutional. The government was giving advice to itself, patting itself on the back. The government has the constitutional power—the Senate does not have the constitutional power—to make this disallowance process more effective in relation to Medicare rebates. The circumstance we have here is a government that imposed a massive cut of 50 per cent to patient rebates for cataract surgery.

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said they do not ever provide legal advice. After insisting—and I can be a bit persistent on these sorts of things—I wrote a letter to the minister saying I would like to get a copy and I referred her back to her statement in the House of Representatives. Eventually I got a copy of a departmental briefing note which was drafted well after the minister made her original claims, even after I had submitted the request for a copy of that advice.

Here we have a government department advising the government that the government has certain powers under the Constitution. Do you expect a government department to say anything else? Do you think that a government department is going to say to the government ‘You can’t do this under the Constitution’? I repeat my message from earlier and I hope the Prime Minister will start listening because the Minister for Health and Ageing is totally at sea. She is trying to play all sorts of legal and technical games to avoid her responsibilities to the parliament as a minister in a parliamentary democracy. The Prime Minister should start listening. You cannot expand the powers of the government under the Constitution by a departmental briefing note—advice from government to itself—saying that it somehow has more powers than was previously understood. That is just not an authority that is able to determine what the government can and cannot do. The government cannot limit the roles and responsibilities and powers of the Senate under the Constitution by a government briefing note to itself. It is just not the way it works.

Contrast that approach with the way the opposition has handled this. We sought advice from the Clerk of the Senate and obtained it, and the advice from the Clerk of the Senate was very clear: the actions of the Senate were entirely within what was allowed under section 53 of the Constitution. The private member’s bill, and the amendments that we have moved to this particular piece of legislation, are consistent with the Constitution. They do not appropriate money, not even indirectly. But we went a step further. The AMA sought independent legal advice from Blake Dawson. I have previously tabled a copy of that advice in this chamber and that advice was very clear: the actions of the Senate were entirely constitutional, this bill does not appropriate money and this is a matter to be resolved between the two houses of parliament.

We passed two orders in this Senate requiring the Minister for Health and Ageing to table a copy of that legal advice. It should be remembered that this is legal advice that she promised she would table in the House of Representatives. Every single order has been declined. The Minister for Health and Ageing is still running for cover. It raises a question that I think has to be asked: what has the minister got to hide, given that her promise was so clear-cut? We have put all of our advice on the table. I have tabled four pieces of advice from the Clerk, and yesterday, when this was supposed to have come up, I gave a copy of a further piece of advice in relation to the minister’s most recent comment. This was circulated to the government and I seek leave to table it.

Leave granted.

Senator CORMANN—This is in relation to the latest refusal of the minister to provide a copy of the government’s legal advice on the Health Insurance Amendment (Revival of Table Items) Bill 2009. I will just quote some key points. The minister’s letter of refusal: … repeats demonstrably invalid grounds for the refusal.

The statement repeats the claim that “legal advice is not tabled or otherwise made available”, without adding the qualification required by the facts, “except for all those occasions on which government have tabled or otherwise made available
such advice”. It also ignores the declaration by the Senate in its order of 13 May 2009 that the claim that information consists of advice is not a public interest ground for withholding it.

The statement then claims—

and this is the absolute clincher—

that disclosure of the advice “might prejudice the Commonwealth’s position in the event of any legal proceedings aimed at establishing the constitutional propriety of the Bill.” The statement does not explain how there could be any such legal proceedings, given that section 53 of the Constitution is non-justiciable. Is the minister planning to try to persuade the High Court to reverse its past judgments and to adjudicate on section 53?

I have just tabled this for the public record, but then there was another series of orders of the Senate passed that sought information on one of the minister’s core assertions that she uses to justify her cold-hearted cut in patient rebates for cataract surgery. Her main assertion was that the surgery now only takes 15 minutes. She never provided any data to substantiate that fact. She never pointed to any Australian data that would actually substantiate her assertions. The only thing she ever did was point to a quote out of context in an article in the British Medical Journal. But she answered no to all the questions we ever asked about whether she had any data that would actually demonstrate what the average surgery times for cataract surgery in Australia were.

We understand that in recent times the minister has been getting that advice, because after the Senate first disallowed this particular cut in cataract surgery rebates, the minister’s office and the department started to do a ring around, and I understand that the minister has been given information that according to the National Procedure Banding List there has not been any significant reduction in cost or timing and that in fact the average time for cataract surgery is about just over 30 minutes. That is totally inconsistent with the minister’s assertion. We moved an order for the production of documents for the minister to table that information in the Senate and we gave her a deadline. The minister ignored that deadline.

I am just going to talk about another total distortion in terms of referring to standing orders of the Senate. In her response, the minister—and it is the second time she has done this—refers to Senate standing order 164 and uses it in such a way that standing order 164 appears to give her justification for delay in substantively answering to an order of the Senate for 30 days. So all she is giving is an interim response. She says, ‘Well, I’ve got 30 days in accordance with standing order 164 of the Senate.’ The reality is that that is not true. What standing order 164 provides for is a sanction that the Senate can apply in terms of procedural matters if the government does not comply for 30 days. There is nothing in standing order 164 which enables the government to wilfully ignore deadlines set by the Senate to comply with orders that have been properly passed by this Senate in accordance with our standing orders.

But of course Minister Roxon has form on this. She treats the Senate with absolute contempt. She thinks it does not matter what the Senate thinks about things. She thinks that as a minister and part of the executive government she should be able to do whatever she wants. If she wants to cut Medicare rebates for cataract surgery in half, she should be able to do it; and if the Senate votes against it, that is just a nuisance. She just makes a party political statement about it. Everything she talks about is party political. She does not understand that the Senate is part of our parliamentary democracy and that Nicola Roxon is a minister in a two-chamber parliamentary democracy where she is accountable both to the House of Representatives and to the Senate. She seems to think that
she is a minister in a dictatorship—where whatever she wants to do she can do, even though the Senate is opposed to it.

The disallowance process is there to stop governments from doing things that a majority of senators do not agree with. If a government wants to do things that the Senate does not agree with, the disallowance process is there to stop them from going ahead with it. The general rule under the Legislative Instruments Act is that if a regulation is disallowed then it reverts back to the previous regulations until the matter is resolved. That is the case except in this circumstance, because when governments change Medicare rebates they do not amend the previous MBS schedule; they delete the previous MBS schedule altogether. They then instate the new schedule.

So, when we disallow specific items, rather than then reverting back to specific previous items it reverts back to nothing. That is why the Senate passed the Health Insurance Amendment (Revival of Table Items) Bill 2009 and why the Senate passed the amendments, which the House of Representatives has rejected, to the Health Insurance Amendment (Compliance) Bill 2009. I think it is crucial that the Senate deals with this today. I think it is crucial that this legislation goes back to the House of Representatives today, particularly given that the Senate yesterday again disallowed the government’s cold-hearted and massive cuts in patient rebates for cataract surgery. As such, I, and also on behalf of Senator Fielding and Senator Xenophon, move:

Omit “for the next day of sitting”, substitute “immediately”.

I foreshadow that I will move that the committee insist on its amendments to which the House has disagreed when we reach the committee stage.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (11.23 am)—We have just sat and listened to 15 minutes of tirade which was really in the guise of delaying the debate on the Carbon Pollution Reduction Scheme. I would just like to make sure that people understand what this is all about.

Senator Cormann—Mr Acting Deputy President, I rise on a point of order. The minister is making assertions about my motivations as a senator in this chamber and I ask you to call her to order. This is about elderly patients across Australia; this has got nothing to do with the Carbon Pollution Reduction Scheme.

The ACTING DEPUTY PRESIDENT (Senator Bernardi)—There is no point of order. The minister is making a debating point.

Senator STEPHENS—I would just like senators here in the chamber, those listening and those people in the gallery to understand exactly what is going on here. The issue is that Senator Cormann, presumably as a backbencher, is now moving that we disband the program that we have debated all morning to resolve—and we have had a commitment to resolve the issue about the Carbon Pollution Reduction Scheme and the legislation—and abandon that program so we can deal with a disallowance which he is now moving as a procedural issue in an unprecedented lack of discipline.

Senator Cormann—Mr Acting Deputy President, I rise on a point of order. The parliamentary secretary has just said that I was moving a disallowance motion. I am not doing anything of the sort. This will take five minutes. I am foreshadowing a motion that the committee insist on the amendments.

The ACTING DEPUTY PRESIDENT—Senator Cormann, there is no point of order.
Senator STEPHENS—I just want to point out to everybody here the fact that this tactic was not discussed in the leaders and whips meeting this morning. When discussion was sorted out today about the way in which today’s proceedings would be debated and how today’s business would be managed, this issue was not raised. It comes to this point: it was not discussed in how the business of the Senate was going to proceed today. Therefore it goes to the lack of discipline around this issue. It is not going to happen. This is the second time this week that we have had an unprecedented lack of discipline and process in this place.

Senator Cormann—Mr Acting Deputy President, I rise on a point of order. The parliamentary secretary is misleading the chamber. This issue was discussed at the whips meeting yesterday. I raised it myself with the government’s representative at the table. It was supposed to come up yesterday. I discussed it with the whip yesterday. It was well and truly organised yesterday. The fact that it only came up today is not my fault.

The ACTING DEPUTY PRESIDENT—Senator Cormann, there is no point of order.

Senator McEwen—Mr Acting Deputy President, I rise on a point of order also. I would like to make a point of order about this continued abuse of the Senate processes by Senator Cormann.

The ACTING DEPUTY PRESIDENT—Senator McEwen, there is no point of order.

Senator STEPHENS—I would like to indicate to the Senate the fact that we have just wasted so much time on this issue. There is no intention on the part of the government to call a division on this motion. We are trying to make sure that the work of the Senate proceeds smoothly.

Senator IAN MACDONALD (Queensland) (11.27 am)—I would like to speak on this motion. I know that time is short, so I will be very brief. The hypocrisy of the Labor Party is demonstrated by that last speaker. The speaker spent three minutes wasting our time and preventing us getting on to the CPRS. This morning we had the spectacle of the Labor government, on every notice of motion—

Senator Stephens—Mr Acting Deputy President, I rise on a point of order. My point of order is that there has not been a waste of time, and procedurally the government responds.

The ACTING DEPUTY PRESIDENT (Senator Bernardi)—There is no point of order.

Senator IAN MACDONALD—Mr Acting Deputy President, with all these spurious so-called points of order the government yet again wastes the time of the Senate when we want to be discussing the CPRS bills. This morning on every formal notice of motion we had a two-minute statement by the government, and then the government and their mates in the Greens had division after division, wasting the limited time we have to address and to point out the failings in the CPRS. We have this hypocrisy on this debate. Senator Cormann’s motion is very appropriate. It can be dealt with speedily if we do not have more interference from the government in dragging out the time before we can get on to the CPRS bills.

Question agreed to.

Senator McEWEN (South Australia) (11.28 am)—I seek leave to make a short statement of no more than 30 seconds.

Leave granted.

Senator McEWEN—I would just like to put the government’s position. We opposed that motion on the understanding that the opposition had the support of Senators Xenophon and Fielding.

Original question, as amended, agreed to.
House of Representatives message—
SCHEDULE OF THE AMENDMENTS MADE BY THE SENATE TO WHICH THE HOUSE OF REPRESENTATIVES HAS DISAGREED

(1) Clause 2, page 1 (lines 7 and 8), omit the clause, substitute:

2 Commencement
(1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
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<tbody>
<tr>
<td>Provision(s)</td>
<td>Commencement</td>
<td>Date/Details</td>
</tr>
<tr>
<td>1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table</td>
<td>The day on which this Act receives the Royal Assent.</td>
<td></td>
</tr>
<tr>
<td>2. Schedule 1</td>
<td>1 January 2010.</td>
<td></td>
</tr>
<tr>
<td>3. Schedule 2</td>
<td>The day after this Act receives the Royal Assent.</td>
<td></td>
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</tbody>
</table>

Note: This table relates only to the provisions of this Act as originally passed by both Houses of the Parliament and assented to. It will not be expanded to deal with provisions inserted in this Act after assent.

(2) Column 3 of the table contains additional information that is not part of this Act. Information in this column may be added to or edited in any published version of this Act.

(10) Page 19 (after line 16), at the end of the bill, add:

Schedule 2—Amendment relating to disallowance of medical services items

Health Insurance Act 1973

1 At the end of section 4

Add:

(3) If an item in a table of medical services prescribed in accordance with subsection (1) is disallowed under section 42 of the Legislative Instruments Act 2003, the corresponding item, if any, in the previous regulations is taken to apply in place of the disallowed item from the time of disallowance.

(4) In subsection (3):

corresponding item means:
(a) the item in the previous regulations with the same item number; or
(b) if no item satisfies paragraph (a)—the item in the previous regulations covering the same medical services; as the disallowed item.

previous regulations means the regulations that were in force immediately prior to the commencement of the disallowed item.

2 Application
The amendment made by this Schedule applies in relation to any disallowance after 26 October 2009 of an item in a table of medical services prescribed in accordance with subsection 4(1) of the Health Insurance Act 1973.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (11.29 am)—I move:

That the committee does not insist its amendments to which the House of Representatives has disagreed.

Senator CORMANN (Western Australia) (11.29 am)—In the interest of time, I put on record that the coalition will be voting against the motion of the Parliamentary Secretary for Social Inclusion because the chamber should be insisting on these very important amendments.

Question put.
The committee divided. [11.35 am]
(The Chairman—Senator the Hon. AB Ferguson)

Ayes............... 30
Noes............... 41
Majority......... 11

AYES
Arbib, M.V. Bilyk, C.L.
Bishop, T.M. Brown, C.L.
Cameron, D.N. Collins, J.
Conroy, S.M. Crossin, P.M.
Farrell, D.E. * Faulkner, J.P.
Feeney, D. Forshaw, M.G.
 turner, M.L. Hogg, J.J.
Hurley, A. Hutchins, S.P.
Ludwig, J.W. Lundy, K.A.
Marshall, G. McEwen, A.
McCulcas, J.E. Moore, C.
O’Brien, K.W.K. Polley, H.
Pratt, L.C. Sherry, G.
Stephens, U. Wortley, D.
Wong, P. 

NOES
Abetz, E. Adams, J.*
Back, C.J. Barnett, G.
Bernardi, C. Birmingham, S.
Boswell, R.L.D. Boyce, S.
Brandis, G.H. Brown, B.J.
Bushby, D.C. Cash, M.C.
Colbeck, R. Coonan, H.L.
Cormann, M.H.P. Eggleston, A.
Ferguson, A.B. Fielding, S.
Fifield, M.P. Hanson-Young, S.C.
Heffernan, W. Humphries, G.
Johnston, D. Joyce, B.
Kroger, H. Ludlam, S.
Macdonald, I. Mason, B.J.
McGauran, J.J.J. Milne, C.
Nash, F. Parry, S.
Payne, M.A. Ronaldson, M.
Ryan, S.M. Scullion, N.G.
Siewert, R. Troeth, J.M.
Trood, R.B. Williams, J.R.

* denotes teller

Question negatived.

Resolution reported.
Senator HUMPHRIES—by leave—I move:

That the Senate take note of the report.

In presenting this report, I have to say the committee began an interesting inquiry following a series of violent attacks upon Indian students in Sydney and Melbourne. But what began as an issue focused on racism and physical abuse gradually transformed into an issue focused on the quality of education provided to international students in Australian institutions. Stories of assaults on Indian students in Australia gained a great deal of attention in the Indian media and, I have to say, caused some harm to Australia’s reputation as a safe destination for students when those stories were run. But the real story, as it emerged over time, was the frustration experienced by international students in their dealings with the educational institutions in which they were enrolled.

The evidence presented to the committee indicated that a majority of the problems related to private colleges in the VET sector. Overall, the committee was pleased to learn that the majority of international students were satisfied with their decision to study in Australia and are happy to recommend Australia as a study destination. It is very important that we emphasise that the overall quality of our education system was affirmed by this inquiry. It is true, however, that some students experienced difficulties during their time here relating to a range of factors, and it is those factors that the committee addressed most particularly in its report.

An issue that was raised with the committee by many witnesses concerned public transport fares. Although international students are eligible for concessions on public transport in the majority of states, they pay full fares in the most populous states—that is, New South Wales and Victoria. International students view their lack of eligibility for fare concessions in those places as inequitable and discriminatory. This issue raises much resentment, given that international students already pay full fees and that domestic students on comparable incomes are typically eligible for such concessions. In view of the benefits that accrue to these states from international education and full-fee-paying international students, the committee strongly urges these states to reconsider their policy and to extend fare concessions to all students.

International students are new to this country. They are new to our way of life and our culture. Sometimes they are even relatively new to our language. They may not be aware of the sometimes subtle differences between the way things are done here and the customs of their own countries. It is important—indeed, imperative—that international students have access to comprehensive and accurate information about life in Australia, about studying here, about their individual education providers and about the range of support services available to them when they arrive. International students also need detailed information about the costs of living in Australia, including the costs of accommodation, food and public transport. They do not necessarily know the rights conferred on them by law and should be made aware of those rights, particularly those of tenancy and employment. They also need to know about general safety and security, whether that be the safety level of a particular suburb where they might live or the safety of the public transport system at night. We take these things for granted; they do not necessarily have the ability to do that.

Education providers and agents, as well as governments, have a role to play in making this information available. Ensuring that accurate information is available from a credible source in the first instance is a government responsibility, and ensuring its distribu-
tion and ongoing availability is the joint responsibility of agents, education providers and governments. The committee recommends that a hard copy booklet which contains a wide range of information based upon the Study in Australia website and the online student guide be distributed to students when their visas are granted.

The role of education and migration agents was another key area for the inquiry. It became apparent that some education agents exhibited unscrupulous behaviour in recruiting international students. Some agents were accused of misleading students regarding the facilities of education providers, the cost of living in Australia and employment opportunities. However, the committee believes that the majority of agents act in an ethical manner and are an important asset of Australia’s education industry. The committee recommends that education providers deal exclusively with education agents who have been professionally accredited, with this requirement being phased in over three years. The committee feels that this action would assist in restoring confidence in an industry damaged by the devious actions of a few.

As part of their visa conditions international students are allowed to work 20 hours per week during the semester. Some witnesses suggested to the committee that this limit should be extended—possibly to 24 hours—or even removed completely. While the committee does not wish to see the situation where student visa applicants come to Australia with the primary intention of working, it recommends that this limit be the subject of a serious review by government.

The committee heard of anomalies in the assessment of breaches of visa conditions. No discretion may be applied, for example, when students are found to have breached their visas on employment grounds, but exceptional or compassionate circumstances may be considered in assessing breaches of other kinds. The committee finds this inequitable and recommends that the Department of Immigration and Citizenship review the process for assessing visa breaches on employment ground.

Education providers should obviously be the first point of contact when students have complaints. However, if students feel that their complaints are not being responded to in an adequate and timely way, they should have reliable complaint mechanisms outside of their own institutions. Students should feel confident that these complaints will be acknowledged and handled by an independent body which will act in the best interests of the students, the providers, the international education sector and, indeed, Australia’s reputation in this area. For these reasons the committee recommends the establishment of an international education ombudsman, a role that could be taken on, for example, by the Commonwealth Ombudsman.

The committee heard of regulatory failure in the form of inadequate auditing and monitoring of quality control in some private VET institutions. A review of the legislation that governs international students, of course, is being undertaken at this time by the Hon. Bruce Baird. The committee understands that this review will consider more effective regulatory processes and ways to improve quality in the sector, and it looks forward to the findings of this review. In particular, the committee acknowledges that COAG is set to consider the issue of a national regulator for the VET sector. The committee supports the establishment of such a body, because it will strengthen the regulatory mechanisms in and quality of the international education sector.

In order to gain registration, education providers must comply with the national
code, a provision under the ESOS Act. The committee heard evidence that the national code was aspirational, vague and open to interpretation. Witnesses cautioned that the code should specify minimum standards. The committee supports these calls and recommends the inclusion of benchmarks to the code to allow effective enforcement and to provide clarity to education providers.

Finally, it needs to be said that there are many benefits to be gained from a robust international education sector. The recent closures of colleges, allegations of substandard services offered by some providers and occasional violent attacks upon overseas students are damaging to the sector and to Australia’s global reputation as a provider of international education. The committee welcomed the opportunity to be part of the effort, which has been made at a number of levels, to address the issues identified by stakeholders to improve the educational experience of these students in Australia and to make the standard of their experience safe and of a high quality. I thank members of the committee who undertook this inquiry. It was a very interesting inquiry. I thank the committee secretariat for its work in providing an overview of the very important area of Australia’s role as an education provider in our world.

Senator MARSHALL (Victoria) (11.51 am)—I rise as Deputy Chair of the Senate Education, Employment and Workplace Relations References Committee to speak about its inquiry into the welfare of international students and acknowledge the contribution just made by the chair, Senator Humphries. I note at the outset that this was a unanimous report, so I congratulate the chair and my fellow members of the committee for being able to achieve that. International students from India were the victims of a number of attacks earlier this year. These attacks were reported extensively in the Indian press and have harmed Australia’s reputation as a safe destination for overseas students. It is important to note that more than 80 per cent of international students return home satisfied with their experience of living and studying in Australia and are happy to recommend studying here to others. Therefore, the government considers any damage or threat to Australia’s reputation as a study destination a very serious matter. It has acted swiftly to address these concerns, which were the catalyst for the inquiry, with a number of initiatives and responses.

Delegations have travelled to India to meet Indian government ministers, officials, prospective students and their families, to hear concerns and to offer reassurance that Australia is a safe destination for Indian students. These delegations have included the Minister for Education, representatives from the Commonwealth, New South Wales and Victorian governments, Victoria Police and representatives of the vocational and higher education sectors. More recently, the Prime Minister visited India to meet representatives of the Indian government and discuss the measures that the government has taken to address these concerns.

What began as an issue focused on the attacks soon became enlarged into an issue about the quality of education being sold to foreign students. This inquiry overlapped in time and subject matter with the legislation committee’s inquiry into the Education Services for Overseas Students Amendment (Re-registration of Providers and Other Measures) Bill 2009, the ESOS bill. The ESOS bill inquiry reviewed proposed amendments to the ESOS Act requiring, among other provisions, the reregistration of education providers and the listing of agents used by providers. This bill was introduced as an interim measure to address concerns with the international education sector similar to those that prompted the references
committee inquiry. The committee reported on this bill in October. It supported the amendments to the act, and these will address some of the issues raised during the inquiry.

A number of witnesses told the committee that some education agents have acted in an unethical manner in their recruitment of international students. One of the ESOS amendments requires the publication by providers of the names of education agents who represent them and promote their education services. In addition, all CRICOS registered providers will have to reregister by 31 December 2009. These measures will allow for greater transparency in the industry.

In September the minister hosted an international student roundtable discussion in Canberra to identify the difficulties experienced and concerns held by international students. Following this, three representatives from the roundtable presented the findings of the roundtable discussion to the Ministerial Council for Tertiary Education and Employment. The findings of the roundtable will be used by COAG in the development of a national strategy for international students.

Witnesses told the committee about the difficulty they experienced in making complaints about services. In response, the government has established a complaints hotline for international students. Students can access this hotline anonymously over the telephone or via the web. It will allow the identification of trends in student complaints so that action can be taken to address these problems. The committee also identified the lack of an independent body as an important issue for international students, and has recommended the establishment of an international student ombudsman.

The committee was concerned to ensure that credible information and appropriate support services are available to assist students in their studies and in everyday life in a foreign culture. The government, through COAG, is also working to improve the provision and accuracy of information to international students by implementing an online manual for students wanting to study in Australia. This guide is due to be rolled out in mid-2010.

During the hearings the committee was informed that the minimum level of funds required to secure a student visa was not an accurate reflection of the real cost of living in Australia. The Department of Immigration and Citizenship has now reviewed the requirements and has increased the minimum level of funds by $6,000 to $18,000. This will provide students and their families with a better indication of the actual costs, allowing them to budget more effectively.

The linking of skilled migration with education and training had profound effects upon the international education sector. This policy led to substantial growth in the higher education sector, the vocational education and training sector and a marked escalation in the number of private providers ready to profit from the opportunities in the VET sector. It has been claimed that some providers of education and training for international students established training centres not for any educational purpose but with the single objective of securing permanent residency for students. The migration policy was also claimed to result in a reduction in quality standards within the sector because of the proliferation of providers with non-educational purposes. The government has moved to decouple skilled migration and international education by giving priority to employer sponsorships in the processing of applications for permanent residency. Other measures to strengthen the application process include a job-ready test for migrants with Australian based trade qualifications.
Evidence to the committee suggested that regulatory failure in the form of inadequate auditing and monitoring of quality control in some private colleges in the VET sector has resulted in the current crisis. The Hon. Bruce Baird is currently undertaking a review of the Education Services for Overseas Students Act 2000, and as part of this he will consider more effective regulatory processes and ways to improve quality in the sector among other issues. To ensure the quality of providers and the provision of quality education and training within the sector the government has introduced the Tertiary Education Quality and Standards Agency. For the VET sector, the government will work through COAG to discuss options for the establishment of a national VET regulatory body. The Baird review into international education in Australia will also consider the need for further enhancements to the ESOS framework. The review will further assist the government to identify other areas for improvement in order to ensure that we continue to offer international students a world-class education. It is expected that a report from the review will be available early next year.

In October my government colleagues from the committee and I attended the 2009 Australian International Education Conference held in Sydney. The conference highlighted the success of our education industry and identified the issues facing the sector. The sheer number of people at the conference is indicative of the effect international education has on our economy. The government is committed to ensuring the continued prosperity of this sector and that Australia continues to be seen as a safe and attractive study destination that provides international students with quality education and training. Again, I thank the chair, my fellow committee members and also the secretariat of the committee for another superb job. I seek leave to continue my remarks later.
wish, to the Senate Environment, Communications and the Arts References Committee. In that regard, the government does not support the motion to extend the reference. I understand that I will get an opportunity to make comment with regard to the report that has now been tabled.

Senator FISHER (South Australia) (12.02 pm)—The Senate Select Committee on the National Broadband Network has, by all views, done a very constructive job and tried to be reasonably apolitical in its approach to investigating and inquiring into the government’s National Broadband Network policies. This committee has been able to look at the government’s promise to spend $43 billion of taxpayers’ money rolling out a national broadband network. As part and parcel of its policy commitment, the government thus far has not provided a cost benefit analysis of its National Broadband Network plans. In particular, Senator Conroy, the Minister for Broadband, Communications and the Digital Economy, told the Senate in answer to a question on notice on 17 August that issues critical to the fate of the National Broadband Network—such as the amount that the government will contribute to NBN Co., the strategies that the government has in place to encourage private investment in the National Broadband Network, the phasing and cost of the rollout of the National Broadband Network and the provision of a business case for the building of the National Broadband Network—would be referred to the implementation study.

Moreover, the government has promised to deliver fibre to the home for 90 per cent of Australians. Ten per cent of Australians, the government says, will get something else. We still do not know who is in that 10 per cent, because the government has said that towns of over a thousand people would get fibre to the home. Towns of over a thousand people account for about half a million Australians and, at last count, 10 per cent of the Australian population was some 2.2 million people, so what about the other 1.7 million people who are in the 10 per cent but supposedly not part of the 1,000-people rollout?

The government has not answered those questions and Minister Conroy, in answer to the question on notice on 17 August, deferred the answer to most of those questions to the implementation study. We are still awaiting the outcome of the implementation study. My motion seeks the extension of the terms of reference of this select committee—which is focused entirely upon the National Broadband Network, comprises a group of people who now have significant experience in considering aspects of the National Broadband Network and is focused on just that—to the end of April next year because of the critical issues which the government has deferred to be determined by the implementation study, upon which we still wait.

This implementation study would largely have been done by the time originally forecast for the termination of this select committee, but now the government says that the implementation study will be delivered by the end of February next year. That delay compels that this committee is the right vehicle to assess and inquire into the implementation study on which the government is hanging so much off critical to a $43 billion spend. It then allows some four weeks during March for the government to respond to the implementation study, which it now says is due at the end of February, and then allows the committee some four weeks during April to inquire into and deliver what would be its final report.

On that basis it is proposed by way of this motion to include a recommendation in the report that seeks to extend the term of the committee to the end of April next year. This will enable the committee to inquire into the
implementation study and, once delivered, allow the government to respond to the implementation study and allow the committee four weeks to hear from stakeholders in the field about what they think of the implementation study, particularly given that Minister Conroy has passed off answering all the key questions about the who, what, when, where, why and how of a $43 billion spend of taxpayers’ money to this much awaited implementation study.

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

The Senate divided. [12.12 pm]
(The President—Senator the Hon. JJ Hogg)

Ayes………… 36
Noes………… 34
Majority……… 2

AYES
Adams, J. *  
Back, C.J.  
Barnett, G.  
Bernardi, C.  
Birmingham, S.  
Bostown, R.L.D.  
Boyce, S.  
Brandis, G.H.  
Bushby, D.C.  
Cash, M.C.  
Colbeck, R.  
Coonan, H.L.  
Cormann, M.H.P.  
Eggleston, A.  
Ferguson, A.B.  
Fielding, S.  
Fierravanti-Wells, C.  
Fifield, M.P.  
Fisher, M.J.  
Humphries, G.  
Johnston, D.  
Joyce, B.  
Kroger, H.  
Macdonald, I.  
Mason, B.J.  
McGauran, J.J.J.  
Minchin, N.H.  
Nash, F.  
Parry, S.  
Payne, M.A.  
Ronaldson, M.  
Scullion, N.G.  
Troeth, J.M.  
Trood, R.B.  
Williams, J.R.  
Xenophon, N.  

NOES
Arbib, M.V.  
Arib, C.L.  
Bishop, T.M.  
Brown, B.J.  
Brown, C.L.  
Cameron, D.N.  
Collins, J.  
Conroy, S.M.  
Crossin, P.M.  
Farrell, D.E. *  
Feeney, D.  
Furner, M.L.  
Hogg, J.J.  
Hutchins, S.P.  
Ludwig, J.W.  
Marshall, G.  
McEwen, A.  
McLucas, J.E.  
Moore, C.  
O’Brien, K.W.K.  
Polley, H.  
Pratt, L.C.  
Sherry, N.J.  
Siewert, R.  
Stephens, U.  
Sterle, G.  
Wortley, D.  

PAIRS
Abetz, E.  
Faulkner, W.  
Heffernan, W.  
Ryan, S.M.  
Wong, P.  
Carr, K.J.  
Evans, C.V.  

* denotes teller

Question agreed to.

Accordingly, the resolution of the Senate of 25 June 2008, as amended, appointing the Select Committee on the National Broadband Network was varied as follows:


Add the following paragraph to the committee’s terms of reference:

(2A) The Committee is to examine the findings of the National Broadband Network Implementation Study, the Government’s response to the Implementation Study and any subsequent implications of that report for the National Broadband Network policy.

National Broadband Network Committee Report

Senator FISHER (South Australia) (12.16 pm)—by leave—I move:

That the Senate take note of the report.

I would also like to make a few brief comments on the third report of the Select Committee on the National Broadband Network and look forward to some of my colleagues on the committee doing likewise. It is with much pleasure that I rise to speak to the report. The committee has, as I said earlier,
been very constructive and apolitical in approaching what could have been a rather different exercise in having a look at one of the most ambitious infrastructure spends this country is now looking forward to.

In the process of delivering the third report and the work done of the committee thus far, on behalf of all committee members I want to thank very much the secretary of the committee, Alison Kelly. Alison is a professional who has dedicated a lot of professional passion to this report and to this inquiry, so much so that the poor girl—she cannot get over it; she is very tragic—is up there in the gallery today and has been for quite some time, looking on patiently waiting to see the report being handed down. Her passion has not stopped her being ever patient, particularly with this committee. I also want to thank, on behalf of the committee, others who have assisted Alison on the way through, those being Nina Boughey, Veronica Gover, Kyriaki Mechanicos, Meredith Bond, Claire Guest, Cassimah Mackay and Christine Tieu. Thank you to all. Thank you also, of course, to stakeholders and other interested parties who have contributed some 102 submissions received by the committee during its inquiry thus far and the witnesses who have appeared at its 14 hearings thus far.

The government’s National Broadband Network round 1, if you like, was characterised very much by questions about which Australians were going to get what, when they were going to get it, how much it was going to cost taxpayers to provide it, how much consumers were going to have to pay for the services they were going to get, when they would get it and how they would get it. Subsequent to that, some months later, the Rudd Labor government unrolled a tenfold ‘spend’ to roll out a National Broadband Network, a promise of fibre to the home and a promise of speeds of up to 100 megabits per second at an infrastructure investment of some $43 billion. That was tenfold on the round 1, if you like, promise of $4.7 billion.

However, with the bigger promise come bigger questions. Much the same questions remain, but the answers to them are potentially much greater. Who is to be included, as I said earlier, in the nine per cent of Australians who will get fibre to the home and the 10 per cent of Australians who will get something else? Rural and regional Australia in particular are still grappling with working out what they will get, when they will get it and how they will get it, and they are struggling to see how they will have equivalent access to equivalent speed and equivalent services with a $43 billion National Broadband Network spend.

It seems that with the greater spend comes less transparency. The recently tabled Productivity Commission report said that the decision to build a National Broadband Network, although endorsed by Infrastructure Australia, was not based on a detailed cost benefit analysis, and, in regard to the framework used for assessing major infrastructure, the report said that the guidelines have not been universally applied. I have already talked about the continued deferral of issues such as this to the implementation study, but here we are at the end of some two years after the election of the Rudd government and with the expenditure thus far of about $100 billion of the $43 billion projected spend yet the government has not delivered one extra megabit of speed or one additional user under its National Broadband Network policy. So this committee remains with a very important job to do. I am very pleased that the Senate has chosen to allow the committee to continue to do this job in respect of the very important components that we look forward to being answered as part of the finalisation of the implementation study and the government’s response to it. Thank you
for this opportunity to speak to the third report. I know some colleagues have comments to contribute.

Senator LUNDY (Australian Capital Territory) (12.22 pm)—I, too, rise to speak on the third report of the Senate Select Committee on the National Broadband Network. I would like to pick up on the discussion relating to the extension of this committee that Senator Fisher chose to mention in her remarks as well. I think it is very important to reiterate when talking about the continuation of this Senate select committee in its current structure that it was a committee set up when the coalition had the majority in the Senate. Therefore, this committee is structured in such a way that neither a government senator nor indeed a crossbench senator need be present at this select committee for it to be able to conduct business. I believe it was certainly the preference and there was some consensus earlier—although that has obviously changed—to transfer effectively the consideration of the ongoing implementation of the NBN to the Senate Environment, Communications and the Arts References Committee as recently re-established by the Senate. Alternatively, apropos the discussion about select committees that has occurred with regard to other extensions to date, even the noncontinuation of this committee and the re-establishment of a select committee would afford better representation and a fairer structure of the committee than one which was generated under the auspices of the coalition having complete control. That would have been more respectful of Senate proportionality and our capacity to participate in this particular committee. That said, it is so resolved that the committee will continue.

I would like to take this opportunity to add my remarks on the report. I do not believe you can characterise the committee as apolitical, but I believe the sentiment that Senator Fisher was trying to convey was that there was a great deal of cooperation on behalf of all participants in an effort to get the best possible picture from all of the evidence. I do not think, however, that can be characterised as apolitical per se, because government senators have produced a minority report. We only agree with one of the recommendations of the majority report. That one recommendation was a very constructive one encouraging the government to invest more on and pay more attention to the sorts of applications that we will be able to access and use on a high bandwidth universal network once the NBN is built.

As Senator Fisher described the majority of the other recommendations related to demands for more information. The recommendations equivocated between demanding more action and criticising the government for having not done enough and reasserting the opposition’s claim that no legislation should proceed until more information is received. This is both unreasonable and contradictory in the presentation of those recommendations, and government senators do not believe that those recommendations are a fair summary of the evidence presented. It is true that there were pros and cons in the evidence presented, as you would expect, but I think that the majority report recommendations as prepared by the opposition are largely in tune with the opposition’s political strategy to obfuscate the progress of legislation associated with Labor’s National Broadband Network policy.

Perhaps that is never clearer than in the explicit recommendation that the current bill, the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009—which Labor and certainly our Minister for Broadband, Communications and the Digital Economy, Senator Conroy, have argued is required to pass the Senate as soon as possible to make sure that the competitive playing field is a fair one
through the period of the development of the National Broadband Network—not proceed. So our primary comment as government senators is that there appears to be a contradictory message contained within the majority report. On the one hand it is, ‘Hurry up and get on with the job,’ and on the other hand it is, ‘Hang on. Don’t do anything until more information has been provided. Don’t do anything with the legislation needed to improve competition and consumer protection and don’t do anything until this particular committee has been provided with information that in large part the government has concluded is both unreasonable and tied to the political strategy to obfuscate Labor’s plan to build the National Broadband Network.’

In closing, I would like to thank the secretariat of the committee. Technology related issues are often quite complex and challenging when it comes to preparing a report. I would also like to thank my fellow members of the committee. It is always fascinating and interesting to me. I would also like to join with the chair, Senator Fisher, in thanking all of the witnesses who appeared to give evidence. Many of them have appeared more than once, given this is the third report of this committee, and I for one, as do all other members of the committee, appreciate the time and commitment of all of those providers of submissions and of evidence at the hearings around the country.

Senator NASH (New South Wales) (12.28 pm)—I rise to make some comments about the third report of the Senate Select Committee on the National Broadband Network. Firstly, I think the work of the committee and the secretariat in producing what is a very comprehensive report into the NBN, as we see it at this stage, has been very good indeed. I just say at the outset that many will know that I have a long held view that a wholesale access infrastructure network would certainly be a positive step forward for the future of telecommunications in this country. My good colleague Senator Joyce and I co-authored an inquiry into regional telecommunications for the Page Research Centre before we even came into this place as senators and certainly from that point on we have had some very clear views about how telecommunications should operate, particularly in terms of delivering for the regions.

While I say that it is a very comprehensive report, there is obviously a lot of detail yet to come about the National Broadband Network and the rollout. One thing I would say is that with any NBN the rollout has to start in the regions. It has to be a roll-in arrangement, not a rollout from the cities. Certain from the Nationals’ perspective, with any NBN, the regions are the areas where this has to start.

The report makes some comment particularly around the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009. I will just make a couple of brief comments on that. There is some school of thought that believes this legislation exists only as a pathway to an NBN world. My view is different to that. I believe this legislation stands alone. While it does potentially provide a pathway to an NBN world, it certainly stands alone in dealing with the concerns and issues around the current regulatory environment as it relates to telecommunications. Certainly on that basis it needs to be considered as a separate entity, if you like, not as part of the whole NBN process that we may or may not get to next year.

The Nationals certainly believed, some time ago now, that Telstra should have been structurally separated. It is a view that I certainly still hold, and I understand my colleague in front of me here, Senator Joyce,
also holds that view. We do not know when we are going to get to this legislation. We are very open minded about that legislation, particularly, from our perspective, on how that legislation is going to affect the regions.

There are also a number of comments around that legislation in the report in relation to separation not being a success in the UK. In actuality Ofcom has indeed stated that it has been a success. But I think the issue is that the current regulatory environment is not operating to provide a level playing field in terms of wholesale access for competitors in that marketplace. This certainly needs to be rectified. I have been on record many times saying that I do not believe the current regulatory environment is operating optimally, for want of a better word, and that we do need to ensure that those other carriers have a level playing field when it comes to access. If we are going to have a truly competitive environment where we have got a market that can indeed do that, then the structure needs to be in place for the regulatory environment for that competition to be able to ensue. I would also say that when we look at those areas where there is market failure, where there is a distinct problem in the regions, there is a role for government to ensure that there is equity of access and services for those people living in the regions.

I know others of my colleagues wish to speak, so I shall not speak any longer on that. I think it is vitally important that we do get the regulatory environment right for telecommunications. We do need to get it right because the future obviously is going to be a telecommunications world. We need to ensure that there is a level playing field not only for wholesale access but in terms of carriers being able to get out into the market and provide those services. We need to ensure that regional Australia is supported through the role of government and that those regions do get the telecommunications services that they need.

Senator LUDLAM (Western Australia) (12.33 pm)—I rise to add my comments to those of my colleagues, who I think between them have collectively described very well the quite collegial nature of the Senate Select Committee on the National Broadband Network. I think it has done an enormous amount of really valuable work over the last year or so. Senator Lundy nailed down the divisions and the fact that this has been a very politicised committee. This is our third report, and each time we see a majority report and a handful of dissents, additional comments or minority reports, because unfortunately the issues have become very politicised.

I will quickly put on the record the reasons why the Greens voted against extending the terms of reference of the committee. They are very similar to the reasons that Senator Brown provided when we were voting on Senator Heffernan’s motion relating to the Senate Select Committee on Agricultural and Related Industries. There was an agreement in this chamber that when we went back to the old system of having legislation and references committees we would have a maximum of three select committees that would be activated on specific issues and for specific times. The intention certainly was not to have indefinite extensions of terms of reference and reporting timetables for select committees that may be operating for other reasons. So our reason for voting against the extension was simply that the proper place for this work is with the Senate Standing Committee on the Environment, Communications and the Arts, either the legislation or references committee. That is where these issues should go so that we are not duplicating effort with a committee which undoubtedly has skewed membership, with the cross-benchers not counting for quorums or even
needing to turn up at all, although I have participated at quite great length. So we do not believe that the extension should have been passed. However, now that it has, I will continue to participate because we have done valuable work.

I suspect, on reading the early drafts of the report, that they probably read as quite a balanced assessment of the historical, technological and economic contexts of the assessment of the National Broadband Network. Unfortunately, what has been printed does reflect a tone of quite partisan bitterness and suspicion, which is a shame, because it does not really reflect very well on the collaborative and careful way in which the committee and its wonderful staff have undertaken research and field trips, and on the way we have conducted the hearings. Ms Kelly is still in the public gallery. I add a note of thanks to her from the Australian Greens for the extraordinarily diligent way in which she has conducted this work. I think a large measure of thanks are owed from all parties in here for the results that we read in the report.

When you read between the lines and filter out some of the politics it is still a good record of the history of how we got to where we are and the technology and some of the exciting ways in which the telecommunications future for Australia might actually look. We were quite supportive of the announcement in April by Minister Conroy and the Prime Minister that the request for proposal for a fibre-to-the-node network be abandoned and that a vastly more ambitious fibre-to-the-premises network be built and operated by the Commonwealth government. There is a need for this huge public investment, and there is a parallel process of quite painful telecommunications market reform, which I regret will not even be debated this year. It is not on the government’s list of priority legislation because the false debate on the Carbon Pollution Reduction Scheme has crowded it out. We know the reason this investment is even being contemplated is partly the dysfunctional state of telecommunications markets, resulting largely from the privatisation of the vertically integrated monopoly provider Telstra.

We stand by the comments made in our earlier contribution, our very first dissenting report that this committee tabled on 2 December 2008, in which we noted:

The Australian Greens urge the Government to hold its nerve with regard to the RFP, and insist on taking a majority equity stake in the National Broadband Network and operating it as a competitively neutral, open-access network.

Nearly 12 months later I am pleased to say that the government’s expanded proposal does meet these criteria, but there is always a catch. The report notes at 2.12 that the government intends to build the NBN with a colossal investment of public funds, and then privatise it all over again five years after it is operational. Nowhere have we seen any justification for this incongruous and retrograde policy which seems determined to repeat the mistakes of the past. It is one of the key issues which, when we finally get around to debating substantive NBN legislation next year—and I note that the parliament was meant to see at least an exposure draft or a draft of that legislation this year, but it appears that has now been taken off the table as well—we will be looking for the publication of the implementation study or an interim report of that implementation study which the committee has quite rightly called for to see if the government has bothered to provide any justification for the concept of privatising something again which is being constructed partly as a response to the failed privatisation of Telstra and the mess that it has created in telco markets over successive privatisations.
A lot of the debate since the announcement of the policy has turned on the absence of a rigorous cost-benefit analysis of the project. I quite vividly remember the first time that was put to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, in question time, and his response was simply to laugh at the proposition. Our view on the issue is that a cost-benefit analysis is important but it risks becoming something of a red herring—and I think this is what it has become. We concur, as is canvassed in quite a bit of detail in the report, that an assessment of the project’s commercial viability is essential, particularly given the wildly divergent estimates of the wholesale costs of access to the network which have begun to flourish in the information vacuum that prevails today.

The questions of cost-benefit analysis were clouded, in my view anyway, by the presentation of Professor Ergas to the committee. He presented—which we appreciated—the only real attempt to conduct such a cost-benefit analysis to date. During the presentation, the impossibility of accurately monetising the quite intangible future benefits of an enabling network such as this were laid bare. We discovered that from an analysis of this kind—for this sort of network, for this sort of enabling infrastructure—you end up with a series of mathematical fudges and assumptions that are used to lend an appearance of rigour and precision where none actually exists. This was tacitly acknowledged by the Productivity Commission in their evidence, which is also outlined in the report.

One aspect of the project for which a detailed cost-benefit analysis would be valuable concerns the choice of either underground or overhead cabling. The report canvases these arguments quite well, and notes how difficult it was for the committee to get an accurate idea of the relative short- and long-term costs of the different options. The Greens believe that as much of the network as possible should be underground, for all the reasons stated quite concisely in the report, but until reasonable cost estimates are made available it is difficult to reach a final conclusion. An interim implementation study report as proposed by the committee before the end of this year—we have proposed by 31 December—would be an appropriate time to provide the public, service providers, contractors and interested parties with a costed analysis of the options of either underground or overhead cables, including the quite serious long-term benefits of undergrounding when you consider fire and other kinds of natural disasters and emergencies that can knock out communications networks as they become, more and more, essential services.

In the most recent round of hearings we heard evidence—at long last—that went to the question of what the network will actually be used for. The end user and the services that the NBN will host have so far been largely ignored in the debate, which has largely turned on questions of competition and market structure. It was therefore really refreshing to hear evidence given by various witnesses, which is covered in chapters 6 and 7, talking about what people are doing and what they can potentially do with applications around e-health, e-governance, smart grids, remote education and so on. For me some of the most rewarding time spent on the committee was hearing from people what they will use these services for.

The sessions left the committee in little doubt that as the network approaches ubiquity and hosts more and more services, it will approach the status of an essential service—and arguments were put to us that this has already occurred. Questions of equity then come to the fore, whether geographic or social. In an age of ubiquitous connectivity, the disconnected and the disadvantaged will find themselves further isolated on the wrong side...
of the digital divide. Apart from ensuring that backhaul and fibre-to-the-premises infrastructure targeted undeveloped and under-serviced areas first—the so-called roll-in from the edge rather than roll-out from the centre concept—the Australian Greens urge the government to undertake detailed consultations with social justice advocates and consumer groups to ensure that the network makes a strong contribution to social inclusion agendas. I think anything other than this would further entrench the digital divide.

The final chapter of the report dealing with proposals to undertake reforms of the telco markets is where the Australian Greens part company with the majority report. Our views on this bill are contained in our dissenting comments on the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009, which was to be debated in the closing sitting fortnight of this year. It is not on the government’s priority list anymore and we have heard no reasons for why that is the case. We undertook quite extensive negotiations on the government removing the legislative block that had been imposed on the debate around that bill, and yet no explanation has been provided to us as to why we will not be seeing that legislation.

We look forward to returning to this issue early next year. I look forward to continuing work with the committee if that is the vehicle in which these debates and discussions happen; I am certainly happy to be a part of this process. Lastly, I would like to thank every-one who gave evidence, gave up their valuable time in the various places where we held hearings. Once again, I acknowledge the really important work that Alison and the rest of the secretariat have done. We will pick up this work early in the new year.

Senator IAN MACDONALD (Queensland) (12.44 pm)—This is an excellent report on a very complex matter. Congratulations to Alison and her team and the secretariat. Congratulations to the chairman. Regrettably this very important debate had lots of speakers. We had six minutes from the chair, six minutes from the principal opposition speaker and 10 minutes from the Greens. This means the rest of us have 45 seconds to discuss this report.

Can I just emphasise two points in the 30 seconds left to me. One is the roll in and rollout, something I and most of my Liberal colleagues have been determined to see. It is an excellent idea. The government must roll it in rather than roll it out, and thereby serve the under-serviced areas rather than those that already have a good service. I also have a point about the undergrounding of power, and I know Senator Barnett wanted to talk about Tasmania, but regrettably there is no time.

Debate interrupted.

ACIS ADMINISTRATION AMENDMENT (APPLICATION) BILL 2009
Second Reading

Debate resumed.

Senator ABETZ (Tasmania) (12.45 pm)—It is the Christmas season, so I will be generous.

Senator Chris Evans—Short, but generous.

Senator ABETZ—And short, which may be generous in itself in relation to my speeches. I accept that interjection, Senator Evans. The ACIS Administration Amendment (Application) Bill 2009 basically fixes up an error in the previous legislation. If the roles had been reversed, you could imagine the current minister, Senator Carr, coming in here ranting and raving at ministerial incompetence et cetera. I have been around long enough and observed myself long enough to
know that from time to time, with all the best will in the world, errors are made. So I do not seek to condemn the minister, the government or the bureaucracy, because the real question is: how often are these sorts of errors made. In relation to this particular piece of legislation, the error would mean that the commencement of funding of support to the automotive industry would be delayed by some three months. There is no doubt the automotive sector is going through a very difficult period of time and that a delay of three months in payments would be highly disruptive to them with their cash management situation. Also, I think they are deserving of the security of what was intended.

I must say that I did put it to one of the industry associations, somewhat tongue in cheek, that it is amazing when you have legislation throwing billions of dollars at an industry sector in that they do not seem to go through the legislation with the same fine toothcomb in the way they would if you were going to take something away from them. Because then they go through it chapter and verse, clause by clause and comma by comma to pick whatever holes they can in it. The industry association was gracious enough to accept that as a correct general comment. But, at the end of the day, can I indicate the coalition’s support for this amending legislation which simply fixes up errors that were inadvertently made. These amendments will allow the legislation to proceed as it was originally designed to proceed and as agreed by this Senate, as I recall, without division on the last occasion it was before the Senate. I therefore support the bill and wish the minister, if this is the last time I speak to him on this piece of legislation, and the industry, a very happy Christmas and a lot more profitable 2010.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (12.48 pm)—I particularly thank the senator for the brevity of his speech. I commend the ACIS Administration Amendment (Application) Bill 2009 to this house.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

BUSINESS

Rearrangement

Senator CHRIS EVANS (Western Australia—Leader of the Government in the Senate) (12.49 pm)—I move:

That intervening business be postponed till after consideration of government business orders of the day No. 14 (Resale Royalty Right for Visual Artists Bill 2009) and No. 15 (Tax Laws Amendment (Resale Royalty Right for Visual Artists) Bill 2009).

Question agreed to.

RESALE ROYALTY RIGHT FOR VISUAL ARTISTS BILL 2009

TAX LAWS AMENDMENT (RESALE ROYALTY RIGHT FOR VISUAL ARTISTS) BILL 2009

Second Reading

Debate resumed from 9 September and 23 November, on motions by Senator Ludwig and Senator Sherry:

That these bills be now read a second time.

Senator RONALDSON (Victoria) (12.50 pm)—This might be in the non-controversial slot in the Senate Order of Business, but it certainly is highly controversial legislation. The coalition will not seek to frustrate the passage of the Resale Royalty Right for Visual Artists Bill 2009 and the related bill. These bills create a resale royalty right scheme so that visual artists will be able to claim a share of the proceeds of the second and each successive commercial sale of their artwork during the course of the artist’s life;
and their estate will hold the right for a period of 70 years after the death of the artist.

Resale royalty rights for visual artists have been recommended by numerous reports over the years and they exist in many countries. The coalition has consulted very widely on these proposals and has found that there are sound arguments both for and against the introduction of rights. There are strong supporters and opponents of a resale royalty right—in the main, artists are supportive of the principle, whereas intermediaries, such as gallery owners, are opposed. Yet even this is an oversimplification, and prominent Australian artists themselves sit on both sides of the debate.

Some artists see a resale royalty right scheme as a fundamental recognition of their intellectual property rights. Other artists see the introduction of the resale royalty right as an unnecessary interference with the business model they have already established for selling their art. All have highlighted problems with the legislation as currently drafted. Tamara Winikoff, Executive Director of the Australian visual arts peak body, the National Association for the Visual Arts, said:

This legislation alienates all sides of the visual arts sector. It is an election promise gone horribly wrong.

According to art industry studies, most of today’s artists, especially Aboriginal artists, will see no benefit within their lifetime and will not enjoy the dignity of earning income from the increasing value of their art work.

The model contained in the government’s bill will see the payment of the royalty to artists delayed until the second sale of their artwork after the commencement of the scheme. Art industry studies of auction houses show that of the artworks which were sold in 1988 only six per cent have been re-sold 10 years later. This gives an indication of the length of time most artists will have to wait to see any benefits, and the scheme itself will be complex to administer. It is also highly unlikely to secure reciprocal rights from overseas sales of Australian artists’ work. This means, again, that artists are being denied another potential source of income.

In summary, let me make it clear to members of Australia’s visual arts community that, firstly, we strongly support the arts in Australia and, secondly, we support the principle of a resale royalty right scheme being an appropriate way of recognising the intellectual property rights of Australia’s visual artists. We are just not convinced that Labor’s approach is the best way of doing that. In spite of our concerns about the detail of these bills, the coalition will not be opposing these bills, noting the government’s election mandate on this issue. I can also indicate that the coalition will not be supporting the Greens amendments.

Senator MILNE (Tasmania) (12.53 pm)—I rise to comment on the Resale Royalty Right for Visual Artists Bill 2009 and to note that it does introduce a long-sought-after means of providing artists with financial benefit from their work into the future. The Greens certainly believe in supporting and promoting Australian artists and protecting their work. However we do note that this bill is well and truly overdue. It was introduced into the House of Representatives last year and into this chamber in September, and now it is being raced through on the last day of sittings when it warrants a lot more discussion.

The main problem with this bill is clause 11. This relates to the second sale for existing artworks. As to when the scheme applies to existing artworks, under the legislation clause 11 provides for royalties on the artwork in existence at the time the scheme
commences to be payable only on the second resale. Senator Ronaldson just indicated that that was the problem he had with the bill, for all the same reasons. He has obviously got the same information. Research has shown that of work sold in 1998, for example, only six per cent had been sold again by 2008. That analysis also showed that if the resale royalty scheme had been implemented in 1998 then it would have generated only 13 per cent of the income it would have generated if the scheme applied to all artwork. So it is discriminatory against people who have artwork that pre-exists this legislation. That is why the Greens are moving to make sure that that is changed. Given what Senator Ronaldson had to say, and given that this is a problem that he has with the bill, I cannot understand why he would not be supporting the Greens amendment to address this. I will be moving that amendment and making it very clear when we get to the committee stage.

The second issue that we seek to deal with is the government providing legal advice saying that without clause 11 the legislation may result in an acquisition of property on other than just terms and is therefore unconstitutional. The Greens have examined information provided by the arts community and a number of other people. We also note submissions that have been brought in. As a result we have an amendment which replaces the limits in clause 11 with a compensation clause. That preserves the constitutionality of the bill and ensures a functioning and meaningful scheme. So that is my second point: we understand the arguments the government have put and we have come up with a way of dealing with that. This is particularly important. We have to sort out this issue we have with the fact that the artists can only receive the benefit from the second sale, because otherwise we are going to be in a situation where the minimalist regime that the government is putting in place may well not meet international standards—and so our artists are going to be disadvantaged in terms of mutual recognition. This is a disaster in terms of that recognition for our artists. It needs to be dealt with, and we have an amendment to deal with that issue.

The other problem we have with this is the opt-out provision. Because of the way the government has structured the administration of this, people can opt out from the collecting society. There is a real concern that we are going to end up with a lack of transparency and accountability, and there may even be a question as to whether the administration of the scheme can be viable if people have got the opportunity to opt out. It also could potentially lead to bullying—to people putting pressure on people to opt out of the scheme. I think that would be most unfortunate. So we have an amendment to remove that provision.

The final issue of significant concern to us, and it is a vital issue in relation to the scheme, is how it will impact on Indigenous artists. I recognise that overall the scheme will be of potentially great benefit to Indigenous artists, who will continue to receive financial benefits from their work into the future. However there are outstanding issues related to Indigenous artists, in particular pertaining to communal rights and succession issues. We welcome the provisions in clause 15 allowing the Indigenous community body to hold resale royalty rights by way of succession. However both the Liberal Party when in government and now the Labor Party in government have failed to adequately provide for communal rights for Indigenous artists. Communal rights are for when a work of art is produced by members of a community using the community’s cultural expressions and practice. This bill allows the resale royalty to be held jointly by more than one artist. But this provision is not
broad enough to recognise Indigenous communal ownership. A number of submissions to the House of Representatives inquiry called for the bill to recognise Indigenous communal rights, and that is something the Greens believe ought to be recognised. We will be moving an amendment to introduce communal ownership of the resale royalty right into clause 12 of the bill.

Indigenous Australians have been calling for Indigenous cultural and intellectual property rights for at least the last 20 years and now is the time for the government to comprehensively protect Indigenous intellectual property. That would be consistent with the UN Declaration on the Rights of Indigenous Peoples, which the Australian government has recently adopted. The resale right scheme is an important element of this and it should be part of a comprehensive legal framework to protect Indigenous intellectual property rights. That is why we have got a second reading amendment calling on the government to commit to addressing the outstanding issue of protecting Indigenous intellectual property, including the provision of communal moral rights, taking into account the UN Declaration on the Rights of Indigenous Peoples.

Another issue concerns the succession of resale royalty rights and the need to ensure Indigenous artists are provided with information and assistance in ensuring their wishes are protected when it comes to their estates. The Arts Law Centre of Australia has been running a successful program assisting Indigenous artists in drafting wills and these programs need to be supported and extended. We encourage the government to develop and fund a program to educate and assist Indigenous artists in securing the succession of their resale royalty rights through the making of wills. The first point in the second reading amendment calls on the government to address that matter.

The resale royalty scheme is not of any immediate benefit to young and emerging artists. We need to ensure adequate support for young and emerging artists in Australia, including financial support. Whilst I recognise the minister announced the ArtStart program, providing grants of up to $10,000 to art graduates to establish a business or gain employment, that is nothing compared with what needs to be done. It falls far short of the government’s election policy, which promised an adoption of an artist-friendly social security arrangement. That simply has not happened.

The ALP policy discussed the potential for artistic practice to be considered as part of the mutual obligation requirements of Centrelink, and committed Labor to developing a social security and arts policy that harmonises current Australia Council, Centrelink and Australian Taxation Office rules, and determines the most equitable way to treat earnings and royalty payments for artists currently receiving welfare. I noticed the National Association for the Visual Arts also proposed an artists’ fees scheme where government funds regional art galleries so that they can pay artists’ fees for exhibitions. The last paragraph of the seconding reading amendment calls on the government to provide more support for young and emerging artists.

In conclusion, whilst the Greens absolutely support the government doing something about resale royalty rights, the big problem with it is—as per usual—that they talk the talk but they do not walk the walk when it comes to doing what is necessary. Just doing any old thing will not work. The real tragedy here is for all those artists who have been waiting for this, assuming that when it came in they would get the royalty as soon as their work was sold. Having to wait for the second sale means they may have to
wait 50 years or so. That is completely unacceptable. I move:

At the end of the motion, add “and the Senate calls on the Government to:

(a) in consultation with relevant stakeholders in the community, develop and fund a program to educate and assist Indigenous artists in securing the succession of their resale royalty rights, including through the making wills;

(b) commit to addressing the outstanding issues of protecting Indigenous intellectual property, including the provision of communal moral rights, taking into account Article 31(1) of the United Nations Declaration on the Rights of Indigenous Peoples; and

(c) provide further support, including financial support, to young and emerging artists, especially those who will not immediately gain any benefit under the resale royalty scheme”.

I will be very disappointed if the coalition does not support what is clearly a very sensible second reading amendment which goes to the heart of many of the concerns that were outlined by the artists over a very long time and who have been waiting for this scheme.

Senator IAN MACDONALD (Queensland) (1.04 pm)—I also support the Resale Royalty Right for Visual Artists Bill 2009 and the Tax Laws Amendment (Resale Royalty Right for Visual Artists) Bill 2009 for the reasons very eloquently put by the shadow minister in charge, Senator Ronaldson. I am also pleased to note that the legislation picks up on many of the recommendations made by the Senate committee looking at Indigenous art and which reported some time ago.

I wanted to use the opportunity of this legislation to briefly pay tribute to a magnificent person, and an excellent and talented Indigenous artist, Barbara Sam from the Mount Isa region. She is an original Kalkadoon, one of the—as I often joke with her—warlike tribes from the north-west of Queensland. She is an excellent artist and I was delighted earlier this month to host a small ceremony in my office for the unveiling of a magnificent painting by Barbara Sam, entitled The landscape. I just want to read what Barbara Sam said about this painting:

The landscape you see is the beauty of this land; the river which you see has great source of food; the land that holds a great range of bush tucker; and that is how I see the country; the landscape.

The small ceremony in my office was attended by traditional owners who were welcomed by Ms Grace Smallwood, a significant and well known Indigenous person in Townsville. Ms Sam gave an explanation of the painting and there were also comments by Councillor Deanne Bell of the Townsville City Council. This was all done amongst some of the Townsville art community. I pay particular tribute to Barbara Sam. Her paintings have been hung in the Supreme Court of Queensland after a presentation to the Chief Justice. I understand from Ms Sam that she also made a presentation to the former Prime Minister, Mr Howard. I am delighted to have been associated with Barbara and I wish her all the very best for the future in her painting and in every other way.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (1.06 pm)—I thank senators for their contributions to the debate on the Resale Royalty Right for Visual Artists Bill 2009 and the cognate bill, and the opportunities taken by senators to reflect on related matters. Can I indicate on behalf of the government that we will not be supporting the Greens second reading amendment. Nor will we be supporting the amendments to the bill circulated in the chamber. I understand the interest senators have in this issue—it is one that I have had some involvement with—but I think it is fair to say that this has been a difficult and long-running issue that has not
been addressed. This government went to the last election with a commitment to addressing the issue and we are delivering on that commitment by introducing this bill.

Some of the criticisms that Senator Milne and others make effectively say the bill ought to go further. We are saying we think this is what is possible at this time, this is what is sensible and this is what meets the legal advice we have had regarding the issue of prospective versus retrospective application. We have consulted widely in trying to bring in what I think is a really important reform to resale royalties for visual artists. We think the bill will be a major benefit to them over the years to come and is an appropriate policy response.

Obviously, experience of the legislation in practice may lead us to look to make amendments or deal with emerging issues, but sometimes the debate in here is along the lines of, ‘Our view is it ought to do all these other things as well, and therefore we want to be critical.’ I think what we have to do on this occasion is to say that this is a commitment the government made and it is a commitment we are honouring. There has been bipartisan, cross-party support for doing something in this area, but it has been talked about for many years and has not happened. This government has got on with it and had a go. We think the bill is one that has come out of a proper process of consultation and advice and we think it ought to be passed by the parliament.

We appreciate the support and I appreciate that it has been dealt with in non-controversial legislation time, despite the keen interest Senator Milne and others have in the issue. But we think passing it today will allow us to make a policy start in this area that is long overdue. We think this bill will provide benefits, and of course it is always open to us to come back and address some of the things that Senator Milne and others might argue ought to also be addressed. But this will address that fundamental issue of providing some resale royalty rights to Australia’s visual artists. So I commend the bill to the chamber and indicate that we will not be supporting either the second reading amendment from the Greens or their amendments in the committee stage. I will not necessarily speak again on the basis of the time constraints.

Question negatived.
Original question agreed to.
Bills read a second time.

In Committee

Bills—by leave—taken together and as a whole.

Senator MILNE (Tasmania) (1.10 pm)—I move Greens amendment (1) on sheet 5900:

(1) Clause 11, page 7 (lines 11 to 16), omit the clause, substitute:

11 Compensation for acquisition of property

(1) If the operation of this Act or the regulations would, but for this section, result in an acquisition of property from a person otherwise than on just terms, the Commonwealth is liable to pay a reasonable amount of compensation to the person.

(2) If the Commonwealth and the person do not agree on the amount of the compensation, the person may institute proceedings in a court of competent jurisdiction for the recovery from the Commonwealth of such reasonable amount of compensation as the court determines.

(3) In this section:

acquisition of property has the same meaning as in paragraph 51(xxxi) of the Constitution.
just terms has the same meaning as in paragraph 51(xxxi) of the Constitution.

This amendment pertains to clause 11, which is the matter I referred to in my speech in the second reading debate. I note that I am disappointed that both the government and the coalition voted against the second reading amendment without actually saying why or what was wrong with it. I would appreciate if the government could explain to me why it thinks it is appropriate that artists will have to wait decades for a second resale before they see a cent from their work which has been resold already. It makes a lot of profit for the art dealers. This is going to be a huge disappointment to people who have waited so long, when it ought to be that visual artists receive royalty payments for the first resale of their work instead of having to wait for second and subsequent sales. We believe this amendment deals with that issue and also deals with the legal advice the government had which pertained to compensation. I believe that this amendment deals with that in the appropriate way.

Senator RONALDSON (Victoria) (1.12 pm)—I see the member for Gippsland, Mr Chester, with some people upstairs at the moment and I know he has a great interest in this matter as well. I do not want to delay this, but obviously we have very real concerns about this bill. We share in a principled sense the concerns raised by the Greens in relation to this, but on balance we have decided not to support further amendments.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (1.12 pm)—I do not want to be rude to Senator Milne—I know it is difficult in this period of time to have a proper debate, given we are moving through non-controversial legislation. But, in response to Senator Milne’s main concern, the debate about prospectivity versus retrospectivity and the first sale et cetera has been at the heart of this debate for a long time. It is difficult. We did a lot of work going through the issues and what we have made very clear is, based on the best legal advice we have, we think it is best to go down this path, that the problems, the traps and the complexities involved in doing anything else are too great. Our very clear legal advice was to make the scheme prospective, and that has the impact that the senator points to. But I remind her the alternative is nothing, in a sense. This is an important step. It does not solve all of those issues, many of which are, if you like, legacy issues, but it does put in place a system which will allow resale royalty rights for visual artists into the future. I understand her concern, but we went through a long process of trying to resolve these issues and got a lot of advice. Based on that advice, we determined that we could only go down the prospective application path.

Senator MILNE (Tasmania) (1.14 pm)—I ask the government to indicate what advice it has as to whether under this scheme Australian artists will be able to access schemes in other countries—for example, will it entitle Australian artists to royalties from other countries such as the UK? I am concerned that because this is such a minimalist regime it will not be recognised and our artists will not be able to benefit from royalties from other countries. Can the minister inform the Senate whether the government has advice on this and whether other countries are going to recognise this legislation under the Berne Convention for the Protection of Literary and Artistic Works?

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (1.15 pm)—It is a perfectly reasonable question and an important issue, and I do not have an answer for you. I do not want to flash outside the off stump, but I will undertake to get the minister’s office to provide a comprehensive answer to that to your of-
fice as soon as possible. I do not have enough briefing to be able to answer that in the sort of level of detail that I think would be fair, but I happily indicate that I will get a proper, comprehensive answer to that question for you from the minister’s office.

**Senator MILNE** (Tasmania) (1.15 pm)—I thank the minister for that and appreciate it, but I want to put on the record that artists will be waiting, in some cases, up to 50 years to get any benefit under this legislation, and if it is not mutually recognised overseas then it is even worse. I put the government on notice that in the future we will be coming back with amendments pertaining to this issue, because we really cannot bring in a scheme that is so substandard it is not mutually recognised for the benefit of artists.

Question negatived.

**Senator MILNE** (Tasmania) (1.16 pm)—I note that both the government and the coalition opposed that amendment. Because of the way we are doing this, divisions are not being called, but it needs to be on the record. I move Greens amendment (2) on sheet 5900:

(2) Clause 23, page 14 (lines 14 to 24), omit subclause (1).

This effectively relates to the opt-out provision. What the scheme does is provide for a collecting society to be the primary means of collecting and distributing the resale royalty. Clause 23(1) allows artists to notify the collecting society that they do not want the collecting society to enforce the resale royalty right, and artists can then collect the royalty themselves or not collect it at all. This amounts to an opt-out clause. There is a genuine concern that this could lead to artists being coerced or bullied into giving up their right to a resale royalty, and this concern is held by a number of stakeholders in the arts community, including the National Association for the Visual Arts, who are concerned about the fact that it will leave some artists vulnerable to exploitation.

There is also a question of whether this opt-out clause undermines the inalienability of the resale royalty right which is provided for in clause 21. The ability of artists to opt out of the scheme raises concerns about the viability of the scheme, as I mentioned in my speech in the second reading debate; if large numbers of artists or certain artists choose to collect the royalties themselves or enter into arrangements with auction houses over the payment of royalties outside the collection agency then the collection agency will miss out on the administration fees necessary to function. I also think this opt-out clause undermines the intention of the government to provide a transparent and accountable process for the fair distribution of royalty payments. Hence, I am moving this amendment to omit subclause 1.

**Senator CHRIS EVANS** (Western Australia—Minister for Immigration and Citizenship) (1.18 pm)—This seems like a full committee stage, not non-controversial legislation, but I will do my best to indicate to Senator Milne why we will not be supporting her amendment. The bill provides that the resale right is absolutely inalienable and unable to be waived. It also provides that an agreement to repay a resale royalty is void. The provisions have been included in the bill to ensure artists cannot be exploited by being persuaded or coerced to waive or reassign their right to primary sale.

The opt-out clause included is an important balance to these provisions. It provides that an artist may instruct the collecting society not to collect the resale royalty on their behalf. To be effective, the request to opt out must be made in writing for each and every sale and within a limited period following the sale of the relevant work. Artists are also entitled to choose not to receive their resale
royalty right through the collecting society in certain situations but instead to collect the resale royalty directly. We think these provisions are important to provide a balance between the need for artists to be able to choose when and how their resale royalty rights are exercised and the need to safeguard against the possibility that artists may be pressured to waive their rights to royalties on resales of their works.

Question negatived.

Senator MILNE (Tasmania) (1.20 pm)—I note again the government and the coalition both defeated that amendment. I now move Greens amendment (3) on sheet 5900:

(3) Clause 12, page 8 (after line 4), after subclause (3), insert:

Communal ownership

(3A) If the artwork was created by an Indigenous artist under the direction of an Indigenous cultural group, the resale royalty right on a commercial resale of the artwork:

(a) is held by the group; and

(b) may be asserted by a custodian nominated by the group as its representative for this purpose.

It is basically to insert a new clause which says in relation to communal ownership that if the artwork was created by an Indigenous artist under the directions of an Indigenous cultural group the resale royalty right on a commercial resale of the artwork is held by the group and may be asserted by a custodian nominated by the group as its representative for this purpose. This is a long discussion—I do not intend to enter into it here—but I think it is essential that the government recognise communal ownership for the purposes of resale royalty rights for visual artists.

Senator MILNE (Tasmania) (1.21 pm)—I note that the coalition and the government both voted against that amendment. Bills agreed to.

Bills read a third time.

TAX LAWS AMENDMENT (2009 MEASURES No. 5) BILL 2009

Second Reading

Debate resumed from 16 November, on motion by Senator Sherry:

That this bill be now read a second time.

Senator COONAN (New South Wales) (1.23 pm)—I wish to address the six schedules that are in the Tax Laws Amendment (2009 Measures No. 5) Bill 2009 and mention briefly their history and intent. It is often very difficult for people to follow these omnibus tax bills. The bill was introduced into this place on 16 September 2009 and contains various technical aspects amending the tax law. I make clear at the beginning that...
the coalition will be supporting the passage of this bill. I will now address the six schedules.

Schedule 1 makes a retrospective change to the GST law and will be effective from the commencement of the GST from 1 July 2000. The need for this schedule was brought about by a Federal Court decision delivered on 12 December last year that contradicted the intent of the GST law relating to representatives of incapacitated entities. That decision was inconsistent with the original intent of the provisions relating to GST liability of an incapacitated entity with an appointed representative. Because it was also inconsistent with how taxpayers had operated so far, the changes in this schedule are retrospective. This was acknowledged by the then Assistant Treasurer in his press release of 6 February this year, where he committed the government to introducing legislation to clarify the GST law in this area.

Schedule 2 of this bill amends the taxation of financial arrangements, TOFA, regime as it relates to the provisions regarding pay as you go, or PAYG, obligations. Schedule 2 follows the passage of legislation through parliament that was supported by the coalition earlier this year, implementing TOFA stages 3 and 4. Those measures were the final stages of the reforms that began implementation under the former coalition government. I remember it well, and it followed the implementation of stage 1 in 2001 and stage 2 in 2003. It has been a very long process.

This schedule follows extensive consultation by Treasury and the Australian Tax Office with industry stakeholders, and will ensure that PAYG payment obligations are not unintentionally decreased. Schedule 2 also contains a provision for a catch-up payment for those entities that have already made a decreased PAYG payment as a result of the commencement of the TOFA regime.

Schedule 3 of this bill amends the tax law to ensure that the outer regional and remote payments made under the Helping Children with Autism package are exempt from income tax. Again, as in schedule 1, because this was the original intention of the payments, the amendments in this schedule will be effective from the commencement of the Helping Children with Autism Package from the 2008-09 income year.

Schedule 4 of this bill has a similar amendment to schedule 3. Schedule 4 makes payments made under the Continence Aids Assistance Scheme exempt from income tax. That scheme replaces the former coalition government’s program that provided continence products directly to eligible recipients with financial assistance payments.

Schedule 5 of this bill extends the interest withholding tax exemption to debt issued by the Commonwealth. Last year the coalition supported the passage of legislation extending the exemption to debt issued in Australia by state and territory governments. This schedule merely extends the existing exemption to debt issued by the Commonwealth.

The final schedule, schedule 6, relates to the tragic bushfires that occurred in Victoria back in February. Australians donated very generously to the Victorian Bushfire Appeal to help those affected communities to recover and rebuild. Those donations, along with the strong community spirit of these towns, are helping these people to rebuild their towns and communities, and so schedule 6 of this bill allows the Victorian Bushfire Appeal Trust to undertake a range of recovery assistance projects without any risk of the Australian Red Cross Society losing its charitable tax status. The amendments in schedule 6 will allow the Victorian Bushfire Appeal Trust to use the generous donations
made by Australians in a wider variety of ways than would ordinarily be deemed as for charitable purposes. This will mean that the Victorian Bushfire Appeal Fund will be able to undertake projects and activities that will provide broader benefits to those communities tragically affected by the Victorian bushfires, as long as the projects are widely accessible and that any commercial value is only an incidental one.

Schedule 6 will also allow the Victorian Bushfire Appeal Fund to provide long term assistance to orphans aged under 18 years; to reimburse individuals or charitable organisations for eligible activities; to provide assistance to individuals whose primary place of residence was destroyed by the bushfires; to provide up to $15,000 of financial assistance to individuals who are still living in transitional housing and to provide up to $10,000 of financial assistance to primary producers. This will mean that the generous donations made by Australians can be used to assist those whose lives, families and communities have been affected by the 2009 Victorian bushfires.

These amendments have an effective date of 29 January 2009 in order to cover the bushfires of Delburn. As I said at the outset, the coalition supports the measures in this bill, as we always do with sensible measures that improve the operation of the tax law. I commend the bill.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (1.29 pm)—I thank Senator Coonan for her contribution and commend the Tax Laws Amendment (2009 Measures No. 5) Bill 2009 to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

COAL MINING INDUSTRY (LONG SERVICE LEAVE FUNDING) AMENDMENT BILL 2009

Second Reading

Debate resumed.

Senator BRANDIS (Queensland) (1.30 pm)—The coalition supports the Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009. The bill will, with its passage through both houses, ensure that the existing sector specific long service leave arrangements for the coalmining industry can continue beyond 1 January 2010. Currently the sector specific long service leave provisions to which this bill relates are contained in industry specific awards. These awards require the payment of a levy to the relevant fund by an employer from which the employer may seek reimbursement where they have made a payment of long service leave to an eligible employee. The bill is necessary as Labor’s system of so-called ‘modern awards’ will apply from 1 January 2010. These awards do not contain provision for long service leave.

It is the understanding of the coalition that the government intends that long service leave will become one of its National Employment Standards. We are concerned that, if the government seeks to standardise long service leave provisions across the country, it will result in a situation akin to the intentions and the promises made by Labor with respect to the bungled and botched modern award process. To this end, we call for the government to make it clear to Australian workplaces exactly what its intentions are with respect to the standardisation of long service leave. That said, I note that the bill continues the existing scheme applicable in the coalmining industry for workers and employers.
Had this bill not received the support of the coalition, it would have resulted in the situation that, from 1 January 2010, employers and employees may not have been covered by an appropriate system of long service leave regulation. It is likely that they would have had to revert back to their relevant state systems. The coalition is therefore pleased that the bill is the result of a discussion between industry representatives, being the Minerals Council and relevant mining unions. The coalition is also pleased that other stakeholders potentially affected by this legislation, including the Australian Mines and Metals Association and the Australian Industry Group, have not indicated that they hold any concerns about the bill. We believe it to be necessary. Accordingly, as I have indicated, it has the coalition’s support.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (1.32 pm)—I thank Senator Brandis for his contribution and commend the Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009 to the Senate. Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

FAMILY ASSISTANCE LEGISLATION AMENDMENT (PARTICIPATION REQUIREMENT) BILL 2009

Second Reading

Debate resumed from 23 November, on motion by Senator Sherry:

That this bill be now read a second time.

Senator PARRY (Tasmania) (1.34 pm)—The Family Assistance Legislation Amendment (Participation Requirement) Bill 2009 introduces a new requirement for families receiving family tax benefit part A for children aged between 16 and 20 years. To be eligible to receive family tax benefit part A, children between those ages must be studying full-time towards, or have completed, year 12 or its equivalent. This new participation requirement for family tax benefit part A is part of the Rudd government’s plan to increase the number of young people with a year 12 or equivalent qualification. The opposition supports this bill as it builds upon the coalition’s position that young Australians should remain in school, undertake training or have a job. We do not support the situation where young Australians are essentially provided financial support while they are not preparing themselves to grasp employment opportunities as and when they arise. The coalition is very comfortable in supporting this legislation.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (1.35 pm)—I thank Senator Parry for his contribution and commend the Family Assistance Legislation Amendment (Participation Requirement) Bill 2009 to the Senate. Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

CUSTOMS TARIFF AMENDMENT (INCORPORATION OF PROPOSALS) BILL 2009

Second Reading

Debate resumed from 24 November, on motion by Senator Sherry:

That this bill be now read a second time.

Senator BRANDIS (Queensland) (1.36 pm)—The coalition supports the purpose of the Customs Tariff Amendment (Incorporation of Proposals) Bill 2009, which is to amend the Customs Tariff Act 1995 to incorporate alterations which were considered in customs tariff proposals tabled in the House
of Representatives during 2009. Those customs tariff proposals are (1) Customs Tariff Proposal (No. 1) 2009 to create a new concessional item 41H in schedule 4 to the Customs Tariff Act; (2) Customs Tariff Proposal (No. 2) 2009 to amend rates of customs duty for certain alcohol and tobacco products in schedule 7, ‘Chilean originating goods’, of the Customs Tariff Act; and (3) Customs Tariff Proposal (No. 4) 2009 to amend rates of customs duty for certain beer and grape wine products.

Schedule 1 of the bill creates a new concessional item, 41H, in schedule 4 of the Customs Tariff Act. Item 41H provides duty-free entry into Australia for goods for use in the testing, quality control, manufacturing evaluation or engineering development of motor vehicles designed or engineered in Australia but not necessarily manufactured in Australia. The new item will encourage automotive manufacturers to undertake design and engineering work for the international automotive market as well as reducing administrative costs in importing such equipment.

Schedule 2 of the bill amends rates of duty for certain alcohol and tobacco products that are imported under the Australia-Chile Free Trade Agreement. The legislation that gave effect to Australia’s tariff commitments under that instrument did not include subsequent increases in the excise equivalent component of customs duty for these goods. Schedule 2 of the bill applies the increased rates of duty for such goods where required from the commencement of the Australia-Chile FTA on 6 March 2009. This ensures that customs duty imposed on alcohol and tobacco products imported under the Australia-Chile FTA is the same as the duty imposed on these goods when imported from other countries and also the same as duties of excise imposed on these goods when manufactured in Australia.

Schedule 3 of the bill amends rates of duty for certain beer and grape wine products. The Customs Tariff Amendment (2009 Measures No. 1) Act 2009 provided revised definitions for beer and grape wine products in the customs tariff. Schedule 3 of the bill applies to the increased rates of duty as required to beer and grape wine products from the date of commencement of the legislation on 28 August 2009. This will ensure that customs duty imposed on these beer and grape wine products is consistent with duty imposed on other alcohol products and the excise duty imposed when these products are manufactured in Australia. As I have indicated, the coalition supports the passage of this bill.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (1.39 pm)—I thank honourable senators for their contribution.

Question agreed to.

Bill read a second time.

 Third Reading

Bill passed through its remaining stages without amendment or debate.

PERSONAL PROPERTY SECURITIES BILL 2009

PERSONAL PROPERTY SECURITIES (CONSEQUENTIAL AMENDMENTS) BILL 2009

Second Reading

Debate resumed from 17 September and 23 November, on motions by Senator Ludwig and Senator Sherry:

That these bills be now read a second time.

Senator BRANDIS (Queensland) (1.40 pm)—The purpose of the Personal Property Securities Bill 2009 and related bill is to provide for a single national law to deal with personal property securities. Although the debate on these bills will occupy but a few minutes, the bills themselves are a most ex-
tensive piece of law reform not politically controversial but of very far-reaching legal consequence, which is the product of many years of work by many lawyers and policymakers concerned.

The reforms, which these bills will implement, will address the complexity of over 70 Commonwealth, state and territory laws, common law rules and laws of equity governing personal property securities. They will provide a modern and efficient personal property securities regulatory system, which is essential for any modern financial system. These bills draw upon the New Zealand, Canadian and United States legislation. They also draw on work by United Nations Commission on International Trade Law and the International Institute for the Unification of Private Law.

These bills will also address the relationship between potentially conflicting Commonwealth, state and territory laws. These bills specify where other laws prevail. For example, these bills will not apply to tradeable water rights, water access entitlements, goods affixed to land or to non-consensual interests such as liens. Furthermore, a state or territory will be able to expressly exclude a right entitlement or authority granted by the law of the state or territory from application by these bills.

The various states and territories have long had their own mechanisms for the registration and management of securities given over personal property to secure financial obligations. Familiar examples include fixed and floating charges, bills of sale, chattel mortgages and registers of hire-purchase agreements. It has long been recognised that there is a need for national harmonisation of these forms of security to provide greater certainty for borrowers and lenders and to increase efficiency in the sector.

The matter of personal property securities reform was referred to the Australian Law Reform Commission as long ago as June 1990. Draft legislation informed by the ALRC’s report was prepared in 1995 and was itself the subject of extensive consultation. The matter was pursued through COAG, which in 2007 endorsed the model of a national system. The former Attorney-General, the Hon. Philip Ruddock, gave this issue particular priority. In October 2008 the members of COAG signed an intergovernmental agreement to effect the proposed legislation as part of the seamless national economy agreement between the Commonwealth, the states and the territories. New South Wales has passed its referral act and it is expected that the other jurisdictions will follow soon, the basis upon which the Commonwealth is legislating in this field being not a section 51 head of power but referral from the states.

The bills will apply with very limited exceptions to all types of personal property, including motor vehicles, contractual rights, intellectual property rights and un-certificated shares. They provide for the rules for the creation, priority and enforcement of security interests and the establishment of the national register of them. There are detailed specific provisions in relation to certain classes of property. As I said at the start, the brevity of the parliamentary debate on this issue should not conceal its commercial and legal consequence. This is a very, very exciting field for property lawyers many of whom will be waiting with bated breath for the passage of this legislation.

Senator Mason interjecting—

Senator BRANDIS—Yes, they will be, Senator Mason, but you are not one of them!

I conclude by acknowledging the work of the Senate Legal and Constitutional Affairs Legislation Committee, which reviewed both the substantive bill and the consequential provi-
sions bill. I know that Senator Guy Barnett, the deputy chair of that committee, took a very close interest in this matter as did Senator Russell Trood, who participated in the hearings of that committee. I wish to acknowledge their close interest in this highly technical but, from a mechanical and legal point of view, most consequential suite of bills which have the opposition’s support.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (1.44 pm)—I thank senators for their contributions in the chamber and on the Senate Standing Committee on Legal and Constitutional Affairs. In doing so, I table a replacement explanatory memorandum relating to the Personal Property Securities Bill 2009.

Question agreed to.

Bills read a second time.

Third Reading

Bills passed through their remaining stages without amendment or debate.

**HIGHER EDUCATION SUPPORT AMENDMENT (VET FEE-HELP AND TERTIARY ADMISSION CENTRES) BILL 2009**

Second Reading

Debate resumed from 23 November, on motion by Senator Sherry:

That this bill be now read a second time.

Senator MASON (Queensland) (1.46 pm)—Most importantly, the coalition does, of course, support this bill. The Higher Education Support Amendment (VET FEE-HELP and Tertiary Admission Centres) Bill 2009 amends the Higher Education Support Act 2003 by broadening the application of the Higher Education Loan Program help category for vocational education and training students, called VET FEE-HELP. The bill builds on the coalition’s proud record in office of supporting all young Australians in their educational paths. In 2006 the TAFE future survey indicated that course fees presented a major deterrent to young people pursuing vocational education and training, particularly to those young people living in areas with a high dependence on social security and in low-paid jobs. This was of great concern to the coalition government, particularly at a time of skill shortage. We could not stand by and let the human potential go to waste simply because young people could not afford to take the courses they wanted to.

Also, considering that those wanting university education were already receiving government support, why should VET students have to pay upfront fees while those at universities did not have to? That was the issue before the Howard government. This was particularly hard to justify, given the commitment of Howard government and the higher education sector to enhancing the articulation of VET qualifications for university entrants and also for degree credit at university. Credit transfer arrangements from the VET sector to university are now well established and commonplace. Thus, to preclude VET students from access to income contingent loans was not only unjust but increasingly illogical. So it was not just about personal and economic outcomes; it was also very much about fairness.

In June 2007 the Howard government introduced the Higher Education Support Amendment (VET FEE-HELP Assistance) Bill. This bill enabled FEE-HELP to finally be extended from higher education to the vocational education and training sector, specifically providing financial assistance to individuals undertaking full-fee diplomas and advanced diplomas. This invaluable financial support has enabled many, many young people around Australia to pursue further education and gain further qualifications that they otherwise would not have achieved. They are better for it and, of course, so is our country. The bill has been criticised on at
least one ground—that is, that it has been asserted that student access to income contingent loans in the VET sector might provide the incentive for VET providers to increase their fees. While there is little evidence that this has occurred thus far, it is something I know that the government will have to continue to monitor, and I am sure it will.

I only have one piece of sad news. My friend Senator Birmingham reminded me of this: in the Mid-Year Economic and Fiscal Outlook 2009-10 the Rudd government announced that it intends to increase the FEE-HELP loan fee for undergraduates enrolling with private providers from 20 to 25 per cent, which will raise about $42 million over three years for the government. The opposition opposes this because this measure singles out fee-paying undergraduates enrolling with private providers and not other categories of students. Neither HECS-supported postgraduates nor those studying overseas are affected. The opposition does not support the announcement that the government has made in the MYEFO report for 2009-10. In the May budget the government committed itself to the position that the loan fee for FEE-HELP would not be increased, but that seems to be a broken promise. It is disappointing, and it is certainly one more disincentive for Australian students wanting to pursue the course of their choice. The government rightly talks about access. It is very important. But if access is truly the cornerstone of higher education and also vocational education and training, this is one policy that does not assist that. With those comments, I add that the coalition does support the bill.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (1.50 pm)—I thank Senator Mason for his comments. I am particularly pleased to see that he is still able to make those comments from the front bench. He has served the Liberal Party well in his role with a very limited brief. He has an enormous challenge with the limited brief that he has. I think he has approached his duties with remarkable diligence. I trust that your resignation has not been accepted, Senator, although it is not clear whether or not that is the case. In the reshuffle that I understand is about to come, I look forward to you being able to take on increased responsibilities for the coalition in this area.

Opposition senators interjecting—

Senator CARR—It is a suggestion. Despite just how thin the argument that Senator Mason has to pursue is, he does it with skill. He does keep some pretty ordinary company, given the people I have seen him sitting with in recent times, but he does it well.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

MINISTERIAL STATEMENTS

Mumbai Terrorist Attacks

Senator FAULKNER (New South Wales—Minister for Defence) (1.52 pm)—by leave—Today marks the first anniversary of the tragic terrorist attacks in Mumbai last year. The attacks which began on 26 November 2008 and lasted until 29 November 2008 involved more than 10 coordinated shooting and bombing attacks across Mumbai. Terrorists attacked the Taj Mahal Palace, the Oberoi-Trident and the Orthodox Jewish owned Nariman House as well as the main railway terminal, the Leopold Cafe, a cinema and two hospitals. Some 62 hours later, at least 164 innocent people had been killed and hundreds more had been injured. Today the Australian government and people and all senators in this chamber remember the two
Australians killed in this attack—Douglas Markell and Brett Taylor.

I would like to pay tribute to all the victims of the Mumbai terrorist attacks. One year on, the families and friends of those killed and injured are trying to rebuild their lives. I also wish to acknowledge the bravery and the sacrifice of all those who risked their lives to save others. In difficult conditions, Indian security forces battled bravely and successfully to rescue hundreds of innocent people who were caught up in the attacks. From across the Indian Ocean, Australia was deeply shocked and appalled by the deadly and horrific attacks. Today, as we remember the victims, we need to remind ourselves that the threat of international terrorism continues. We must remain vigilant and work together to defeat terrorism in all its forms.

Senator MINCHIN (South Australia—Leader of the Opposition in the Senate) (1.54 pm)—by leave—On behalf of the opposition I want to associate the coalition with the remarks by Senator Faulkner in his ministerial statement on this first anniversary of the tragedy in Mumbai. It was indeed, as Senator Faulkner properly said, an horrific event and a great tragedy. We join with Senator Faulkner in acknowledging and remembering those killed and wounded in this dreadful event. We acknowledge the bravery and sacrifice of all those involved, those who tried to help, those wounded and those whose memories will be scarred for life by their experience of that dreadful event. All of us who have travelled in India and, like me, have been to Mumbai feel that tragedy particularly because of what a magnificent country India is and what a wonderful people India has. That this tragic event happened upon Indian soil is something that touched the hearts of all Australians and people all over the world. As Senator Faulkner properly says, it is a gruesome reminder of just how determined those who perpetrate terrorism are that they are prepared to take innocent life in pursuit of their horrific objectives. I am pleased that in this country the government and the opposition stand firm together in our joint efforts, whether we are in government or in opposition, to ensure Australia plays its part in combating this sort of evil—terrorism—that so tragically befall Mumbai one year ago today.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.56 pm)—by leave—I concur with Senator Faulkner and Senator Minchin and join with fellow senators in expressing horror at what happened in Mumbai and the greatest empathy and sympathy for those who suffered. I also note that one of the circumstances of that terrible event was the illiterate vulnerability of some of the people who were manipulated into taking part in that act of terrorism. One cannot go through the detail of that event without feeling abhorrence at the bas tardry of those who manipulated that act of terrorism from a distance in a cowardly act that kept them safe while they sent in pawns to kill, maim and destroy the lives of the innocent. That is, of course, the hallmark of terrorism and it is totally unforgivable. I simply add to the words of the previous two speakers in wishing the best recovery possible for the people who were so terribly afflicted in Mumbai a year ago today.

Sitting suspended from 1.58 pm to 2.00 pm

QUESTIONS WITHOUT NOTICE

National School Chaplaincy Program

Senator MASON (2.00 pm)—My question is to the Minister representing the Minister for Education, Senator Carr. I refer the minister to comments made by the Prime Minister prior to the 2007 election, when he said that school chaplains actually are ‘the glue which keeps school communities rolling’. Why did the government yesterday vote
against giving a long-term guarantee that this important School Chaplaincy Program would be continued?

Government senators interjecting—

The PRESIDENT—Order! I remind those on my right that the time for debating this is at the end of question time, if you desire. Senator Mason, continue.

Senator MASON—Can the minister confirm that the Rudd government still believes that school chaplains actually are the glue which keeps school communities rolling?

Senator CARR—I thank Senator Mason for his question. Senator Mason would know the truth in regard to this matter. He would know that this was a program which was commenced by the previous government. They provided $165 million for a program that was to run for three years. One hundred and sixty-five million dollars over three years was to be made available to Australian school communities to assist in the provision of chaplaincy services. It was for only three years. We now have a situation where some 2,700 schools have received funding, and the funding to those schools was scheduled to end in mid-2010. That was the decision of the previous government: to end the program in 2010.

The Rudd Labor government has expressed its determination to ensure that schools are supported in providing for the wellbeing of their students, and it has acknowledged that the National School Chaplaincy Program has been an effective way to assist schools in achieving this important goal. So on 21 November the Prime Minister—Prime Minister Rudd—announced that an additional—(Time expired)

Senator MASON—Mr President, I ask a supplementary question. Given that 2,700 schools have school chaplains and over 97 per cent of those schools think that chaplains have had a positive influence on their school, why has the Rudd government chosen to deny more than 7,000 other schools the chance of applying for their own school chaplains?

Senator CARR—Mr President, on 21 November Prime Minister Rudd announced that there would be an additional $42.8 million made available for this program—a program that, under the previous government, was to end in the middle of next year. The decision of the previous Prime Minister, Mr Howard, was to end the program. But Prime Minister Rudd has in fact extended the program by $42.8 million, which will provide funding to ensure that the good work of the 2,700 schools will continue until December—

Senator Mason interjecting—

Senator Sherry interjecting—

The PRESIDENT—Order! I need some silence. Senator Mason and Senator Sherry are arguing across the chamber when Senator Mason is trying to listen—and I do not know how—to the answer that is being given by Senator Carr. I do invite people on both sides to cease interjecting so that the person who has asked the question can hear the answer. Senator Carr, continue.

Senator CARR—The Prime Minister has announced that the $42.8 million will be available to assist schools to provide additional support up until December 2011. This is to extend the program way beyond what the Liberals had done—that is, to end the program next year. (Time expired)
Senator MASON—Mr President, I ask a further supplementary question. Can the minister explain to the Senate why the government will happily spend an extra $1½ billion to cover their mismanagement of Building the Education Revolution and $800 million to cover up their mismanagement of the Digital Education Revolution but cannot find enough money to secure the future of the school chaplaincy service?

Senator CARR—What the parliamentary secretary has obviously failed to appreciate is that his government only provided—I apologise; I mean the ‘shadow parliamentary secretary’. I trust that he still is the shadow parliamentary secretary. I hope his resignation has not been accepted. We are yet to hear advice on that.

The PRESIDENT—Senator Carr, address the question.

Senator CARR—What the government is doing is to provide additional support and provide wide consultations with chaplaincy providers, school principals, parents and community groups, state education authorities and the Catholic and independent school sectors to examine the options that exist beyond 2012. While the program has been well supported by schools and communities, the consultation process will examine some of the preliminary feedback that we have already received, including further consideration of services for disadvantaged or remote schools, the inclusion of secular support staff and alternative funding models. (Time expired)

Climate Change

Senator JACINTA COLLINS (2.07 pm)—My question is to the Assistant Treasurer, Senator Sherry. Can the Assistant Treasurer inform the Senate why it is imperative to take early action to mitigate the effects of climate change? Has the government weighed up the costs to Australian families of doing nothing on climate change? Has the government assessed the actions needed to support Australian households to make a positive contribution in the fight against climate change?

Senator SHERRY—The Rudd government is determined to act in the national interest—indeed, I note that the former Howard government was also determined to act in the national interest—to help protect Australian families from the worst effects of dangerous climate change. Action on climate change is in the national interest because the cost of doing nothing on climate change is higher than the cost of action. The cost to Australian families of doing nothing will be lost jobs, less rain, more heatwaves and more extreme weather events. I acknowledge that former Prime Minister Howard accepted that this was the case and he put forward what I thought was a very impressive policy on behalf of the Liberal-National Party—not as impressive as the Rudd Labor government’s policy but at least he acknowledged the reality of the situation. The cost to Australian families of doing nothing, let me repeat, will be lost jobs, less rain, more heatwaves and more extreme weather events. People who work in the rural and regional areas of Australia, particularly our farming community, would be all too well aware of the impact of extreme weather events, which will become worse and worse.

So the cost of allowing dangerous climate change to run its destructive course will be higher than the cost of acting to move to a low carbon prosperous future. More and more of the world is moving to a low carbon future, driven by the reality that most countries are applying a carbon constraint, whether through regulation or an explicit price on carbon. Modelling shows that economies that act early face long-term costs that are around 15 per cent lower. Modelling shows that all areas of the economy will be
able to reduce their carbon pollution while continuing to produce and deliver their goods and services. *(Time expired)*

**Senator JACINTA COLLINS**—Mr President, I ask a supplementary question. How will the government support for families and business help Australia adjust to a productive and prosperous low carbon future? Will these actions help Australian households move into the next decade in a strong and sustainable environmental position and will these actions boost household welfare and create and protect green jobs?

**Senator SHERRY**—The Australian government, the Rudd Labor government, and indeed all world governments that are moving to deal with this issue do accept there is no cost-free way to tackle climate change. That is why this government has put forward a range of household assistance to ensure low- and middle-income households do not foot the bill for action on climate change. That is why the government is providing support for businesses to mark the transition to a low carbon future. We have already embarked on a major investment in energy efficiency. We are supporting the creation of green jobs and the development of skills for the low carbon economy. We are investing billions of dollars directly in new low carbon energy technology ranging from solar, wind and wave to geothermal, and of course clean coal. Those who are working against doing something about climate change are looking backwards. *(Time expired)*

**Senator JACINTA COLLINS**—Mr President, I ask a further supplementary question. What commitments has the government made about its support for families and businesses as Australia moves to a prosperous low carbon future? What recognition has the government made of families and businesses in the climate change solutions Australia desperately needs? What are the alternatives and what would be the risks of those alternatives?

**Senator SHERRY**—The Rudd Labor government is committed to the principle that any action on tackling climate change should ensure the greatest cost effectiveness and fairness in spreading the burden of reducing emissions. We say action on climate change should support industries make the transition to a low pollution future while at the same time assisting households adjust to a price on carbon. There are risks and costs, quite apart from the devastating impact of unchecked climate change on the environment and on the economy. As I said, this was an approach well recognised by the former Prime Minister Mr Howard and we should acknowledge in the spirit of bipartisanship the important role and contribution that he made in this regard. A very different kind of risk is the opportunity cost if we fail to position Australia for the low carbon future. Those who offer no alternatives, the do-nothing brigade, for example— *(Time expired)*

**Asylum Seekers**

**Senator FIERRAVANTI-WELLS** (2.13 pm)—My question is to the Minister for Immigration and Citizenship and the Minister representing the Prime Minister, Senator Evans. With more boats arriving almost daily—and of course we have had our daily one today; another one arrived this morning—how many unauthorised boat arrivals is the government preparing for between now and our next question time in 68 days time? Is it more than 10, more than 50 or more than 100?

**Senator CHRIS EVANS**—I thank the senator for her question. It has been a daily event, though I see the numbers have fallen as the weeks have gone on. But I am cheered by the prospect that it is 68 days before we have another question time—that is some-
thing encouraging. What I do know is that the challenge of dealing with unauthorised arrivals will be with Australia for a long time. It has been with us for a long time and it will be with us for a long time. In terms of the numbers of boat arrivals, obviously one cannot predict that. All one can do is continue to maximise our efforts to prevent people departing from other countries in an attempt to enter Australia by unauthorised boat arrival.

We are working closely with our neighbours to try and stop the increase in activity that has arisen largely out of Sri Lanka and Afghanistan. We have a range of measures in place that are trying to deal with those persons and prevent them from departing. Our border security measures remain strong and they remain in place. We have increased the number of patrols. We have increased the resources for border protection and we have kept in place the key measures associated with that border security with the excision of offshore islands, the offshore processing of persons taken to Christmas Island when intercepted and the mandatory detention of all those intercepted. People are detained, they have their health, identity and security checks and then any claims for asylum are processed.

But it is true that, on the current rate, we will probably see this year’s figure as the fourth largest for boat arrivals in any one year. The top three occurred under the Howard government in 1999, 2000 and 2001, when the numbers were much larger. But this remains a long-term, serious public policy challenge.

Senator FIERRAVANTI-WELLS—Mr President, I ask a supplementary question. Given the surge in numbers on Christmas Island, can the minister tell the Senate whether processing times have increased and if so by how much? What assurances can the minister give the Senate that the processing times and appropriate standards will be met, as promised by the Rudd government, with the likely surge in the next 68 days?

Senator CHRIS EVANS—I can assure the senator not only that standards will be maintained but also that values will be maintained. A very important change we have made is a change in the values in the way we treat people. You can be assured that these standards will be maintained and the values will be maintained. In terms of processing times—and I will get the exact figures for the senator—the standard target is about 90 days. I think it is slightly over 100 days at the moment. I make no apology for that.

I would like the Senate to understand this: the last thing involved in the process is the security check, and it is usually the slowest thing in the process. Our security agents have to become comfortable with the credentials of the person they are dealing with. We will not be cutting corners on that. The processing times may well blow out, but we will be ensuring proper security assessments are made.

Senator FIERRAVANTI-WELLS—Mr President, I ask a further supplementary question. With 55 boats, more than 2,400 unauthorised arrivals, a 42 per cent increase in onshore asylum applications since Labor came to government and the minister’s continued denials of special deals, is it not time that, as the Australian’s Paul Kelly advocated, the government stopped treating Australians like mugs? When will the minister start taking effective action?

Senator CHRIS EVANS—Firstly, can I indicate that the senator did not fairly represent the figures. She moves from annual figures, to the election of the Rudd government and to August 2008, so I dispute the figures she quoted. They were not fairly represented. But I do note that she again seeks to quote
the *Australian*, but I think it was from weeks ago. Again, we see a little delay between reading the paper and asking the question. I think Mr Kelly generally has a fairly balanced attitude to the challenge faced. He deals with the realities of the public policy challenge when he writes his articles. I do not always agree with him, but he does actually try and deal with the complexities and the challenges, and they are big challenges. It is a complex issue. We are working very hard to get better policy outcomes by engaging with our neighbours. We will continue to work hard to try and ensure a reduction in the number of unauthorised boat arrivals. *(Time expired)*

**Greater Sunrise Project**

Senator BOB BROWN (2.19 pm)—My question is to Senator Carr, the Minister for Innovation, Industry, Science and Research. What was the outcome of the reported talks between the special adviser to the Timor-Leste government, Francisco da Costa Monteiro, and Minister Ferguson yesterday on locating the LNG Greater Sunrise project onshore facility in Timor-Leste? Can the minister tell the Senate what advantages there would be to Timor-Leste from this project being developed in that very poor neighbouring country?

Senator CARR—In representing Minister Ferguson here, I am not briefed on every aspect of every meeting that he has with foreign governments. What I can say to the senator is that advice has been provided to me which indicates that the government strongly support the development of the petroleum resources in the Joint Petroleum Development Area and the development of the Greater Sunrise gas field. Those arrangements are progressing well. The Australian government and East Timor continue to work closely on the management of the resources in the Timor Sea for the mutual benefit of our nations. This cooperative work is built on the principles agreed between our two countries which are implemented pursuant to relevant treaties.

I am further advised that the contract operator, Woodside, and its commercial partners are considering the development options for the Greater Sunrise field. The Australian government do not advocate any particular method for the handling of the gas from the Greater Sunrise field. The direction of any pipeline and the location of processing facilities for the Greater Sunrise field is ultimately a commercial decision for Woodside and its commercial partners in line with the provisions contained in relevant treaties. I want to emphasise, though, that the government strongly support the development of the Greater Sunrise project and welcome the implementation of the Sunrise Commission, which of course will provide for a project that will be of immense benefit to both our peoples. *(Time expired)*

Senator BOB BROWN—Mr President, I ask a supplementary question. I ask Senator Carr: has he read today’s paper in which Mr da Costa said:

… establishing the project—
in Timor-Leste—

was expected to cost $8 billion to $10 billion and … would drive the development of other services in the country of 1 million. “That’s the reason why we see that for Australia this is one drop in a big ocean, but for Timor Leste this is … the single biggest [project] and you can imagine how much attention we put into this.”

What are the social benefits to Timor-Leste which were explained to the minister yesterday—if I read this correctly—and is it true that this development is 200 kilometres from Timor-Leste but 500 kilometres from Australia and logic would dictate that it go ahead in Timor-Leste?
Senator CARR—The nature of the discussion's specifics are not matters which I have been provided advice on. I have been advised that the Greater Sunrise field has the potential to generate significant future revenue flows for both governments, that Australia is fully committed to the Timor Sea treaties that underpin the successful exploration—

Senator Bob Brown—Mr President, I raise a point of order. The minister is repeating what he read last time. I asked about the social benefits to Timor-Leste and the proximity of this development to Timor-Leste, and I wonder if the minister could answer those questions.

The PRESIDENT—I believe the minister is answering the question. The minister has 32 seconds remaining. I draw the minister's attention to the questions.

Senator CARR—I was asked about the detail of the discussion that occurred yesterday. I am answering that specifically and directly. I have indicated that this development has the potential to generate significant future revenues for both governments and be of great benefit to both governments and their peoples. But Australia remains fully committed to honouring the Timor Sea Treaty that underpins the successful operations. Now, 79.9—(Time expired)

Senator BOB BROWN—Mr President, I ask a supplementary question. I put it this way to the minister: isn't it true that Timor-Leste potentially has the ability to block the onshore development, or the at-sea development for that matter, of Woodside if it does not do the right thing by Timor-Leste, and are there other potential resource developers—for example, from Malaysia and China—who might like to supplant Woodside at the end of the day if it does the wrong thing by Timor-Leste?

Senator CARR—I have no advice on that matter whatsoever. I will have to take the question on notice.

Senator HEFFERNAN—Mr President, I ask a supplementary question. With regard to the national importance of such a facility, has the minister—or, if he has not, his department—had any discussions with the New South Wales Labor government in order to see what can be done to ensure that Australia...
does not lose this important testing and certification capacity?

Senator CARR—I think Senator Heffernan is only too well aware that I am representing Minister Ferguson here. The matter he has raised, I believe, is essentially a state jurisdiction; it is not surprising that I should not have a brief on that matter. I am not aware of any conversations that have been had between the minister and the New South Wales government on this matter. I will endeavour to establish what has been said.

Senator HEFFERNAN—Thank you, middle stump. Mr President, I ask a further supplementary question. Will the minister undertake to investigate this matter to ensure, in the national interest, that the medical biotech industry is not placed at a distinct competitive disadvantage?

Senator CARR—In terms of the biotech industry, a matter for which I do have responsibility, this country will not be placed at a competitive disadvantage. As far as the department of innovation is concerned, we will be doing all in our power to ensure that we maintain our competitive advantage and that we build a competitive advantage. But, if you want to ask me questions which are properly the province of the New South Wales parliament, I suggest you stand for preselection for a state seat in New South Wales.

Senator Cameron interjecting—

The PRESIDENT—Order! Senator Abetz and Senator Cameron, if you wish to have a conversation, go outside the chamber—both of you.

Senator Cameron interjecting—

The PRESIDENT—Senator Cameron!

Opposition senators interjecting—

The PRESIDENT—Order! I am waiting to call the next person for question time.

Building the Education Revolution Program

Senator PRATT (2.30 pm)—Thank you, Mr President—finally, an opportunity to ask my question. My question is to the Minister Assisting the Prime Minister on Government Service Delivery, Senator Arbib. Can the minister please update the Senate on how the education infrastructure program is supporting jobs in the building sector? Is the minister aware of a recently released Australian Bureau of Statistics report on construction sector activity? Given the opposition’s plan—

Honourable senators interjecting—

The PRESIDENT—Order! When you are ready, we will proceed.

Senator PRATT—Thank you, Mr President. I could barely hear myself. Given the opposition’s plans to cut or delay the infrastructure stimulus, how would these plans impact on jobs and small business if they were to go ahead?

Senator ARBIB—I thank Senator Pratt for that question. I am happy to inform the Senate that construction through the education stimulus is going extremely well. I have talked about the number of tradespeople—electricians, plumbers, bricklayers et cetera—who are all being supported by the stimulus, but we now have the latest construction figures from September coming out of the ABS, which show a 2.2 per cent increase in total construction and 6.9 per cent annually to September, seasonally adjusted. We have also had further research from a company called Macromonitor, which predicts growth of 11 per cent in building starts across the entire non-residential building sector in 2009-10, after a 30 per cent drop last year.

Opposition senators interjecting—

CHAMBER
The PRESIDENT—Senator Arbib, you might just resume your seat until there is silence.

Senator Bernardi interjecting—
Senator Joyce interjecting—

The PRESIDENT—Senator Bernardi, constant interjection is disorderly—and I say the same to Senator Joyce. Senator Arbib, proceed.

Senator ARBIB—Macromonitor Director Nigel Hatcher puts it like this:

This rebound has been almost entirely due to the boost to education building coming from the Commonwealth stimulus package.

He goes on to say:

This is the first time that a program of government building work has been of adequate magnitude to offset a major downturn in commercial building in Australia.

Peter Verwer from the Construction Forecast Council is in total agreement, saying that ‘the market is basically being held up by government spending and it is mainly education’. He says—and I think opposition senators will find this interesting:

If you look at the last quarter ABS data of approvals, for the $12 billion of non-residential developments, $7.6 billion of the total approved was education. That’s amazing … it’s historically unprecedented. Without looking at any single number, that has not happened even when Curtin and Menzies were the prime ministers. (Time expired)

Honourable senators interjecting—

The PRESIDENT—Order! The time to debate this is after question time. Post question time is the time to debate—on both sides. When we have silence, we will proceed.

Senator PRATT—Mr President, I ask a supplementary question. What else is the government doing to help support jobs and training as the economy recovers from the global recession? In particular, what is the government doing to address the incredible 20 per cent drop in apprenticeship commencements over the last year? I would like to know how—

Opposition senators interjecting—

The PRESIDENT—Order! Senator Pratt, resume your seat. If people want to continue to interject, we will wait until we have silence. The questioner is entitled to be heard in silence.

Senator PRATT—In particular, what is the government doing to address the 20 per cent drop in apprenticeship commencements over the last year? How will Apprentice Kickstart help support young people seeking to enter traditional trades? Also, has the minister any feedback from business about how they intend to use this initiative?

Senator ARBIB—One of the worst aspects of the global recession has been the effect on training. I have said before in this chamber that apprenticeship commencements over the past 12 months have dropped by 21 per cent. The government has been doing everything possible to turn this around. That is why the government put in place in the stimulus package a 10 per cent target of contract labour hours for apprentices. This means that apprentices are keeping their positions on stimulus projects. That 21 per cent would be much, much worse if it were not for the stimulus package.

Also, with the support of the Australian Greens and Senator Fielding, we have been able to reconfigure the Jobs Fund to improve incentives for apprentices. We have been able to almost treble the commencement bonuses for apprentices—up to almost $5,000—for the summer period. That means that we are going to see more carpentry apprentices, more plumbing apprentices, more electrical apprentices, more fitters and turn-
ers et cetera. This is how we will get through the— (Time expired)

Senator PRATT—Mr President, I ask a further supplementary question. Given the minister’s response to my first question—that the education infrastructure program is supporting jobs in the building sector across Australia—I would like to ask the minister to provide examples of projects that are having an impact in communities around Australia.

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

Senator ARBIB—A couple of months ago, all the questions that were coming from the other side of the chamber, from the Liberal Party, concerned Building the Education Revolution, but they have dried up. What we are now seeing are all the newspaper clippings and articles talking about the good news coming out of the Building the Education Revolution. The Narrandera Argus said:

PCR Building Services Director Peter Piltz said that without the government stimulus he would have been cutting jobs.

“This government work came at just the right time for us and everyone else in the construction industry,” Mr Piltz said.

“We were looking at putting people off but now we can put more on.”

Similarly, the Illawarra Mercury reported that the managing director, Joe Cachia, from Mount Kembla company Piruse Constructions had said:

Without the stimulus money, the building industry is dead.

That is what the government is doing—supporting jobs. The opposition has no plan for jobs. (Time expired)

Environment

Senator TROETH (2.38 pm)—My question is to Senator Wong, the Minister representing the Minister for the Environment, Water, Heritage and the Arts. I refer the minister to the Green Loans scheme and to Minister Garrett’s admission that he has slashed the program from 200,000 eligible homes to 75,000. I also refer the minister to the fact that, as at 18 August this year, no green loans had been approved. Can the minister now confirm that there will be no training of home sustainability assessors after Christmas this year and that, secondly, no further registrations for home sustainability assessors will be accepted beyond 21 January 2010? Can the minister tell the Senate how slashing this scheme helps Australia reduce its carbon emissions?

Senator WONG—Certainly, the issue of green loans has been traversed—

Senator Abetz—You do not have a brief.

Senator WONG—Actually, I do not, but I will try to answer. I am hoping he will find one. Rather than saying that I do not know, I thought I would try, but thank you, Senator Abetz. Here we go.

Senator Abetz—She has a brief.

Senator WONG—There you go. It has been an issue that has been traversed at estimates on a number of occasions, Senator Troeth. I am advised that, under the Green Loans Program, the government is providing sustainability assessments for up to 360,000 households free of charge and loans of up to $10,000 with no interest payments for up to 75,000 households through participating financial institutions. The program commenced with a national rollout on 1 July 2009. I do have some information on the number of people registered for assessments. As at Friday, 20 November, I am advised that some 88,282 people had registered for assessments, 57,120 assessments have been completed and more assessments are being undertaken as the program is rolled out, and 32,100 assessment reports have been sent out. I am also advised that, as further reports
are generated by assessors, they will be sent out to householders.

The advice I have is that verbal advice has been received from financial partners which indicates that, as at 20 November 2009, they had received over 900 applications for green loans. Obviously, the government does not approve green loans per se. Households with valid assessment reports are free to approach participating financial institutions to apply for loans provided they meet lending— (Time expired)

Senator TROETH—Mr President, I ask a supplementary question. Although I appreciate the minister’s honesty in acknowledging that she did not know much about the question, she did not, nevertheless, answer my first question in relation to the home sustainability assessors. I would like some further information from her about that. Secondly, as the start-up for this has been so slow, what confidence can the Australian public have that Green Start will be managed any better, given that we still do not have the details we need about the Green Loans scheme?

Senator WONG—I am not sure I can provide much information today about assessors other than the information about the number of assessments that I have provided to the chamber. I will certainly seek advice from Minister Garrett and see if I can provide any further information. I think Senator Milne had previously asked me about delays in the assessment reports and there have been some issues about the software program used for the calculator. These were identified during the trial green loans rollout. There were changes made to the operation of the calculator, including the reporting function. These problems, I am advised, were fixed by mid-August and most assessments reports prepared in July, August, September and October have been sent out. I am also advised that the problems with the tools have not prevented any households from having home assessments undertaken by assessors. (Time expired)

Senator TROETH—Mr President, I ask a further supplementary question. This program has an expected finish date of 2013. Can the minister confirm that the government intends to abandon this Green Loans scheme either earlier or at that stage?

Senator WONG—There was a reshaping of this program from the original budget program, which was $300 million over five years in the 2008-09 budget. Minister Garrett did announce changes to the program in the light of the assistance being provided through the government’s Energy Efficient Homes package, which was announced in the 2009-10 budget. So there was a very substantial program announcement in that budget, which is well known. The reshaped program is intended to deliver around 75,000 loans and there was a saving of some $125 million to the budget. However, the home sustainability assessments, I am advised, still remain at the estimated 360,000 households.

Pharmaceutical Industry

Senator XENOPHON (2.44 pm)—My question is to Senator Ludwig, representing the Minister for Health and Ageing. In late 1995 the National Health and Medication Research Council released the first guidelines on ADHD diagnosis and treatment in Australia. In 2008 the Royal Australian College of Physicians was commissioned by the NHMRC to redevelop these guidelines. The Australian earlier this week reported that the revised guidelines rely heavily on the work of Dr Biederman, who is under investigation for failing to disclose around $1.6 million of funding from the pharmaceutical industry. It is also reported that Minister Roxon’s advisers were warned of this investigation in August 2008 but no action was taken until last
month. My questions to the minister are: can the minister confirm the accuracy of these reports and explain if the release of the redeveloped guidelines on ADHD have been delayed or abandoned because of concerns that a reliance on Dr Biederman’s research has undermined their credibility?

Senator LUDWIG—I thank Senator Xenophon for his question. Can I say that it is estimated that more than 350,000 Australian children and adolescents have ADHD. The Rudd government, medical professionals and parents have been concerned for some time about the lack of clear evidence based information to assist the many people affected by this condition. These draft guidelines, which I think Senator Xenophon referred to, have been developed to help improve the assessment, treatment and care of people with ADHD in Australia. They have been drafted by the Royal Australasian College of Physicians, who were commissioned, as Senator Xenophon outlined, in 2007 by the Department of Health and Ageing. The college has conducted a thorough and careful process to develop these draft guidelines and the draft guidelines recommend a multimodal approach to the treatment of ADHD.

I am advised that if the guidelines are followed by practitioners, children with ADHD will be carefully assessed and families will be informed of risks, benefits and options. The guidelines are currently in draft form—this goes to the central issue that Senator Xenophon has raised—pending formal approval by the National Health and Medical Research Council. This will be considered once an alleged conflict of interest investigation into a US based researcher is complete.

Whilst the work of this researcher is referenced in the guidelines, the researcher has not been involved in any way in the production of the guidelines. The National Health and Medical Research Council is closely monitoring the progress of the US investigation and once it is concluded will determine its significance or potential impact on the draft guidelines. *(Time expired)*

Senator XENOPHON—Mr President, I have a supplementary question. Given the conflict of interest allegations and the investigation, does the minister agree that it would be timely to revisit the scope of the ADHD guidelines to incorporate more social, psychosocial, education and other perspectives and void concerns of a pro-drug research bias? Further, is the minister concerned about this pro-drug research bias, given what has transpired with Dr Biederman?

Senator LUDWIG—Mr President, I thank Senator Xenophon for his supplementary question. With regard to the question as to the guidelines and whether they should be reviewed, I can take you to Professor David Forbes, who is the chair of the college’s guidelines working group and what he said earlier this week:

The college has and is looking carefully at the evidence around ADHD and through the process has responded to new evidence and submitted comments. At this point the evidence base has not changed sufficiently to warrant starting this process again.

I expect that the latest draft guidelines, along with supplementary information that summarises and provides further references for the analysis and management of ADHD will be released in the very near future. *(Time expired)*

Senator XENOPHON—My final supplementary question, Mr President, is: more broadly, will the government look at the whole issue of the influence of pharmaceutical companies in terms of these terms of reference so that they are truly independent and not tainted by the commercial considerations of pharmaceutical companies?
Senator LUDWIG—I thank Senator Xenophon for his question in relation to pharmaceutical companies. Can I say the use of pharmaceutical companies in Australia’s health system is underpinned by an evidence-based approach. Pharmaceuticals are only subsidised under the Pharmaceutical Benefits Scheme on the independent expert clinical advice of the Pharmaceutical Benefits Advisory Committee. All of these processes have strong frameworks in place to manage conflicts of interest, ensuring that pharmaceutical companies cannot have undue influence on decisions about the entry or subsidisation of medicines in Australia.

If you look at the key facts around this issue you find that, more broadly, from 2006 the former government responded to public concerns about the prescription of ADHD medication, particularly in young children, by promising to develop guidelines. What this government has done is—(Time expired)

Uranium

Senator TROOD (2.45 pm)—Mr President, my question is to the Minister representing the Minister for Foreign Affairs, Senator Faulkner. I refer the minister to the recent decision by the Canadian government to allow uranium sales to India and to overnight reports that the United States will implement a ‘clean energy initiative’ with India that involves nuclear energy cooperation. Given India’s energy needs, does the minister believe that India should be given all possible support in reducing greenhouse gas emissions?

Senator FAULKNER—What I can say in relation to this is that, as Senator Trood would be aware, India has concluded civil nuclear cooperation agreements with a number of countries, including the United States, France and Russia. A September 2008 Nuclear Suppliers Group exemption for India to its guidelines on nuclear supply based on non-proliferation commitments made by India has made it possible now for India to conclude such agreements. I can say of course that Australia welcomed India’s non-proliferation commitments and supported the NSG exemption that I spoke about. However, each NSG member continues to determine its own national position with regard to supply of uranium or other civil nuclear cooperation with India.

I must stress with the Senate—and I have done this in answer to questions previously—that Australia’s uranium export policy has not changed. The Australian government has a longstanding policy that we will export uranium only to countries that are parties to the nuclear non-proliferation treaty. (Time expired)

Senator TROOD—Mr President, I ask a supplementary question. Given the movements in Indian policy to which the minister has referred, will the government now adopt the coalition’s policy of allowing Australian sales of uranium to India with appropriate safeguards to help reduce global greenhouse emissions?

Senator FAULKNER—the current Australian government’s policy in relation to the export of uranium is a very clear one. I will stress again: our policy is that we will export uranium only to countries that are party to the nuclear non-proliferation treaty, countries that have in place an additional protocol with the International Atomic Energy Agency and also countries with which Australia has a bilateral nuclear safeguards agreement. I stress, and this is the point I hoped that—(Time expired)

Senator TROOD—Mr President, I ask a further supplementary question. In light of India’s needs, why does the Australian government persist in holding Australia’s good
relations with India hostage to its bankrupt policy on uranium exports?

Senator FAULKNER—I do not accept the premise that is included in that question and I certainly do not accept Senator Trood’s very unfair and, I believe, inaccurate analysis of the nature of relations between India and Australia. It is important, I think, given the information I have provided Senator Trood in answer to his question, that he does understand the circumstances and that India is not a party to the nuclear non-proliferation treaty.

I must say that it is perhaps semantically easy to draw a parallel between the issue of climate change and this critical issue in relation to our approach to the export of uranium to countries that— (Time expired)

Building the Education Revolution Program

Senator BILYK (2.56 pm)—My question is to the Minister for Innovation, Industry, Science and Research, representing the Minister for Education, Senator Carr. Can the minister advise the Senate on the long-term objectives of Building the Education Revolution? How will it benefit teaching and learning in Australian schools, how will it benefit individual students, what role does it play in the government’s innovation strategy, what is the scale of the program and what new facilities will it provide? Can the minister explain how Building the Education Revolution relates to the government’s other education initiatives and how these initiatives will contribute to Australia’s economic wellbeing in the decades to come?

Senator CARR—I thank Senator Bilyk for that very comprehensive question.

Opposition senators interjecting—

Senator Faulkner—This proves what a bad fortnight you’ve had that you’re getting this question! This is your punishment!

Senator CARR—Building the Education Revolution is about supporting jobs, Senator Faulkner, not just today but for generations to come. It is about creating the infrastructure needed to sustain quality teaching and learning. It is about providing environments in which Australian students can develop their skills, find their inspiration and reach their full potential. It is a pity you did not know more about this, senators over there. This is absolutely essential if we are to boost Australia’s innovation capacity and performance. The most important factor in the innovation process is human capital: smart people, whom it is a pity we do not have more of over there; creative people, whom it is a pity they do not have more of as well; and people who can engage in critical yet constructive approaches to the world around them.

More than 24,000 Building the Education Revolution projects have been approved in more than 9,500 schools right across the country. This is the biggest school modernisation program the nation has ever seen. Schools across Australia are benefiting—

Honourable senators interjecting—

The PRESIDENT—Senator Carr, I know some people are starting to get a little bit excited. As someone has said, it may well be an exciting answer, but I still need silence so I can hear it.

Senator CARR—Schools right across Australia are benefiting from new classrooms, new halls, new libraries, new science laboratories and new language centres. Of course, we do not have any support from the other side on any of those matters. This comes on top of the government’s $2.2 billion Digital Education Revolution, which is preparing Australian students to live and work in a digital world. (Time expired)

Honourable senators interjecting—

The PRESIDENT—Order! That is completely disorderly.
Senator BILYK—Mr President, I thank the minister for that exciting answer. I ask a supplementary question. Can the minister also advise how Building the Education Revolution relates to the government’s broader productivity agenda? What is the relationship between education and productivity? How does improving the knowledge and skills of Australian workers increase capacity both at the enterprise level and economy wide? Can the minister explain how the education revolution will serve the government’s broader goal of renewing and modernising the Australian economy? To what extent does achieving this goal depend on the abilities of individual Australians? How will achieving it enable Australia to deal with changing conditions in the international marketplace?

Senator CARR—Building the Education Revolution is central to the government’s long-term productivity agenda. A better educated workforce—

The PRESIDENT—Order! Set the clock. The clock needs to be set.

Senator CARR—A better educated workforce is a more productive workforce. It is a workforce that can solve problems, can grasp opportunities and can handle the unexpected. It is a pity that you did not learn more about that in recent days. We cannot transform the Australian economy from the top down; we can only achieve that by building from the bottom up. It will only happen if we draw on the intelligence and the imagination of every worker, every citizen, every entrepreneur and every researcher. And it will only happen if we are ready to recognise and nurture creativity wherever we find it. This is the key to competing in a knowledge intensive global economy. That is why Australia needs the education revolution, that is why the government is building this revolution and that is why we are building iconic projects like the square kilometre array telescope. I look forward to its support from the coalition. (Time expired)

Senator Chris Evans—Mr President, I ask that further questions be placed on the Notice Paper, noting that it is the Clerk’s last question time. I am sure that no-one is more grateful than he that I have risen to make that request.

ANSWERS TO QUESTIONS ON NOTICE

Question Nos 2038 and 2039

Senator WONG (South Australia—Minister for Climate Change and Water) (3.02 pm)—Yesterday after question time Senator Brown raised with me two questions on notice which have not yet been answered. I apologise to the senator for the nonprovision of those answers and indicate to him that we are working through a response to those answers. I indicate to him that I anticipate being able to provide some information before the Senate rises today. I did ask my office to advise his office of this prior to question time.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.03 pm)—I thank the Minister for Climate Change and Water for her response.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Radioactive Waste

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (3.03 pm)—I have further information in response to a question asked by Senator Ludlam earlier this week. I seek to have that answer incorporated in Hansard.

The answer read as follows—

Senator Ladlam asked the Minister Representing the Minister for Resources and Energy:
The final report from the consultants Parsons Brinckerhoff was submitted to the department on
18 March 2009, along with CH2M Hill’s peer review and Parsons Brinckerhoff’s response to that peer review, assessing and characterising proposed sites for a nuclear waste dump. Will the government table these and related documents now? Does the government stand by Minister Ferguson’s comments that the government will choose a site and consult later?

Senator Carr: The Minister for Resources and Energy has provided the following response to the Senator’s question:

The future of the Commonwealth radioactive waste management facility project, selection of a site for a facility and repeal and/or replacement of the Commonwealth Radioactive Waste Management Act 2005 are policy matters under consideration by the Government. The Government does not intend to release the final report from Parsons Brinckerhoff, CH2M Hill’s peer review or Parsons Brinckerhoff’s response to that peer review, as these are part of this consideration but they will be released when a decision is made on these matters. Minister Ferguson has consistently said that no decision on a radioactive waste facility will be made without proper consultation with State and Territory governments and relevant indigenous and local communities.

OVERSEAS TAX HAVENS

Senator SHERRY (Tasmania—Assistant Treasurer) (3.04 pm)—Yesterday during debate on the motion on overseas tax havens I indicated to the Senate that I had personally signed eight information exchange agreements. I wish to correct the record to state that the government has signed nine of these tax information exchange agreements.

SENATORS’ STAFF: TRAVEL ENTITLEMENTS

Senator IAN MACDONALD (Queensland) (3.04 pm)—Before Senator Ludwig leaves the chamber, does Senator Ludwig have a response to my question earlier today about additional travel entitlements for staff of senators, noting that ministers have plenty of staff down here next week while backbench senators only get staff commensurate with the sitting week schedule by parliament? This is an additional week next week. I am wondering whether Senator Ludwig can answer my question on whether additional funds will be made available to backbench senators for bringing staff down next week.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (3.05 pm)—I thank Senator Macdonald for the question. The Minister for Finance and Deregulation and Corporate and Parliamentary Services calculate the electorate staff travel budget for senators and members at the beginning of each financial year. The calculation of the electorate staff travel budget is based on a standard formula in line with Remuneration Determination 2008/5, most recently issued on 12 December 2008. The total number of sitting days scheduled for 2009-10 is 67 days whereas the electorate staff travel budget includes a component for 110 nights of travelling allowance in Canberra. In addition, there are 18 weeks of sittings scheduled while the electorate staff travel budget is calculated on the basis of 20 return fares to Canberra. On that basis, it is understood that there should be sufficient funds available in the electorate staff travel budget to absorb the proposed additional sitting days. I also encourage all senators to consider how they can use frequent flyer points more broadly for themselves and that they look at how they can manage within their budget by using fare savers—

Senator Ian Macdonald—Like ministers’ staff do?

Senator LUDWIG—You did want to hear the answer to your question, I take it, or are you just making a point, I wonder. Senators can also use other airlines and all senators and members are encouraged to undertake this option.
QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS

National School Chaplaincy Program

Senator BARNETT (Tasmania) (3.06 pm)—I move:

That the Senate take note of the answer given by the Minister for Innovation, Industry, Science and Research (Senator Carr) to a question without notice asked by Senator Mason today relating to the National School Chaplaincy Program.

It is now confirmed and on the record that the Labor government has refused to commit long term to the National School Chaplaincy Program. That is a great shame. That has been confirmed today in question time and it was indeed confirmed yesterday when a motion was put by Senator Mason and me on behalf of the coalition to say, ‘Yes, this is a worthy valuable program and worthy of keeping into the long term, continuing into the long term.’ I will put on the record my thanks to senators Xenophon and Fielding for their support to get that motion through by 33 to 31.

There are 2,700 schools currently benefiting from the chaplaincy program, and they like it. A survey was undertaken recently and the report of that survey said that 97 per cent of the principals of those schools said, ‘Yes, it is a program worthy of keeping and we really appreciate it.’ That is the record of this program. It was started under John Howard and I am very proud of that fact. It started as a three-year program of $165 million for the first three years. The fact is, the program is working—it is benefiting.

What is it all about? The chaplaincy program provides pastoral care, counselling and spiritual guidance in a range of areas, such as bullying, mental health, family relationships, drug and alcohol abuse and those sorts of matters—practical, helpful and sensible advice. I have known lots of chaplains in Tasmania and others on the mainland and they are great people and they are solid people. They are providing practical helpful assistance in those school communities. They are appreciated by the school communities, not just the principals. That is the benefit of this program. It is fantastic.

Last weekend the Prime Minister went to the annual meeting of the Australian Christian Lobby Conference and said, ‘Yes, I like the program,’ and he announced a one-year extension to the program. That is not good enough. A one-year extension through to the end of 2011 will get them past the next federal election—albeit, we know that it will get them past that—but the question is: what then? Senator Carr has confirmed today that there will be another review—a further review. This government is up to its neck in reviews. They have already done one review and they know the results are fantastic—a 97 per cent result; you cannot get much better than that—yet they are saying, ‘No, we are not going to commit to this into the longer term.’ There is just a one-year extension to get them past the next election.

I call on members of the community—not just Tassie but all around Australia—and say: ‘Come on. Please lobby. Please lobby your local federal member of parliament and express your views in support of the chaplaincy program, because it is worthy of support in the long term and on a continuing basis.’ Labor’s refusal to commit to the chaplaincy program is cause for considerable concern.

A petition was launched just a month or so ago in Tassie and around Australia—with coalition members and senators—supporting the chaplaincy program. I have already got many petitions and signatures from all around Tasmania supporting the program. I want to put on record my thanks to Scripture Union Tasmania for their work in supporting the chaplaincy program and encouraging those in the community to benefit from it.
You see, the government is happy to spend and waste billions of dollars—and the fact is it has been billions of dollars in the last two years; we have hit the anniversary and it is just under $3 billion of waste and mismanagement. They are happy to spend $8 million on the GROCERYchoice website, which is an absolute joke based on a hollow promise. They are happy to spend billions of dollars and waste it on this education revolution. They are happy to put up memorial plaques for the Deputy Prime Minister, Julia Gillard. But they are not happy to spend the money that is required to continue this program into the future. This is what they should be doing but they are not. So having further reviews rings alarm bells with me—"We are going to extend it for one year past the next election." That motion yesterday was comprehensive and it was passed. I ask the government to reconsider. This motion is very important and it calls on the government to make a commitment to extend the program to new schools that apply for a chaplain and to retain current levels of funding into the future on an ongoing basis.

The government's current position is not good enough. So I call on members of the public to lobby their local member of parliament to retain the chaplaincy program. (Time expired)

Senator MOORE (Queensland) (3.11 pm)—I was hoping to be able to cede this time to Senator Carr to come back in and give further answers, because I think there was a lot of excitement about Senator Carr continuing to speak. But, unfortunately, he was needed elsewhere so I will have to do it. So I apologise to the Senate because I think it would have been very valuable for all of us if we had more opportunity to have Senator Carr talk with us. But in terms of the process around the chaplaincy program I am so disappointed that members on the other side, in particular Senator Barnett, who, both in this chamber and in the wider community, misrepresents what is happening with the chaplaincy program. Regarding his strident call earlier to the people of Australia to lobby, we know that many people have already been scared by the process that has been stirred up around this issue.

Basically, with the chaplaincy program—as with many other programs that are funded through the government—there was an original commitment made by the previous government, which was very clearly a three-year commitment. It was not a commitment made by that government for all eternity. It would have been a useful thing, perhaps, if that was the intent. If they had said, 'From this day forward until the end of time there will be full funding for this program.' But that did not happen. We know that. We know that programs are put out there through a range of consultation and decision through the policy-making processes. We look at programs that will be put in place, in this case through the education process. The chaplaincy program was launched with a lot of fanfare and there was a lot of excitement around it. I think that in very many schools where, as Senator Barnett was saying in his contribution, the chaplaincy program has worked well.

What goes on with these kinds of things is that at the end of the funding cycle clear reviews need to be put in place to evaluate the program, to see exactly how is it working and to work effectively with all those who are involved in putting the program together—all the user groups, all the various education people and the people in the community. I would hope that in terms of what will go on now, which is an effective end-of-funding-cycle review looking at what will happen in the future, some of the people with whom consultation will be developed will be the students to ensure that the students who are in many ways the user group of this pro-
gram will be involved in the ongoing review. The Prime Minister, I think, made that clear at a very large conference recently where he made a public statement about his views on how the chaplaincy program would be looked at by this government into the future.

The government has made a clear commitment that there will be funding for a year into the future while this process is being evaluated, and that evaluation will engage with everybody who has strong feelings about it. To all those members of the community who have been scared by allegations that this program is not being valued and that there will not be a commitment to it, my message is: please be involved in whatever process of review is made public so that you are able to have your say about what goes through.

Reviewing is a natural and professional part of government business, for all parts of government and at all levels of government. You need to identify what the purpose of the program is, you need to identify how it has been used and you need to have a look clearly at how the funding has been expended. There are a range of views in the community about the way the chaplaincy program operates. Certainly, one survey—only one survey—that has been out there has talked about the huge success, and we acknowledge that.

Senator Barnett made the comment in his contribution that he knows many chaplains, and so do I. I work with them closely, talk about the issues they find in their schools, and I applaud much of the work that has been done. But there are some parts which even Senator Barnett must admit have not worked as well as they ought to have. Part of the review is looking at how we should move forward with that, but continuing to raise these scare campaigns about the cessation of funding does not help. Clearly, what we need to do is to look at how the program has been operating, what it needs, what funding should be allocated and then see how that will work in future budgets.

The funding has been allocated for a year; that has been made public. We have not made a commitment to all eternity and nor did the previous government. That should be remembered, because somehow there seems to be some confusion here that one government made an ongoing, forever, commitment and the other has not. That is just not true. I think it is particularly wrong to scare people who are looking towards the future of a program that many people do find valuable.

Senator TROETH (Victoria) (3.16 pm)—Every now and then an issue arises that provokes such a sense of urgency and passion in people that they are moved to make a representation of their views to their federal member of parliament or their senator. They are people from all walks of life who may never have contacted a member of parliament before but suddenly are so moved by an injustice that they do get in touch.

Throughout my 16 years in this place there have been a few of these issues and I have always been prepared to stand up on behalf of the people I represent to ensure that their views are heard, respected, and responded to. School chaplaincy is one of those issues. It is fine for Senator Moore to say that there is a review of a Howard coalition program in place. Perhaps it is one of the 177 reviews or one of the countless committees that the Rudd government has put into place to review programs, and who knows when we will hear a result?

There is no doubt that today young Australians, such as the ones of sitting here in the gallery, face challenges and opportunities they need every bit of help to meet and grow from. At the same time as school children are experiencing the horizon of opportunities
that are beginning to dawn on them, they have to make sense of issues that we as adults find trying. Having a dedicated person at school to provide pastoral care on issues like bullying, alcohol, drug abuse, family and mental health can be a tremendous help for many children who may not be able to get that support elsewhere. That is why the coalition introduced the National School Chaplaincy Program in 2007 and why we are just as conscious of and committed to ensuring the program’s long-term viability today.

We have received many letters and emails on this subject. Here is part of a letter I received from a parent in Rosebud, Victoria: Chaplains bring to students a quality of concern, compassion and understanding, while secular personnel cannot. Nor can psychologists work with students to the same degree. Chaplains work with a sense of calling.

An email I received from another parent, in Balwyn, Victoria reads:
I believe that religious and spiritual matters play an important part in the lives of students, and they need someone on the school staff that they can trust and turn to for guidance in thinking through these matters. As you are one of my Victorian Senators, I hope you will support the continued funding of the present chaplaincy arrangement.

I am strongly supportive of the school chaplaincy program and I will do everything I can to ensure that it survives into the future. The whole coalition is strongly of this view and, unlike the Rudd government, we have been consistently committed to a strong future for the program and the students and schools that it means so much to. Our program enables schools to employ a part-time chaplain to provide pastoral care to students across religious denominations and backgrounds.

It is no coincidence that on the very day that the Leader of the Opposition, Malcolm Turnbull, and the shadow minister for education, apprenticeships and training, Christopher Pyne, announced that the coalition would continue this program if we came into government the Rudd government proceeded to announce a review instead of casting doubt over the program’s future.

This program has come from the communities and schools themselves and it deserves to be returned to them so they can use it as they wish in order to provide the best possible peace of mind. I call on the government to commit to the long-term continuation of this program, which generations of young Australians can use to help meet their challenges and realise their dreams.

Senator FORSHAW (New South Wales) (3.21 pm)—The issue that has been raised today by Senator Barnett during motions to take note of answers is not an unimportant issue—I agree with that. In her contribution, Senator Moore outlined what the government is doing with regard to the National School Chaplaincy Program and its future funding. I am going to come back to that in a moment, but you have to look also at the broader context—that is, what this government has done in respect of education with the additional support, additional services and additional funding for students in schools. It has been unprecedented. There has been record additional funding in both the public and the private school sectors since the Rudd government came into office.

The opposition constantly criticise and attack the Building the Education Revolution program, and go around looking for one instance here or there of where there may have been some technical hiccup. The opposition just will not acknowledge the great benefit that that program has had in providing additional resources, additional facilities, to schools and to the children who are taught in them: the extra computers, the new science blocks, the new assembly halls, the new covered learning areas—all the extra facilities, which I have seen personally on many occa-
sions that I have visited schools. You talk to the teachers, you talk to the principals, you talk to the parents and citizens group and to the parents and friends groups, and they are so grateful for what the federal government, the Rudd government, have done over the last year to two years and for what is continuing to be rolled out as many of those projects are completed and coming into operation.

This is an opposition that do nothing but carp. They are saying today that the whole chaplaincy program has been abandoned, that it is going to fall in a hole. Nothing could be further from the truth. And the opposition know that they speak with forked tongues on this. Whilst they say that the Rudd government, the Labor government, has abandoned this program, the facts of the matter are that the previous government, the Howard government, only committed funding to the end of next year when they introduced this scheme. That needs to be repeated: they only committed funding to the end of 2010. As for the current government, the Prime Minister announced on 21 November—only a few days ago—that an additional $42.8 million will be made available to the program to ensure that the good work of the National School Chaplaincy Program funded school chaplains will continue until the end of December 2011.

Senator Barnett—Yeah, a one-year extension.

Senator FORSHAW—Senator Barnett interjects and says, ‘A one-year extension.’ You cannot have it both ways. You cannot stand up in this parliament and say that the Rudd government has abandoned the program—

Senator Barnett—I never said that.

Senator FORSHAW—That is the allegation that is being made. Your own government previously only agreed to commit fund-

ing to the end of 2010. At the same time, you have to acknowledge that the current government has agreed to an extension by one year of the current program—and, in addition to that, is conducting a review into its effectiveness.

Senator Troeth, a senator for whom I have great admiration and with whom I have worked very well on a number of committees, said, ‘Oh, you know, it’s another one of these reviews by the current government.’ When you lost office after 12 years of government, and we came to power, it was about time to review quite a few programs. I am aware, for instance, that concerns have been expressed to the government about the current program. The slow take-up in regional areas is just one. So there are issues about its effectiveness. That is what we are about: improving it in the long term.

Senator ADAMS (Western Australia) (3.26 pm)—It gives me great pleasure to rise to speak on this issue. To take up from where Senator Forshaw left off, the slow take-up in regional areas: the only reason there has been a slow take-up is that a number of these schools have not been able to get funding. Coming from a small rural community I have been very involved with the chaplaincy at the Kojonup Senior High School. Mrs Julie Sullivan has been our chaplain there for 7½ years. She is a very dedicated woman. She has rung me on several occasions asking, ‘Do you think this program is going to continue?’ So, as far as the school goes, it has to look forward and see whether its programs are going to go on. As far as this particular program is concerned, Mrs Sullivan works three days a week. She deals with children who have experienced grief, maybe the death of someone close, separation and divorce. In a rural area, unfortunately we have very little access to youth workers or psychologists, so these chaplains really do play a very wide role in what they do with the children. The
chaplain is neutral and the children feel comfortable talking to them, whereas perhaps there are issues that they cannot raise straight away with their own families. As far as the chaplaincy program goes, it is probably even more important that rural and regional schools have access to this program than those in the cities, because often they have access to health professionals, whereas our children do not.

The local church communities actually pay 30 per cent of Mrs Sullivan’s salary to boost it. They fundraise to do that. Having been involved in a number of their fundraising activities, I know that the whole community gets behind this program. It is a community of 2,000 people, but that school chaplain is probably one of the most important people in our community. She is highly regarded. Some of the issues she has to deal with are quite horrific. But I really do admire the work that she does. I just wanted to give an example of someone in a small rural community who can influence the community in the way that she does.

I really do applaud my colleagues Senator Mason and Senator Barnett for the motion they put forward. It was passed here in this place. I would urge the Rudd government, if they are doing their review, to look at it very widely and also to perhaps do a review in the rural and regional areas of Australia. I am sure that my home town of Kojonup, in Western Australia, is not alone as far as trying to retain a chaplain. To lose Mrs Sullivan would be tragic for our community, because there is no-one else there to take her place. It is essential that we are able to continue to fund this program.

As far as the former coalition government’s commitment goes, that was a commitment of $165 million over the first three years, and I know that with a number of these three-year programs it is absolutely devastating when you cannot get recurrent funding for them. But this is a program that has proved itself. I do not think it needs too much of a review, and I would urge the Rudd government to continue to support it. Our children face so many challenges these days; it is very, very difficult. The drug problem seems to be escalating and it is affecting younger and younger children. The chaplains can deal with this problem and other problems. They can cope with the bullying problem and the mental health issues. They are able to refer these children on to the correct place, and they really are a terrific support to rural families.

Question agreed to.

NOTICES

Presentation

Senator FIERRAVANTI-WELLS (New South Wales) (3.31 pm)—Mr Deputy President, I thought that there had been some discussions in relation to my seeking leave to lodge an amended notice of motion, as circulated with the party whips, relating to the production of certain documents.

The DEPUTY PRESIDENT—Is leave granted?

Senator FAULKNER (New South Wales—Minister for Defence) (3.31 pm)—by leave—I have just come in to serve as the duty minister, and I am advised that apparently the manager of government business has not seen this; my colleague Senator Stephens has advised me. My suggestion is that Senator Fierravanti-Wells come back to this at a later stage in the Senate’s proceedings. If we deal with it now it would mean that, in the circumstances I am faced with—this being communicated to me—I would not grant leave. My suggestion is to come back to it at a later stage in the proceedings, if that helps.
Senator PARRY (Tasmania) (3.32 pm)—by leave—I thank Senator Faulkner for his intervention. The situation is that the document is, I believe, still over there. There was a date to be amended, and we are happy to verbally indicate that the date was just to be amended to the first sitting day of next year. The original date was tomorrow. That was the only issue for the amended version of the notice that Senator Fierravanti-Wells wished to lodge.

Senator FAULKNER (New South Wales—Minister for Defence) (3.32 pm)—I am sure that is right, but my suggestion is to come back later—

Senator PARRY (Tasmania) (3.32 pm)—We will accept that suggestion, provided that leave will be granted at a later hour to deal with the matter; that is fine by us.

Senator FAULKNER (New South Wales—Minister for Defence) (3.32 pm)—I am afraid I do not know very much about this. I cannot say what my colleague might do, but my suggestion is to adopt the approach that I have suggested. That is all I can do. Otherwise I am in a position—having been advised as I have been—where I cannot grant leave. It would be much more sensible not to have the issue and to deal with it at a time when someone who is perhaps a first party, not a fifth party, to the issue can deal with it. Anyway, I am sensitive to the fact that we have a limited amount of time on the ministerial statement.

MINISTERIAL STATEMENTS

White Ribbon Day

Senator FAULKNER (New South Wales—Minister for Defence) (3.33 pm)—by leave—On 12 August I addressed the parliament in the first of what I planned to be regular progress reports on Defence’s efforts in Afghanistan. This is my second ministerial statement on Afghanistan since becoming the Minister for Defence. The Australian government welcomes scrutiny by the Australian public of our progress as well as, of course, our setbacks.

President Obama is currently considering General McChrystal’s assessment of the situation in Afghanistan, and his response is expected very soon. Australia is looking forward to the response and stands ready to work with the ISAF coalition. Australia continues to engage with NATO on the ongoing issue of how we can contribute to the effort in Afghanistan. In our discussions with coalition partners, we will emphasise that we consider the increase in our troop commitment by about 40 per cent, to 1,550 personnel, in April this year to be significant and at about the right level. This is not to say that Australia cannot reshape our contribution if appropriate in the light of any revised strategy. In line with NATO’s priorities, Australia is examining what we might do in terms of focusing on training, civilian assistance and capacity building. I have asked CDF to review the composition of our current contribution to determine if adjustments should be made within the current force level to support the revised strategy.

Protection of our soldiers is a very high priority. On 22 July this year, I directed CDF to undertake a comprehensive force protection review. This was one of my first decisions as defence minister. I want to ensure that our troops in Afghanistan have the full range of protections. This review has been based on information received from our de-
ployed forces. It covers aspects of personal protection such as body armour, ballistic eye protection and load-carrying equipment, and improvements to vehicles for physical and electronic protection. The review is a thorough analysis and includes a way forward. I reported to the National Security Committee of Cabinet on the review this week, and Defence is now progressing the outcomes as a matter of priority.

I want to also address some recent criticism of the manner in which Defence provides information on battle casualties. Defence does not release the details of incidents when a particular operation is underway or involves special forces personnel because of operational security. As part of this statement, for the first time, I am reporting to the Australian people more fully on the status of ADF personnel wounded in action in Afghanistan. When I last updated the Senate, over 70 Australian soldiers had been wounded. This figure now stands at 92. Thirty-four have been wounded this year. Of these, 28 soldiers were wounded by improvised explosive devices and four by gunfire. Other injuries have included head injuries and leg fractures. Since the mission began, three soldiers have required partial leg amputations. In the last 12 months, 17 returned to Australia for medical care and rehabilitation. For those soldiers in recovery, on behalf of all of us in the Senate, I wish them well. Fortunately we have lost no further Australian soldiers on operations since my last ministerial statement, but I would not wish to forget the tragic loss of Lance Corporal Mason Edwards, who was accidentally killed in training while preparing for his third tour of Afghanistan. His loss has been deeply felt by his family, friends and comrades in the ADF.

I have made this statement today because I did not want the parliamentary year to close without having made a further address on the progress of our efforts in Afghanistan. I thank the Senate for allowing time for this ministerial statement to be considered with the enormous pressure of business that we face. I certainly undertake to report further in the next session of parliament on developments in Afghanistan to keep the parliament and the public informed. I am sure the Senate appreciates that I have very significantly curtailed my remarks to enable other senators to address this important issue. Finally, I seek the leave of the Senate to allow the full ministerial statement on Afghanistan to be incorporated into Hansard.

Leave granted

The statement read as follows—

On the 12th of August this year, I addressed the Parliament in the first of what I plan to be regular reports on progress in Defence’s efforts in Afghanistan. Today I present my second Ministerial Statement on Afghanistan since becoming Defence Minister.

The Government is under no illusion about how difficult and dangerous the situation is in Afghanistan, nor are we under any illusion about the importance and value of our contribution to the International Security Assistance Force (ISAF). We are committed to achieving our objectives of denying the terrorists a safe haven in Afghanistan. We are committed to helping train the Afghan National Army to a point where it can take on security responsibility in Oruzgan Province. And we are committed to ensuring that our efforts, our successes, the challenges, and the risks, are transparent to the Australian people. The Australian Government welcomes scrutiny by the Australian public of our policies and our progress—as well as our setbacks—in Afghanistan.

Recent events

The past few months have seen heavy fighting across southern and eastern Afghanistan. Afghan and coalition forces have successfully pushed Taliban insurgents out of numerous strongholds, towns and villages. Our coalition partners have gained ground in areas of Helmand Province. And in our own area of operation in Oruzgan Province, Australian soldiers have freed areas of Taliban control in places like Mirabad.
These gains have come at a cost for the coalition. On behalf of the Government and the Parliament I pay tribute to the sacrifices that have been made by Afghan and coalition forces. In October the United States lost 59 soldiers and marines in what was sadly the most deadly month for the United States since the war began in 2001. I also take the opportunity to mention the UN workers brutally murdered by the Taliban in Kabul on 28 October, the five British servicemen shot and killed in a tragic check-point incident on 5 November and the loss of ten Afghan National Army soldiers during an action in Helmand in early October.

There have also been significant developments in Pakistan. The recent violence in Pakistan, given the links to the struggle in Afghanistan, is a further reminder of the complexity of the challenges this region faces. Extremism is taking an increasingly heavy toll on the people of Pakistan, as we are reminded with every report of a new suicide bombing. Dealing with the insurgency in Pakistan is critical to our efforts to deal with extremism in Afghanistan. The Pakistan Government’s renewed military efforts to address the challenge of extremism within its borders are vital to our broader goals.

US General Stanley McChrystal, Commander of the International Security Assistance Force, is galvanising military efforts across Afghanistan. In his report to the US Administration, he has laid out a comprehensive assessment of the situation, and a revised strategy to better focus coalition efforts. Australia welcomes General McChrystal’s Assessment, including its emphasis on protecting the people of Afghanistan and training and partnering with the Afghan National Security Forces. President Obama and his Administration are still considering General McChrystal’s assessment, and their response is expected very soon. Australia is looking forward to the outcome of their deliberations, and stands ready to work with the US, other ISAF coalition partners, and the Afghan National Security Forces, to implement a revised strategy.

Australia is continuing to engage with NATO on the ongoing issue of how we can best contribute to the effort in Afghanistan. Following the release of the Obama Strategy, we look forward to further discussions on this subject at the NATO Foreign Ministers’ meeting in Brussels on 4 December, and at the international conference on Afghanistan proposed for late January. This is a critical time for the ISAF coalition, and we will continue to engage on these matters.

In these discussions, we will be emphasising a number of points. The increase in our troop commitment by about forty percent to 1550 personnel in April this year is acknowledged and appreciated by our ISAF partners. With this increase, we consider the level of our commitment to be about right. Australia has also pledged a US$200 million contribution to the Afghan National Army Trust Fund, making us the largest contributor after the United States. Australia also contributes significant additional aid to Afghanistan, with an additional A$250 million pledged over the next three years.

This is not to say that Australia cannot reshape our contribution if appropriate in light of any revised strategy. In line with NATO’s identified priority areas, Australia is examining what we might do in terms of focusing on training, civilian assistance and capacity building. I have asked the Chief of the Defence Force, Air Chief Marshal Angus Houston, to review the composition of our current contribution across the Mentoring and Reconstruction Task Force and the Special Operations Task Group, to determine if adjustments should be made within the current force level to support the revised strategy.

Since my last statement, Afghanistan has gone through an election. Let me be frank. There were real problems with the conduct of the recent Afghan elections. With the withdrawal of contender Abdullah Abdullah, President Karzai has been declared winner of the election by the Afghan authorities. Nevertheless, the concerns raised by the international community about the Government must be taken seriously. The Australian Government, along with many countries around the world, expects the Karzai Administration to build a credible Government that can win the trust of the Afghan people. The new Government must fight corruption and narco-trafficking, as well as improve governance and service delivery.

While much of the news in recent months out of Afghanistan has been pessimistic, there are some
indicators of progress. The Asia Foundation’s 2009 survey, which was conducted prior to the 20 August elections, found 64% of respondents gave some type of positive assessment of the security situation in their local area. The number of Afghans surveyed who identified security as the biggest reason for pessimism about Afghanistan has dropped by 8%. These statistics are part of a range of results which still reflect the difficult situation in the country.

Major challenges and difficulties remain. But we are moving forward and it is vital that we now work with the new Afghan Government and the international community to press ahead with our assistance and stabilisation efforts.

International Engagement
International support for Afghanistan will need to remain focussed and coordinated. The Government has worked to ensure Australia is engaged in all the key planning and decision-making processes underway in NATO, as well as in the United States.

In October, I travelled to Bratislava, Slovakia, to meet with NATO and ISAF Defence Ministers. This provided an opportunity to discuss the leadership arrangements in Oruzgan, given the stated intention of the Netherlands to draw down its military forces in the province from August 2010. Australia remains very concerned that the issue of replacing the Dutch enabling contribution in Oruzgan is still unresolved. We have made it clear we cannot and will not lead in Oruzgan. At Bratislava, and in other international meetings before and since, I stressed that it is NATO’s responsibility to resolve this issue as a priority.

General McChrystal also briefed the NATO meeting on his assessment of the situation in Afghanistan and his proposed revised strategy. This includes stronger support for the Afghan National Security Forces, more effective coalition civilian efforts, and a greater focus on protecting the civilian population and addressing governance issues, particularly service delivery and corruption. More recently, together with the Prime Minister, I met again with General McChrystal in Tarin Kowt, to discuss his views of the strategic challenges in Oruzgan Province.

On a visit to Washington earlier this month, I met with US Defense Secretary Gates and key national security officials in the US Administration and Congress. My discussions covered General McChrystal’s Assessment and areas for priority focus, including training the Afghan National Army and Police. We also discussed the need to ensure smooth transition arrangements for the leadership in Oruzgan in 2010. I was impressed by the strong appreciation shown by everyone I met for Australia’s efforts.

Australia’s military effort in Afghanistan is very much in line with broader US and NATO strategy as well as General McChrystal’s focus on a counter insurgency strategy. We believe we have struck the right balance between training and mentoring Afghan forces, protecting the civilian population, and effectively countering the Taliban. This balance is designed to achieve our objectives in southern Afghanistan, and provide a significant contribution to coalition efforts.

This effort is undertaken in partnership with the forces of the Netherlands. Our partners, the Dutch, have played an enormously valuable leadership role in Oruzgan. The Dutch led Task Force Uruzgan and its Provincial Reconstruction Team have directly contributed to important security gains in the province. They have built effective relationships with the local government, communities and non-government organisations. They have directed substantial development assistance into the province.

It goes without saying that Australia’s own efforts have been heavily dependent on the very valuable support provided by our Dutch partners. Today I take the opportunity to acknowledge their leadership and efforts, which have delivered lasting improvements and real progress. I sincerely hope that after August next year they will be able to continue some of their commitments in Oruzgan to build on the crucial gains that have been made. I have spoken with my Dutch counterpart, Defence Minister Middelkoop, on several occasions, and the Prime Minister has similarly discussed these issues with his Dutch counterpart, Prime Minister Balkenende.

Operational Update
I would also like to report to Parliament and the Australian people on the work of our Defence
force, and our civilian agencies, on the ground in Oruzgan. In my last statement to Parliament I foreshadowed that the Afghan National Army infantry kandak (or battalion) we have been mentoring was making progress. This kandak has continued to improve, and remains on track to move up to capability milestone two by the end of the year, the next step towards being able to independently conduct security operations. Since my last statement, we have commenced mentoring a second Afghan National Army kandak responsible for combat support tasks like engineering, artillery and vehicle maintenance. In 2010 we will commence mentoring assistance to the 11th Brigade Headquarters element.

We are also making good progress on reconstruction and broader capacity building. Through their works section, the Mentoring and Reconstruction Task Force is directly assisting infrastructure development and project management in the province’s economic development zone. Through the Trade Training School, Defence and AusAID are building a base of people in Oruzgan with essential trade skills.

The Australian Government has already built a boys school in Oruzgan Province. I am very pleased to announce that, in a close partnership between the ADF and AusAID, we will now build a new school for girls in Tarin Kowt. Presently, girls are being taught in hallways and ill-fitted classrooms because of overcrowding. The new school will be designed to meet the needs and requirements of the female students and their teachers. This is an example of how a close association between the ADF and AusAID can provide a unified Australian approach to development.

Australia’s assistance in rebuilding Afghan communities covers a wide range of projects. Australia’s support to the National Solidarity Programme has seen 71 village level infrastructure projects rolled out in Oruzgan. Other such projects have delivered 11 health care centres, 15 schools, and 1,000 microfinance loans in Oruzgan. Equipment has been provided to the Tarin Kowt Hospital and for training the Afghan people in trade skills. Further support has been provided for mine clearance, freeing up 71,000 square meters of land for farming. AusAID’s rehabilita-

tion of a key road in Oruzgan is linking up with an ADF built river crossing. This will get people to market in half the time, as well as generating local employment.

The Mentoring and Reconstruction Task Force (MRTF) has also successfully established a permanent presence in the previously Taliban controlled Mirabad Valley after highly successful clearance activities by Afghan, Dutch, Australian and US forces during Operation Baz Panje. The patrol base will provide a secure location from which Afghan National Army forces can operate, thereby expanding Afghan and coalition force influence across the province.

While visiting Afghanistan with the Prime Minister earlier this month, I had an opportunity to witness first-hand the progress being made by our forces in Oruzgan and their Afghan partners. Their work is impressive; their successes a credit to both Australia and Afghanistan.

Our Special Operations Task Group (SOTG) continues to go about its dangerous but highly valuable work providing wider area security and conducting counter-insurgency operations. The SOTG is the largest and most capable special forces contingent in Afghanistan after that of the United States. In Oruzgan Province there was relatively little disruption to the recent elections, which reflected in part the important operational successes of the SOTG and MRTF, and their Afghan National Security Force partners. Australian Special Forces have maintained pressure on the Taliban insurgency through striking and disrupting key insurgent leaders, bomb-makers and strongholds. These strongholds have been responsible for the distribution of arms, ammunition, equipment and fighters across southern Afghanistan. An operation conducted in mid-October resulted in the seizure and subsequent destruction of a substantial quantity of weapons, improvised explosive devices and their components, and large quantities of munitions.

We should also highlight the work of the other ADF elements in Afghanistan that work with our partners to help secure and rebuild the country. Around 150 ADF members are embedded within ISAF units and headquarters supporting a range of missions: from operational and counter insurgency planning to providing support for the
growth of the Afghan National Security Forces. We have medical personnel working with our partners in their medical facilities. Other elements, such as the Australian National Headquarters, Force Support Unit and Force Communications Unit provide essential support to our troops. And the Rotary Wing Group, which provides airlift support to both our forces and ISAF troops, has recently returned to Australia to undertake much needed reconstitution. The Group flies in difficult and challenging environments, at very high altitudes. The airframes are currently in Australia for deeper maintenance.

Finally, the Australian Federal Police have 22 members in Afghanistan, supporting the development of the Afghan National Police in Oruzgan Province and expanding the capacity of the police force at a national level.

Australia’s commitment

Mr President, we are focused on the critical objective we have set ourselves in Afghanistan—training the kandaks of the 4th Brigade of the Afghan National Army so they can assume responsibility for security in the province. Our commitment of around 1550 personnel is appropriate for this task and allows us to provide the right combination of training, force protection and support personnel.

I stress, however, that our commitment in Oruzgan is neither a blank cheque, nor open-ended. For now, we have an important job to do, and we must complete it. But we will not keep Australian service personnel in Afghanistan any longer than is necessary. This is what the Australian people want. And importantly, it is what the people of Afghanistan want.

The ADF’s approach will meet the Prime Minister’s objective to train the Afghan National Security Forces to the point where they can protect the Afghan people. Our interests also lie in denying sanctuary in Afghanistan to terrorist groups like al Qa’ida, who have threatened and killed Australians, and supporting our major ally, the United States, in that task.

These objectives carry risks for our forces deployed on this important mission. I want to assure the Senate today that I am committed to doing everything we can to successfully fulfil our mission and see our servicemen and women return home safely.

Protection of our soldiers is a very high priority for the Government. The Government is doing everything possible to give our troops the best available equipment to undertake their mission. On 22 July 2009, I directed the Chief of the Defence Force to undertake a comprehensive Force Protection Review. It was one of my first decisions on becoming Defence Minister. I took this initiative because I want to ensure that our troops in Afghanistan have the full range of protections they require. Appropriately, the review was conducted mostly in the theatre of operation.

The Force Protection Review has been based on information received from our deployed forces. It covers aspects of personal protection such as: body armour, ballistic eye protection and load carrying equipment; improvements to vehicles for physical and electronic protection and the tactics, techniques and procedures we are employing whilst conducting operations. The review is a thorough analysis and includes a way forward for addressing any force protection concerns for our deployed forces. The Force Protection Review was completed on 23 October 2009. I reported to the NSC on the Review this week, and Defence is now working to progress the outcomes of the Review as a matter of priority.

In connection with this review, I have also asked Defence to develop options to deploy a Counter Rocket Artillery and Mortar capability in Oruzgan Province as a matter of the highest priority. While Defence has advised me that our forces currently use a suitable range of counter-rocket and counter-mortar measures to ensure protection against these attacks, I am determined to ensure that everything possible is being done, and all options explored, to provide the best possible protection to our troops from rocket and mortar attacks.

In line with this commitment, Defence is also progressing plans to upgrade accommodation and facilities in Tarin Kowt. This work is required to support the additional Australian troops deployed to Oruzgan. This project will provide upgraded living and working accommodation for Australian Defence Force personnel deployed to Tarin Kowt in Afghanistan. The project will replace the cur-
rent interim accommodation and provide more robust and sustainable facilities with appropriate protection. The new facilities will include protected living-in accommodation, kitchen facilities, and working accommodation. An inquiry process determined that some aspects of training, certification and leadership had operated to increase the risk that such a casualty might occur. In a commitment to a process of continual review and improvement, Defence has agreed and progressed all the recommendations of these inquiries. Inquiries such as these are important to ensure risks are identified and subsequently mitigated. I remain committed to sharing the results of such inquiries with you in the interest of transparency.

Mr President, there may also be other areas where we could re-examine or enhance our approach to dealing with issues relating to operations. I said in August that this Government is committed to transparency in relation to any Australian involvement in incidents or engagements in which there are civilian casualties. I stand by that commitment. Since I last updated Parliament, there has been one such incident, reported on 10 November 2009, in which a man was injured and received immediate coalition medical attention. This, and other previous incidents are still under investigation, and will be made public once all the relevant processes are completed.

In this Ministerial Statement, I want to address some recent criticism of the manner in which Defence provides information on operational incidents involving ADF battle casualties. Defence does not release the details of incidents, such as explicit information on the nature of wounds or the identities of wounded personnel, in circumstances where a particular operation is still underway or involves Special Forces personnel. It would be irresponsible to provide that sort of information, because of the clear need for operational security.

Similarly the ADF does not release the names of casualties until Next of Kin procedures have been completed. When our wounded service personnel return to Australia, it is a personal decision for them and their families as to whether or not they choose to make public the details of what was likely a traumatic experience—the exception to this being special forces personnel who are required to keep their identities protected.

While the privacy of individuals must be respected, there is no reason why, at a broader level, the Australian people cannot be updated about casualties when operational circumstances permit. Along with the families of our soldiers that have died in service, our wounded carry the scars of their sacrifice. I wish to pay tribute to these soldiers and recognise their sacrifices. As part of this Statement, for the first time, I am reporting to the Australian people more fully on the status of the ADF personnel wounded in action in Afghanistan, so that the Australian people know of these sacrifices made on their behalf.

When I last updated the Senate, over 70 Australian soldiers had been wounded in Afghanistan. This figure now stands at 92 who have been wounded in action. Thirty-four of these soldiers have been wounded this year. Of those, 28 soldiers were wounded by Improvised Explosive Devices (IED) and 4 by gun-fire.

In the period we have been in Afghanistan, a wide range of serious injuries have been inflicted on our personnel, including major facial trauma, limb amputation, head injuries, leg fractures and multiple soft tissue injuries. Three personnel have sustained amputations of their limbs.

I am advised that in the last 12 months, 17 soldiers have been returned to Australia for medical care and rehabilitation. Three ADF members are currently hospitalised. For 5 patients, the German military medical facilities at Landstuhl were accessed to stabilise them prior to returning to Australia.

On return to Australia, our wounded service personnel are provided with comprehensive health care through the most appropriate medical facility, either military or civilian.

Our aim is to ensure that the individual’s health needs are managed to the highest standard. In conjunction with support for their physical needs, injured personnel are provided with a range of services to meet their psychological needs. A short time after their return to Australia, injured personnel are enrolled in the ADF Rehabilitation Program. Nine soldiers are enrolled in that program today. This program manages their health-
care and rehabilitation requirements by co-ordinating services and information flow between the individual, their family, their unit, relevant health staff, Defence services, external service providers and the Department of Veterans Affairs. This program reduces confusion and anxiety for the individual and their family in dealing with multiple agencies while they are recovering.

Those personnel who have suffered amputations have been fitted with advanced technology prosthetic limbs, which are the best currently available. They have been undergoing extensive rehabilitation programs and have been provided with additional home services and equipment to assist them. All of these personnel have returned to work or are currently on graduated return to work programs on light duties.

While the Australian Defence Force makes every effort to avoid battle casualties, we are committed to ensuring that those who are wounded in action receive the best possible care. The ADF rehabilitation program is constantly reviewing international best practice to ensure that the treatment provided to our battle casualties is first class. For those soldiers in hospital or rehabilitation, on behalf of all Senators, I wish them well in their recovery.

Fortunately, we have lost no further Australian soldiers on operations since my last Ministerial Statement, but I would not wish to forget the tragic loss of Lance Corporal Mason Edwards who was accidentally killed in training while preparing for his third tour of Afghanistan. His loss has been deeply felt by his family, friends, all his comrades in the 2nd Commando Regiment and throughout the ADF.

Conclusion

Mr President, Afghanistan has endured decades of conflict. The task ahead for the Afghan people is not an easy one. The Australian Government is committed to giving them aid, assistance, training and support to help them reclaim their country from violence and extremism.

I can assure the Senate that as Minister for Defence I remain committed to and focussed on our mission in Afghanistan, together with the Prime Minister, the Chief of the Defence Force, the Secretary of the Defence Department, the men and women of the ADF, and the entire Defence organisation.

I have made this Statement today because I did not want the Parliamentary year to close without having made a further address on the progress of our efforts in Afghanistan. In the next few weeks we will see the United States response to McChrystal, further discussion in NATO and a renewed focus on strategic direction in Afghanistan from our coalition partners. The Government welcomes this opportunity for the international coalition to move forward in Afghanistan after what has been a very difficult year. It is time to build on the progress that has been made towards restoring security and developing infrastructure.

Mr President, I undertake to report thither in the next session of Parliament on developments in Afghanistan to keep Australian Parliament and public informed about this important mission.
this parliament and indeed for the Senate. There is absolutely no politics in this issue of public policy at all—there should not be and there will not be. The opposition is very determinedly committed to supporting the government in succeeding in this operation in Afghanistan. There is certainly no suggestion whatsoever that we are undertaking this operation in any way that is adverse to our objectives and our intentions. The McChrystal doctrine is a very good one. It is a turning point and I am very keen for the President of the United States to adopt the recommendations of General McChrystal.

Our contribution of 1,550 troops, which must be multiplied by three to get 4,500, is our most significant contribution since Vietnam. The 23,000 soldiers in the Royal Australian Army are a small contingent relative to the United States, the United Kingdom, France and Germany. This commitment of ours is a very significant one and I want to pause to put it in context. Recently, while coming back from NATO, I had the opportunity to speak to the Dutch parliamentary delegation to the NATO convention. They were a very fine group of people. We paused to thank them for the trust, the contribution and the success that we have had in Oruzgan province under their command. Unfortunately, the political situation in their country is such that, whilst they will continue to make a strong contribution to Afghanistan, it will not be in the same form as it now appears in Tarin Kowt and Oruzgan province. We are very sad about that because they have been a very successful partner in what is the very dangerous and very difficult business of trying to secure this part of the world.

The McChrystal doctrine is about, firstly, engaging and securing the people of Afghanistan and giving them the confidence to go about their business and to see that the rule of law prevails. The second part is to secure them through the enhancement of the Afghan National Police force and the Afghan National Army. Australia is leading the way in training and promoting. Indeed, we are paying $250 million towards getting that contingent to a capacity and a capability that will endure to provide long-term security for the people of this country. Lastly, the operation is to secure Afghanistan in its region geographically.

In closing, I want to acknowledge the sacrifice that has been made by 11 very brave young Australians on the field of battle in Afghanistan. We are thinking of them and their families and their friends at this time of the year. I also want to acknowledge the 90 people who have been seriously wounded, in particular those with eardrum damage from IEDs. I commend the government for undertaking the IED task force and participating with the United States and the United Kingdom, as they have done. This is a particularly difficult mission. Pakistan on one border is also of considerable concern to us. In thanking the minister for his report today, I urge him to keep giving us these reports; they are very valuable. We support the government in every way possible in this very difficult mission.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.46 pm)—I thank the minister for his statement on Afghanistan and wish to underscore the importance with which the Australian Greens view this matter. I begin by saying that we totally support the role that Australian defence forces are playing in Afghanistan under the direction of this and the last Australian government, while noting that parliament has never had a full debate on the matter or given a vote of approval for the ongoing deployment of forces from this country to Afghanistan. It is the belief of the Australian Greens—and it is consistent, according to the polls, with the majority of Australians—that our defence forces should be dis-
engaged from Afghanistan in a way which would be prudent and which would, particularly, look after their safety. We too note the awesome toll of dead and wounded Australians. The details that Senator Faulkner has provided to the chamber point to the extraordinary risk and on sad occasions—quite devastating occasions for the individuals and families involved—the loss of life or the loss of physical or mental wherewithal that can come from being engaged in hostilities that our troops are exposed to and sometimes come to grief from.

Our reasons for wanting Australian troops out of this theatre of war in Afghanistan are consistent. We do not believe that Australia should be engaged in a war which was a result of the complete mismanagement of involvement in Afghanistan by the Bush administration. Under the Bush administration, the US went to Afghanistan in pursuit of al-Qaeda, then withdrew largely to go to Iraq and then re-engaged in Afghanistan, but after the Taliban had taken advantage of that hiatus to become much better established. That ought not to be a matter for Australian rectification.

But, beyond that, one only had to listen to the testimony of former Marine Captain Matthew Hoh, a highly respected US state department official who resigned from his post in Afghanistan, on ABC TV’s Lateline last night to understand that we are likely to be engaged in this civil war for many years to come, even if there are major new troop commitments from not just the US but other NATO and non-NATO allies. It is a civil war and, as this officer testified, we are simply occupying the land of Afghans who will fight, through the Taliban or otherwise, to dispossess the occupiers and get back control of their land. It is effectively an ongoing and irremediable civil war that we have picked a side on. We have picked a side with a very corrupt regime, the Karzai regime—and I do not need to go back into that. This is very, very troubling. I have given all parties a copy of the transcript of that interview last night and I seek leave to have it incorporated in Hansard.

Leave granted.

Senator BOB BROWN—I also commend the courage and the clear-sighted and restrained manner in which Captain Matthew Hoh presented his assessment of the war for our analysis. I recommend that all senators look at that interview by Tony Jones on Lateline last night.

That said, I thank Senator Faulkner for this opportunity and for his commitment. I thank him for keeping this parliament up to date on these extremely important events in Afghanistan and on Australia’s involvement there. We take a different view to the major parties on this. We are very strong about that. We hope the government will listen very carefully to that, but in particular look at that testimony from Matthew Hoh, which in a way summarises the concerns that many Australians have about the ongoing involvement of the Australian defence forces, who we think should be disengaged from Afghanistan.

The DEPUTY PRESIDENT—Senator Brown, there was some misunderstanding about whether you sought leave to table the transcript or incorporate it.

Senator BOB BROWN—Incorporate.

The DEPUTY PRESIDENT—I think it was understood at this end that you were tabling it. I will have to put the question again. Is leave granted for Senator Brown to incorporate the transcript in Hansard?

Senator Parry—Not until I make a brief statement.

The DEPUTY PRESIDENT—Before leave is granted, Senator Parry is seeking
leave to make a brief statement. Is leave granted?

Leave granted.

Senator PARRY (Tasmania) (3.52 pm)—Unlike Senator Brown, and because of the sensitive nature of this issue, I am not going to object to leave being granted. Senator Brown earlier in the day tried to maintain a battle of denying leave, and I understand he has done that informally earlier as well with Senator Fierravanti-Wells. I just want to make the point that we are not going to play the silly games that Senator Brown has been playing and we will grant him leave.

Senator FAULKNER (New South Wales—Minister for Defence) (3.53 pm)—by leave—Senator Brown, in accordance with the usual courtesies, indicated to me earlier that he was going to seek leave in relation to the document. He may not recall, but he actually said to me ‘to table the document’. I believe you did say that to me, Senator. That is why I was a little bit startled—

Senator Bob Brown—No, I’m very clear about it. You may have misheard me.

Senator FAULKNER—but I accept that I may have misunderstood. I have no concerns with the document being incorporated if that is Senator Brown’s wish in this regard.

The DEPUTY PRESIDENT—Senator Brown, the only request I would make, on behalf of the Clerk, is to ask: if this is a transcript of proceedings, how lengthy a document is it to incorporate?

Senator Faulkner—Three pages.

The DEPUTY PRESIDENT—Three pages?

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.54 pm)—Yes.

Leave granted.

The document read as follows—

... last month Matthew Hoh, a former marine captain and highly respected US State Department official resigned from his post in Afghanistan and went public, saying he had lost confidence in the reason for forces of the US being there. Matthew Hoh joined us earlier from our Washington studio to discuss the reasons for his resignation. Matthew Hoh, thanks for joining us.

Matthew Hoh: Thank you.

Tony Jones: You’re the first senior US official known to have resigned over the conduct of the Afghan war. Tell us why. Tell us what led to your resignation.

Matthew Hoh: There are a combination of things, but primarily it was the realisation that the presence of our forces in Afghanistan, American forces as well as NATO forces and Australia and New Zealand and other forces from around the world, was not doing anything to make the West safer from al-Qaida. The presence of ground combat troops in Afghanistan has no effect on al-Qaida. Additionally, the realisation that we really are just taking part in one side of a civil war. And our part in that civil war only inflames it. It’s doing nothing to bring a resolution to the conflict between the two sides in Afghanistan. And finally the fact that our troops are fighting and dying against people who are fighting us really only because we’re occupying their villages, and the fourth one—as I said, there’s multiple things that make up this—and the fourth one is just a moral question or a moral issue I had with our troops, our young men fighting and dying for a corrupt and illegitimate regime like the Karzai regime. I just don’t think that in five, 10 or 15 years we will be able to look back and feel like this was a noble or an honourable effort or something we should have let our young men fight and die for.

Tony Jones: Let’s take some of those issues separately. Do you believe that the US troop presence, indeed the foreign troop presence, actually fuels the insurgency?

Matthew Hoh: Absolutely. Absolutely. Half of Afghanistan want us in Afghanistan and the other half doesn’t. If you split the nation roughly in half, and that’s not perfect but roughly in half, you draw a line from the north-east of the country...
to the south-west of the country, on the north and west sides of that line you will have Tajis, Uzbeks and on the south-west you will have the Pashtuns. Those are the major ethnic groups within Afghanistan. But even with the Pashtuns you have a split between the urban and the rural Pashtuns. The educated, the secular, the progressive, versus the poor, the religious and then the third group that composes the insurgency. What we’re doing is, by occupying them, we’re a foreign presence. It is very simple. I don’t think anyone in the United States or anyone in Australia would be kind to any kind of foreign occupation. So our presence there only fuels insurgency, just like you said.

Tony Jones: In your resignation letter you state that you lost understanding of and confidence in the strategic purposes of the US presence in Afghanistan. Is this a war that America simply can’t win in your view?

Matthew Hoh: No, it’s in a terrible, terrible stalemate right now and with the status quo, if we keep with the status quo it will remain in a stalemate. If we increase troops, as most people expect we will do, I think that will have the same results of the stalemate—it will continue this stalemate with no solution to the end of the civil war. So I don’t think it’s question of whether or not we’re losing. It’s a question of we’re not finding a way to end this. If we don’t find a political resolution to this conflict, this war is going on indefinitely. If we had more troops to it, the other side will continue to fight us because they don’t want to be occupied. Karzai will have no incentive to negotiate with the other side because the West will continue to prop him up, so there’s no incentive to negotiate with the enemy.

Tony Jones: President Obama now looks likely to give in to Pentagon pressure and commit thousands more US troops to Afghanistan. The Pentagon’s argument is essentially that the surge in Iraq worked. Why wouldn’t a surge in Afghanistan have the same effect?

Matthew Hoh: I don’t believe so. I was part of two deployments to Iraq. One in 2004-05 and one in 2006-07. You cannot compare Iraq to Afghanistan. Of course there are some similarities and there are some principles of warfare that will always apply. However, Iraq and Afghanistan are astonishingly different countries and cultures. The terrain is different, the people are different, the enemy is different. In Iraq, most people live in built up areas and cities that you can easily control. The enemy is different. In Iraq where I was in Al-Anbar province you could separate the insurgents who were al-Qaida and Iraq from the population. In Afghanistan, it’s not possible among the rural population because the population is the insurgency. How do you separate them from the population when the population is the insurgency? I don’t agree with the assessment that what we did in Iraq will work in Afghanistan.

Tony Jones: So what do you think should actually happen? Do you go so far as to say President Obama should withdraw all US troops from Afghanistan?

Matthew Hoh: No, Tony. One of the problems with this debate a lot of times is you get characterised as you’re all in, or you’re all out. I don’t believe there’s anybody who is reasonable or rational on either side of the debate who is calling for all in, or all out. I would like to suspend combat operations in the villages, in the rural parts of the Pashtun parts of Afghanistan, because all we’re doing is fighting guys who are fighting us because we’re occupying their villages. It’s benefiting nobody. The second part would be to push and get an honest to God political solution. Get both sides to the table there. Bring in all elements of Afghan society, reconvene a grand council and bring it in all parts of Afghan society, and this has to include senior members of the Taliban leadership. Without trying to do something to politically solve this split in Afghanistan, this civil war that’s been going on since the ’70s, all we’re going to see is indefinite combat. My recommendation is to stop combat operations that are accomplishing nothing and work for a political solution while we gradually withdraw from Afghanistan.

Tony Jones: It’s not only US troops; it’s also Australian troops and many other foreign forces as well. And they all seem to follow the same strategy—to clear, secure and hold Afghan territory in the same sorts of valleys that you’re talking about. Are you saying that in every case the Australians included in that strategy is doomed to failure?
Matthew Hoh: I don’t believe it’s going to work. I believe what we’re following is a strategy that is not proven out in history. I don’t believe in this idea of clear, hold and build will work on a population that is fundamentally opposed to the other half of the population in the country. Right now the clear, hold, build strategy relies upon building an Afghan Government that delivers services to the people so that the people trust the Government and turn away from the insurgents. The problem with that is there’s a split between one side of the country and the other. One side completely dominates the Government. So the idea that the people on the other side will trust this Government has no basis. You have to do something to bridge this divide, to bring the rural Pashtun population into the Government, otherwise they’re not going to accept it. And that particularly includes the Afghan Army which is unrepresentative of large parts of the country. It serves as what the rural Afghan population see as an internal occupation force for the Tajiks and the Uzbeks.

Tony Jones: What do you say to the opposing argument that, if the US withdraws from certain provinces and other foreign troops withdraw from other provinces, inevitably the Taliban will recapture parts of Afghanistan, in parts of the south, the Taliban would be or are the political dominant force. So they would assume that role. That’s why it’s important to find a structured resolution and some power sharing agreement so the Taliban come into the Government peacefully and not by arms. As long as we’re there, as long as the US and Western forces, Australian forces included, are there, the Taliban will continue to fight it. And they will continue to fight a central Government that is composed of Tajiks, Uzbeks and urban Pashtuns. They will continue to fight them as long as they continue to feel subjected by them.

Matthew Hoh: I believe there is. I believe certainly what I wrote in my resignation letter was not novel or unique. Many of my counterparts believe the same thing as well as many military officers I’ve spoken to. I believe in the administration there is a feeling that this idea that we are going to defeat or have victory in Afghanistan based on propping up the Karzai regime and subjugating the rural population of Afghanistan is not going to work. I really hope we’re going to see in addition to a troop increase, which I am against, but what I hope to see is some type of political settlement that ends the conflict in Afghanistan.

Tony Jones: The most obvious analogy if things continue to go the way they do is the war in Vietnam because in the same way the US and its allies found itself in cahoots with a corrupt central regime. Do you see it in those terms?

Matthew Hoh: I do. And I referenced that in my resignation letter in September. I see it very clearly. We are doing something that I think can years from now, several years from now, we will look back and say, “This wasn’t right. We will question why we allowed our young men and
women to go to Afghanistan and die in order to prop up a corrupt and illegitimate regime”. I’ve said a few times back here if you looked up the term cleptocracy in the dictionary, there would be a photo of Karzai. It’s a Government that serves itself and takes from the people. The idea that this Government is going to extend and represent the people of the rural Pashtun parts of the country is an idea that is unfounded and not rooted in any sense of reality of what things are like in Afghanistan.

Tony Jones: What do you think the United States should do about the fact that Afghanistan does have a corrupt President ruling effectively a corrupt regime, and one that incidentally the West has been forced to recognise in spite of the fact the election was totally corrupted?

Matthew Hoh: We should reduce our aid. Because that’s a source of a lot of corruption is our own aid money. We should begin to—like I said, stop our combat operations, begin to reduce our forces there and tie it into negotiations. Right now, if we continue supporting Karzai with a lot of force that we are now, and if we increase the forces, that’s only going to strengthen his hand and he is not going to negotiate with the other side. He has no incentive to negotiate with the other side. I worked with local Afghan government leaders, government leaders that were appointed by Karzai in the east and the south. These men had no intention of ever reconciling or working with their enemy for a peaceful or a political solution. They’ve got a good thing going because they’re being propped up by Western forces. If you remove that, they have to talk to the other side of the civil war.

Tony Jones: President Obama really did not want to be a war-time President. He inherited this war and now he’s caught up in competing arguments of how to prosecute it as he goes forward. He is trying to set an exit strategy. How long does he have to set something like that in place?

Matthew Hoh: I am very afraid what’s going to happen is we will commit more troops. We will have some kind of loosely defined strategy without any firm dates or benchmarks and what is going to happen is it will be 2012-13 and you and I will be having this same conversation about where do we go next. We will put more troops in.

It is not going to make Karzai and his regime go to the table. If we put more troops in, it will only make the Taliban fight us harder. It will not weaken them or make them feel like we have to cut our losses. With the Taliban we say we’re applying Western logic and Western reasoning to a group of non-Western group of actors. It is a mistake we continue to seem to make. Particularly as Americans we seem to do that. So I am really afraid that a couple of years from now we will be having the same conversation again and we will be talking about how we have to push for a political negotiation and talk to senior leaders. We could have been doing that right now. That is my big fear.

Tony Jones: Matthew Hoh, it is rare indeed to meet someone who has direct, on-the-ground knowledge of what is going on in this war. We thank you very much for coming to talk to us on Lateline.

Matthew Hoh: Thank you, Tony.

Question agreed to.

COMMITTEES

Reports: Government Responses

Senator SHERRY (Tasmania—Assistant Treasurer) (3.54 pm)—I present the government’s response to the President’s report of 25 June 2009 on government responses outstanding to parliamentary committee reports and the government’s response to the report of the Community Affairs References Committee on its inquiry on the progress of the implementation of the recommendations of the Lost innocents and Forgotten Australians reports and seek leave to have the documents incorporated in Hansard.

Leave granted.

The documents read as follows—

GOVERNMENT RESPONSES TO PARLIAMENTARY COMMITTEE REPORTS

RESPONSE TO THE SCHEDULE TABLED BY THE PRESIDENT OF THE SENATE ON 25 JUNE 2009
Circulated by the Leader of the Government in the Senate
Senator the Hon Chris Evans
25 November 2009

A Certain Maritime Incident (Senate Select)
Report on a Certain Maritime Incident
The government response is being considered.

Australian Commission for Law Enforcement Integrity (Joint Statutory)
Inquiry into law enforcement integrity models
The government response is being considered and will be tabled in due course.

Examination for the annual report of the Integrity Commissioner 2007-08
The government response is being considered and will be tabled in due course.

Australian Crime Commission (Joint Statutory)
Review of the Australian Crime Commission Act 2002
The government response is being considered and will be tabled in due course.

Examination of the annual report for 2004-05 of the Australian Crime Commission
The government response is being considered and will be tabled in due course.

Inquiry into the manufacture, importation and use of amphetamines and other synthetic drugs (AOSD) in Australia
The government response is being considered and will be tabled in due course.

Inquiry into the future impact of serious and organised crime on Australian society
The government response is being considered and will be tabled in due course.

Examination of the Australian Crime Commission annual report 2006-07
The government response is being considered and will be tabled in due course.

Climate Policy (Senate Select)
Report
The government response is being considered.

Community Affairs Legislation
Compliance audits on Medicare benefits
The government response was tabled in the Senate on 29 October 2009.

Community Affairs References
Lost Innocents and Forgotten Australians revisited – Report on the progress with the implementation of the recommendations of the Lost Innocents and Forgotten Australians reports
The government response is being considered and will be tabled in due course.

Community Affairs Standing
Funding and operation of the Commonwealth State/Territory Disability Agreement
The response is being considered following development and commencement of the new National Disability Agreement on 1 January 2009.

Highway to health: better access for rural, regional and remote patients
The government response is being considered and will be tabled in due course.

National Health Amendment (Pharmaceutical and Other Benefits – Cost Recovery) Bill 2008
The Bill was reintroduced into the Parliament on 12 May 2009 and was passed with amendments on 16 June 2009.

Towards recovery: Mental health services in Australia
The government response is being considered and will be tabled in due course.

As the Bill has passed the Parliament there will be no further response.
Grasping the opportunity of Opal: Assessing the impact of the petrol sniffing strategy
The government response is being considered and will be tabled in due course.

Corporations and Financial Services (Joint Statutory)
Report on the regulations and ASIC policy statements made under the Financial Services Reform Act 2001
A number of recommendations outlined in the report have been addressed, while others overlap with reviews/reports currently in progress. The government will take appropriate action once these reviews are completed.

Review of the Managed Investments Act 1998
Some issues raised overlap with other reviews/reports in progress and could be considered in those contexts. The government will take appropriate action once these reviews are completed.

Inquiry into Regulation 7.1.29 in Corporations Amendment Regulations 2003 (No. 3), Statutory Rules 2003 No. 85
The key issues in the report overlap with reviews/reports currently in progress. The government will take appropriate action once these reviews are completed.

Money matters in the bush: Inquiry into the level of banking and financial services in rural, regional and remote areas of Australia
The government does not intend to respond to this report.

Corporate responsibility: Managing risk and creating value
The government is considering the report and will respond in due course.

The structure and operation of the superannuation industry
The government is considering the report and is preparing a response for tabling in due course. The government announced the details of a review into the governance, efficiency, structure and operation of Australia’s superannuation system on 29 May 2009.

Better shareholders – better company – Shareholder engagement and participation in Australia
The government is continuing to consider the recommendations in this report.

Opportunity not opportunism: improving conduct in Australian franchising
The government response was presented out of sitting in the Senate on 5 November 2009. Tabled in the Senate on 16 November 2009.

Corporations and Securities (Joint Statutory)
Report on aspects of the regulation of proprietary companies
The government response was presented out of sitting in the Senate on 16 July 2009. Tabled in the Senate on 11 August 2009.

Economics Legislation
The Bill received Royal Assent on 29 June 2009. Therefore no further action is required.

Economics References
Consenting adults deficits and household debt – links between Australia’s current account deficit, the demand for imported goods and household debt
The government is considering the report and will table a response in due course.

Economics Standing
Reserve Bank Amendment (Enhanced Independence) Bill 2008 [Provisions]
The government response is being considered.
Australian Securities and Investments Commission (Fair Bank and Credit Card Fees) Amendment Bill 2008

The government response is being considered.

Lost in Space? Setting a new direction for Australia’s space science and industry sector

The government response was tabled in the Senate on 19 November 2009.

The need, scope and content of a definition of unconscionable conduct for the purposes of Part IVA of the Trade Practices Act 1974

The government response was presented out of sitting in the Senate on 5 November 2009 and tabled in the Senate on 16 November 2009.

Matters relating to the gas explosion at Varanus Island, Western Australia

The government response was tabled in the Senate on 19 November 2009.

Trade Practices Amendment (Cartel Conduct and Other Measures) Bill 2008 [Provisions]

The Bill received Royal Assent on 26 June 2009. Therefore no further action is required.

Exposure draft of the legislation to implement the Carbon Pollution Scheme

The government response is being considered.

Education, Employment and Workplace Relations References

DEEWR tender process to award employment services contracts

The government response is being considered and will be tabled in due course.

Education, Employment and Workplace Relations Standing

Building and Construction Industry (Restoring Workplace Rights) Bill 2008

Response is not proposed as the government currently has an Amendment Bill before the Senate.

Fair Work Bill 2008 [Provisions]

A response was provided on 13 March 2009 however the Committee advised that no government response was required.

Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009 [Provisions]

No government response is required as the government is no longer pursuing the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009.


A response was provided on 25 May 2009 however the Committee advised that no government response was required.

Electoral Matters (Joint Standing)

Civics and electoral education

Interim response was tabled on 30 October 2008. Final government response is being prepared and will be provided in due course.

Report on the 2007 federal election electronic voting trails – Interim report of the inquiry into the conduct of the 2007 election and matters related thereto

The government response was tabled on 17 September 2009.

Report on the conduct of the 2007 federal election and matters related thereto

The government response is being considered and will be tabled in due course.


The committee made no recommendations. No response required.

Employment, Workplace Relations and Education Standing

Workforce challenges in the transport industry

The government response was tabled in the Senate on 19 November 2009.

Environment, Communications and the Arts Standing

The effectiveness of the broadcasting codes of practice

The government response was tabled in the Senate on 20 August 2009.
Sexualisation of children in the contemporary media
The government response was tabled in the Senate on 20 August 2009.

Management of Australia’s waste streams (including consideration of the Drink Containers Recycling Bill 2008)
The government response is being considered.

Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008
The government response is being considered.

Commonwealth Radioactive Waste Management (Repeal and Consequential Amendment) Bill 2008
The government response is being considered.

The operation of the Environment Protection and Biodiversity Conservation Act 1999 – First report

The operation of the Environment Protection and Biodiversity Conservation Act 1999 – Second and final report

The reporting of sports news and the emergence of digital media
The government awaits input from an industry roundtable (which was held on 13 November 2009) before a response is tabled.

Environment, Communications and the Arts References
Living with a salinity – a report on progress: the extent and economic impact of salinity in Australia
The government response is being considered and will be tabled in due course.

About time! Women in sport and recreation in Australia
The government response is being considered and will be tabled in due course.

Environment, Communications, Information Technology and the Arts Standing
Conserving Australia—Australia’s national parks, conservation reserves and marine protected areas
The government response is being considered and will be tabled in due course.

Finance and Public Administration Legislation
Plebiscite for an Australian Republic Bill 2008
The government response is being considered and will be tabled in due course.

Finance and Public Administration References
Staff employed under Members of Parliament (Staff) Act 1984
The government response is being considered and will be tabled in due course.

Matters relating to the Gallipoli Peninsula
The government response was tabled in the Senate on 19 November 2009.

Government advertising and accountability
The government response is being considered and will be tabled in due course.

Finance and Public Administration Standing
Transparency and accountability of Commonwealth public funding and expenditure
The government response was presented out of sitting to the Senate on 10 August 2009, and tabled in the Senate on 11 August 2009.

Annual reports (No. 2 of 2007)
The government response is being considered and will be tabled in due course.

Annual reports (No. 1 of 2008)
The government response is being considered and will be tabled in due course.

Annual reports (No. 2 of 2008)
The government response is being considered and will be tabled in due course.

Item 16525 in Part 3 of Schedule 1 to the health Insurance (General Medical Services Table) Regulation 2007
The government response is being considered and will be tabled in due course.
Additional estimates 2008-09
The government response was tabled in the Senate on 20 August 2009.

Annual report (No. 1 of 2009)
The government response is being considered and will be tabled in due course.

Residential and community aged care in Australia
The government response is being considered and will be tabled in due course.

Foreign Affairs, Defence and Trade (Joint Standing)
The government response is being considered and will be tabled in due course.

Inquiry into Australia’s relationship with ASEAN
The government response is being considered and will be tabled in due course.

Sealing a just outcome – Report from the inquiry into RAAF F-111 deseal/reseal workers and their families
The government response is being considered and will be tabled in due course.

Foreign Affairs, Defence and Trade Standing
Australia’s involvement in peacekeeping operations
The government is finalising its response.

Reforms to Australia’s military justice system: Fourth progress report
The government response was tabled in the Senate on 20 August 2009.

Fuel and Energy (Senate Select)
The CPRS: Economic cost without environmental benefit –
The government response is being considered and will be tabled in due course.

Housing affordability in Australia (Senate Select)
A good house is hard to find: Housing affordability in Australia
The government response was presented out of sitting to the Senate on 14 October 2009 and tabled in the Senate on 26 October 2009.

Intelligence and Security (Joint)
Review of the re-listing of Ansar al-Islam, AAA, IAA, IMU, JeM and LeJ as terrorist organisations
The government response is being considered and will be tabled in due course.

Review of the re-listing of Hizballah’s External Security Organisation as a terrorist organisation
The government response is being considered and will be tabled in due course.

Legal and Constitutional Affairs Standing
Unfinished business: Indigenous stolen wages
The government is considering its response.

Stolen Generation Compensation Bill 2008
The government response is being considered.

Effectiveness of the Sex Discrimination Act 1984 in eliminating discrimination and promoting gender equality
The government response being considered and will be tabled in due course.

Disability Discrimination and Other Human Rights Legislation Amendment Bill 2008 [Provisions]
The government response is being considered.

Legal and Constitutional Affairs References
Reconciliation: Off track
Minister Macklin wrote to the committee on 17 October 2009 advising no response would be made to the report.

The road to a republic
The government response is being considered and will be tabled in due course.

Men’s Health (Senate Select)
Report
The government response is being considered and will be tabled in due course.

Migration (Joint Standing)
Negotiating the maze – Review of arrangements for overseas skills recognition, upgrading and licensing
The government response is being considered and will be tabled in due course.
Temporary visa...permanent benefits: Ensuring the effectiveness, fairness and integrity of the temporary business visa program
The government response was tabled on 10 September 2009.

Immigration detention in Australia – A new beginning – Criteria for release from detention
The government response is being considered and will be tabled in due course.

Immigration detention in Australia – Community-based alternatives to detention
The government response to these recommendations is still being considered.

Ministerial Discretion in Migration Matters (Senate Select)
Report
The government response is being considered and will be tabled in due course.

National Broadband Network (Senate Select)
Another fork in the road to national broadband – Second interim report
Two interim reports have been tabled, and a final report is expected to be tabled in the Senate on 23 November 2009. The government response will take into account the findings of the final report.

National Capital and External Territories (Joint Standing)
Inquiry into the Immigration Bridge proposal
The government response is being considered and will be tabled in due course.

Public Accounts and Audit (Joint Statutory)
Report 413 – The efficiency dividend and small agencies: Size does matter
The government response is being considered and will be tabled in due course.

Publications (Joint Standing)
Printing standards for documents presented to Parliament
The government response was tabled on 10 September 2009.

Regional and Remote Indigenous Communities (Senate Select)
Second report
The government is considering its response.

Rural and Regional Affairs and Transport References
Iraqi wheat debt – repayments for wheat growers
The government response is being considered.

Implications for the long-term sustainable management of the Murray-Darling Basin system
The government response is being considered and will be tabled in due course.

Import risk analysis for the importation of Cavendish bananas from the Philippines – Final report
The government response is being considered and will be tabled in due course.

Meat marketing – Final report
The government response is being considered and will be tabled in due course.

Meat marketing – Interim report
The Primary Industries Ministerial Council has established a working group to examine the interim report’s recommendations. The government response to the interim report will be incorporated with the response to the final report.

Administration of the Civil Aviation Safety Authority (CASA) and related matters
The government response was tabled in the Senate on 10 September 2009.
Water management in the Coorong and Lower Lakes (including consideration of the Emergency Water (Murray-Darling Basin Rescue) Bill 2008)
The government response is being considered and will be tabled in due course.

Climate change and the Australian agricultural sector – Final report
The government response is being considered and will be tabled in due course.

State Government Financial Management (Senate Select) Report
The government is considering the report and will table a response in due course.

Treaties (Joint Standing)
The government response is being considered and will be tabled in due course.
The government response is being considered and will be tabled in due course.
The government response is being considered and will be tabled in due course.
Report 99 – Treaties tabled on 3 December 2008 and 3 February 2009
The government response is being considered and will be tabled in due course.
Report 100 – Treaties tabled on 25 June 2008 (2)
The government response is being considered and will be tabled in due course.
Report 102 – Treaties tabled on 12 and 16 March 2009
The government response is being considered and will be tabled in due course.

AUSTRALIAN GOVERNMENT RESPONSE TO THE SENATE COMMUNITY AFFAIRS REFERENCES COMMITTEE REPORT LOST INNOCENTS & FORGOTTEN AUSTRALIANS REVISITED
REPORT ON THE PROGRESS WITH THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE LOST INNOCENTS AND FORGOTTEN AUSTRALIANS REPORTS, JUNE 2009
November 2009

INTRODUCTION
The Australian Government welcomes the Senate Community Affairs References Committee’s report on the Lost Innocents and Forgotten Australians Revisited Inquiry and thanks the Committee members for their efforts in bringing to light the tragic accounts of past care practices and community attitudes that led to the systemic neglect and abuse of many former child migrants and Forgotten Australians.

Those Australians who identify as Forgotten Australians are generally now aged from around 40 years of age and older. They are the survivors of the estimated 500,000 children who found themselves in orphanages, Homes or other forms of out-of-home care in the last century.

Former child migrants were unaccompanied children generally under the age of 16 years who were brought to Australia from the United Kingdom and Malta under government approved child migrant schemes during the 20th century. It is estimated around 7,000 child migrants were sent to Australia from the early 1920s to the late 1960s, with more than 3,000 child migrants arriving in the post-war period 1947 to 1967. The children were placed in charitable and religious institutions in New South Wales, Queensland, South Australia, Tasmania, Victoria and Western Australia.

The vast evidence submitted to the Committee can leave no doubt that many children in institutional care were treated appallingly. It is also evident that the effects of this treatment, the lack of love, affection and emotional support, the deprivation of food, education and healthcare, have left an indelible mark on them now as adult survivors and on their families, with some struggling to lead happy and productive lives.

The compelling testimonies to the Committee from Forgotten Australians and former child migrants tell a moving story of the pain and suffering they experienced and how the effects of childhood abuse and neglect have had life long impacts on them and on their families.
There is evidence that the effects on some adult survivors include life long risk and incidence of mental illnesses such as depression, anxiety, post-traumatic stress disorder, dissociation and personality disorders, being at higher risk of suicide, self harm and substance abuse and other dangerous behaviours such as, poor family relationships, difficulty forming and maintaining loving and trusting relationships, difficulty in parenting effectively and generally being at a higher risk of poor health, housing, education and employment outcomes.

In addition, many former child migrants experienced a loss of cultural identity and connection to their heritage as well as loss of contact with their natural families. Trauma and feelings of loss, abandonment and alienation due to removal from their birthplace and family have impacted on adult survivors and their ability to lead productive and rewarding lives.

While Forgotten Australians and former child migrants may have shared similar experiences of abuse and neglect as well as facing similar problems later in life, the Australian Government acknowledges the unique circumstances they encountered.

Central to the Australian Government’s response to the Committee’s Report is the national apology to Forgotten Australians and former child migrants, delivered by the Prime Minister, on behalf of the nation on 16 November 2009.

The national apology was a significant step in the healing process for many Forgotten Australians and child migrants by acknowledging that what happened was real and wrong. It celebrated the strength of those who survived and remembered those who did not.

It has also helped the community to understand the experiences of more than half a million Australians and the lifelong pain and suffering they continue to endure.

The Australian Government is funding the National Library of Australia and the National Museum of Australia to host two key history projects to assist scholars, support organisations, the public, Forgotten Australians and former child migrants and their families better understand, reflect on and remember the experiences of those involved.

These projects will chronicle, through the public sharing of items, pictures, memories, voices and other historical information, this period. Not only will this provide poignant recognition and a reminder of the past, but also an expression of hope for a better future.

All children have the right to be safe, to receive loving care and support and have access to the services they need to enable them to succeed in life. This basic right is fundamental to the wellbeing of a child and his or her healthy development and is no different now from when former child migrants and Forgotten Australians were in institutional care but who were cruelly denied this in many instances.

The Australian Government acknowledges families as the central system of support, nurture and guidance for children and young people and in turn places priority on the importance of effective supports for vulnerable parents and families. We are committed to providing child-centred, family focused responses as the most effective way to help children and young people who are disadvantaged or at risk of disadvantage later in life.

It is a national shame that for former child migrants and the Forgotten Australians the basic right of all children to receive protection, support and loving care was not enforced by governments, past care providers and the community at large.

RESPONSE TO RECOMMENDATIONS

The Committee made sixteen recommendations. The Government response to specific recommendations is provided below.

NATIONAL LEADERSHIP

Recommendation 1

The Committee recommends that the Commonwealth government issue a formal acknowledgement and expression of regret to former child migrants in accordance with recommendation 30 of the Lost Innocents report; and that this statement be issued in conjunction with, or as a part of, a broader Commonwealth apology to people who experienced abuse and/or neglect in institutional or out-of-home care as children.
Recommendation 2
The Committee recommends that the Commonwealth government issue a formal statement of acknowledgement and apology to children who suffered hurt and distress, or abuse and assault, in institutional care, in accordance with recommendation 1 of the Forgotten Australians report.

Response to Recommendations 1 & 2
The Australian Government supports recommendations one and two.

The Australian Government made a formal national apology to Lost Innocents and Forgotten Australians on 16 November 2009 in the Great Hall at Parliament House. The Prime Minister, the Hon Kevin Rudd MP, delivered the apology address to an assembly of more than 800 care leavers. The Leader of the Opposition, the Hon Malcolm Turnbull MP, also spoke in bipartisan support of the apology. The motion to support the apology was moved in both Houses of the Parliament and supported unanimously.

The text of the apology motion is as follows:
We come together today to deal with an ugly chapter in our nation’s history.
And we come together today to offer our nation’s apology.
To say to you, the Forgotten Australians, and those who were sent to our shores as children without your consent, that we are sorry.
Sorry, that as children you were taken from your families and placed in institutions where so often you were abused.
Sorry, for the physical suffering, the emotional starvation and the cold absence of love, of tenderness, of care.
Sorry, for the tragedy of childhoods lost, childhoods spent instead in austere and authoritarian places, where names were replaced by numbers, spontaneous play by regimented routine, the joy of learning by the repetitive drudgery of menial work.
Sorry, for all these injustices to you as children, who were placed in our care.
As a nation, we must now reflect on those who did not receive proper care.

We look back with shame that many of you were left cold, hungry and alone and with nowhere to hide and nobody to whom to turn.
We look back with shame that many of these little ones who were entrusted to institutions and foster homes, instead, were abused physically, humiliated cruelly and violated sexually.
We look back with shame at how those with power were allowed to abuse those who had none.
And how then, as if this was not injury enough, you were left ill-prepared for life outside, left to fend for yourselves; often unable to read or write; to struggle alone with no friends and no family.
For these failures to offer proper care to the powerless, the voiceless and the most vulnerable, we say sorry.
We reflect too today on the families who were ripped apart, simply because they had fallen on hard times.

Some simply left destitute when fathers, damaged by war, could no longer cope.
Again we say sorry for the extended families you never knew.
We acknowledge the particular pain of children shipped to Australia as child migrants, robbed of your families, robbed of your homeland, regarded not as innocent children but regarded instead as a source of child labour.
To those of you who were told you were orphans, brought here without your parents’ knowledge or consent, we acknowledge the lies you were told, the lies told to your mothers and fathers, and the pain these lies have caused for a lifetime.
We think also today of all the families of these Forgotten Australians and former child migrants who are still grieving, families who were never reunited, families who were never reconciled, families who were lost to one another forever.
We reflect too on the burden that is still carried by your own children, your grandchildren, your husbands, your wives, your partners and your friends, and we thank them for the faith, the love and the depth of commitment that has helped see you through the valley of tears that was not of your making.

And we reflect with you as well, in sad remembrance, on those who simply could not cope and who took their own lives in absolute despair.

We recognise the pain you have suffered. Pain so personal. Pain so profoundly disabling.

So, let us therefore, together, as a nation, allow this apology to begin healing this pain.

Healing the pain felt by so many of the half a million of our fellow Australians and those who as children were in our care.

And let us also resolve this day, that this national apology becomes a turning point in our nation’s story.

A turning point for shattered lives.

A turning point for Governments at all levels and of every political colour and hue, to do all in our power to never let this happen again.

For the protection of children is the sacred duty of us all.

The Australian Government notes and welcomes the announcement on 16 November 2009 by the British High Commissioner to Australia, the Rt. Hon Baroness Amos, that the United Kingdom Government plans to make an apology to former child migrants early in 2010.

Recommendation 3

The Committee recommends that the Prime Minister write to relevant churches and religious agencies requesting that they provide formal statements concerning the need for such bodies to make reparation to children who suffered abuse and neglect in their care in the last century, and addressing in particular the issues of apology, redress and provision of services to care leavers, and the implementation of the recommendations of the Forgotten Australians report; the Committee further recommends that the Prime Minister cause the statements provided by churches and religious agencies to be collated and tabled in parliament.

Response

The Australian Government supports this recommendation in principle.

The Australian Government notes that the issue of reparation to children who suffered abuse and neglect in the care of past care providers is a matter for each past care provider to consider and supports the intent of the recommendation to see the issues raised formally addressed by the relevant churches and religious agencies.

The Australian Government wrote to past care providers inviting them to participate in the development of the national apology to Forgotten Australians and former child migrants. Reciprocal dialogue occurred during the broad consultation period and in the lead up to the apology, to identify appropriate actions by past care providers to restore the dignity of those who are the focus of the apology and put right the wrongs of the past.

The Australian Government notes that a number of relevant past care providers are addressing the recommendations outlined by the Committee.

REPARATION AND REDRESS SCHEMES

Recommendation 4

The Committee recommends that the Commonwealth government pursue all available policy and political options to ensure that South Australia, New South Wales and Victoria establish redress schemes for people who suffered neglect and/or abuse in institutional settings or out-of-home care in the last century; and that the remaining States make provision to ensure continued receipt of redress claims.

Recommendation 5

The Committee recommends that the Commonwealth government pursue the establishment of State redress schemes through the Council of Australian Governments (COAG) and other appropriate national forums.

Response to Recommendation 4 & 5

The Australian Government notes these recommendations. Redress is a matter for each State and Territory government and past care providers to consider.
The Australian Government raised this issue at the meeting of the Community and Disability Services Ministers’ Conference on 11 September 2009.

The Australian Government notes that a number of States and Territories and past care providers have provided redress.

Recommendation 6

The Committee recommends that churches take steps to ensure that processes for handling abuse allegations are consistent across all jurisdictions; and that such processes conform to recommendation 7 of the Forgotten Australians report.

Response

The Australian Government supports this recommendation in principle and notes it is a matter for the churches to consider.

The Australian Government notes that some churches have already implemented this recommendation.

DELIVERY OF SERVICES

Recommendation 7

The Committee recommends that the Commonwealth government provide further financial and other support for former child migrants to re-establish and develop family connections.

Response

The Australian Government supports this recommendation in principle.

The Australian Government recognises the difficulties many former child migrants have in connecting or reconnecting with their families.

Between 2009 and 2012, the Australian Government will provide funding of $600,000 to the Child Migrants Trust. This takes the total funding committed to the Child Migrants Trust since the Lost Innocents report was delivered in 2001 to around $1.4 million.

This funding allows the Child Migrants Trust to work on behalf of former child migrants who are seeking information about their family, childhood and migration history or who want to be reunited with their mothers, fathers, brothers or sisters. The Trust also assists former child migrants to obtain birth certificates, conduct world-wide family tracing, prepare for family reunion and with their applications for Australian citizenship.

The Australian Government will also fund a new national Find and Connect Service that will provide Australia-wide coordinated family tracing and support for care leavers, including former child migrants, to locate personal and family history files and assist them to reunite with members of their families, where that is possible. This will complement the ongoing work of the Child Migrants Trust. Details of the national Find and Connect Service are provided in the Government’s response to Recommendation 9 of the Senate report.

Recommendation 8

The Committee recommends that State governments which have not yet done so commit funding to the Child Migrants Trust for at least the next three years.

Response

The Australian Government supports this recommendation in principle.

It is a matter for state governments to develop and implement appropriate support and redress arrangements for care leavers and former child migrants. Such arrangements may include support for the Child Migrants Trust. This matter was raised at the Community and Disability Services Ministers’ Conference on 11 September 2009 for consideration by State and Territory Ministers.

As noted in the response to Recommendation 7 above, between 2002 and 2012 the Australian Government will have provided approximately $1.4 million to the Child Migrants Trust.

Recommendation 9

The Committee recommends, in accordance with recommendation 33 of the Forgotten Australians report, that the Commonwealth and States commit, through COAG to implementing a whole-of-government approach to the provision of programs and services for care leavers across policy areas such as health, housing and welfare and community services and other relevant policy areas.

Response

The Australian Government supports this recommendation in principle.
This matter has been raised at the Community and Disability Services Ministers’ Conference and the Australian Government will pursue better coordination of services for Forgotten Australians and former child migrants as part of the ongoing work agenda of the Conference.

The Australian Government will fund a new national Find and Connect Service that will provide an Australia-wide coordinated family tracing and support service for care leavers (including former child migrants) to locate personal and family history files and assist them to reunite with members of their families, where that is possible.

The service will provide a national database that will collate and index existing state identified records into a national searchable database, accessible to state and other care leaver services and also directly to care leavers themselves. Care leavers will be assisted to access and search the database and apply for relevant files, including through Freedom of Information applications.

Further, in July 2009 the Australian Government provided funding of $3.1 million under the National Child Protection Framework to non-government organisations to deliver fifty projects across each state and territory to help protect Australia’s children. This included funding to the Adult Survivors of Child Abuse (ASCA) and Heartfelt House to deliver projects to adult survivors of childhood abuse.

The Australian Government notes that State and Territory jurisdictions have also developed and implemented a number of specialist programs and services to respond to the needs of care leavers and their families. The Australian Government notes that a number of states have announced new investments in specialist services for these groups in response to the Senate Inquiry. These services will be connected and coordinated with the new Find and Connect service and mainstream Commonwealth services outlined below.

**Better targeting of mainstream services**

There is a wide range of mainstream services and supports at both the Commonwealth and State and Territory levels to meet the primary health, housing, welfare and community needs of care leavers and their families.

The Australian Government has provided funding of $285 million over 5 years for the Personal Helpers and Mentors program (PHaMS) which assists people with severe mental illness by helping them to overcome social isolation and increasing their connections to the community.

Forgotten Australians and former child migrants have been identified as a target group under this program, along with members of the Stolen Generations.

To enhance the effectiveness of existing services for Forgotten Australians, specific training was provided on the unique needs of vulnerable groups, including Forgotten Australians, to PHaMS Round 3 service providers. Members of the Alliance of Forgotten Australians and the Care Leavers Australia Network gave presentations about the trauma and abuse experienced by care leavers, the impacts this had had on their lives and the type of support that would be most beneficial. Additional training on the needs of Forgotten Australians and former child migrants will be implemented in 2010.

In addition, the Department of Families, Housing, Community Services and Indigenous Affairs will work closely with Forgotten Australian and child migrants groups to ensure that PHaMs services are accessible and that care leavers are aware of the services.

The new Family Support Program administered by the Department of Families, Housing, Community Services and Indigenous Affairs will provide a range of counselling and parenting services available to people in need, including Forgotten Australians and former child migrants. These services are also available to the families of Forgotten Australians and former child migrants helping them deal with the inter-generational consequences of institutionalised abuse. Service providers will refer to specialist mental health or other intensive services as required.

The Department of Families, Housing, Community Services and Indigenous Affairs will work with peak family support industry representative bodies to inform them of the particular needs of Forgotten Australians and former child migrants.

Under the new Community Investment Program, the Volunteer Management and the Volunteer
Grants strategies have been refocussed to include Forgotten Australians as a priority target group and service providers have been informed about issues affecting the Forgotten Australians and former child migrants.

As part of their funding agreements, Volunteer Resource Centres have been asked to develop strategies to support Forgotten Australians in accessing volunteering opportunities to ensure social participation.

Volunteer Grants 2009 will target organisations that support Forgotten Australians as part of the Australian Government’s social inclusion priorities to support disadvantaged groups in the community.

The Community Investment Program will continue to work with funded community organisations to ensure that they recognise the difficulties faced by care leavers and ensure that their services provide support and are accessible to care leavers. To meet the Australian Government’s vision of social inclusion, as new community strategies are developed under the Community Investment Program, service providers will be required to ensure that their services adequately support care leavers.

The Department of Families, Housing, Community Services and Indigenous Affairs will also work with Centrelink to help their staff more appropriately respond to the needs of Forgotten Australians and former child migrants through investigating options for training and provision of information to increase staff awareness and understanding of the issues.

Centrelink will liaise with relevant governments to determine how to create greater awareness of services with its customers and how to more effectively link people with support offered through government and non-government services.

**Recommendation 10**

The Committee recommends that the Commonwealth and State governments reconsider the previous responses to recommendations 25 to 28 of the Forgotten Australians report with a view to explicitly recognising and meeting the needs of older care leavers in the funding and development of health, housing, aged care and education programs; and ensuring that appropriate services are provided.

**Response**

The Australian Government supports this recommendation.

The Australian Government recognises that the aged care sector must be sensitive to the needs of Forgotten Australians and former child migrants and provide care appropriate in this context.

As a matter of priority, the Government will identify care leavers as a special needs group for aged-care purposes by amending the Aged Care Principles 1997. This will ensure that the needs of care leavers will be considered by the Department of Health and Ageing in the planning and allocation of aged care places.

The Government will also support the development and distribution of education materials to assist providers and carers in the aged care sector to recognise the special needs of care leavers and provide appropriate and responsive care, including access to counselling and support services.

The Department of Health and Ageing will also ensure the needs of Forgotten Australians and former child migrants are reflected in the agendas of the Ministerial Conference on Ageing and the Ageing Consultative Committee, which will broaden awareness of the experiences and challenges of each group.

Further, the Commonwealth will support state and territory governments in disseminating information about state and regional specific programs funded under the Home and Community Care Program to Forgotten Australians and former child migrants.

Pilot projects under the Department of Health and Ageing ‘Innovative Pool’ also remain a possibility to the extent that applications are made that would test innovative models of aged care services for care leavers.

The Department of Health and Ageing will continue to consider the needs of this group in the context of other broad reviews of the sector presently underway, including the Government’s response to the National Health and Hospitals Reform Commission and the pending public inquiry.
into aged care (to be conducted by the Productivity Commission).

Centrelink has a range of programs that target vulnerable groups and can provide access to a national service delivery framework to support services to older care leavers.

**Recommendation 11**

The Committee recommends, in accordance with recommendation 39 of the Forgotten Australians report, that the Commonwealth, in co-operation with State Governments, establish courses of study at selected tertiary institutions that focus on child protection and related issues, especially early childhood and family studies, psychology, conflict management, the impact of institutional care and social policy to address issues in these areas.

**Response**

The Australian Government supports this recommendation.

The Australian Government is committed to ensuring that the abuse and neglect suffered by many children must not be repeated, now or in the future. Education is a key aspect of achieving this commitment. Funding has been allocated to assist in increasing the awareness of child protection matters in the community and support for those wishing to study child protection and related fields. In addition to existing courses and qualifications in relevant disciplines across many tertiary institutions, there are a number of specific initiatives outlined below.

**Build the Capacity and Expertise of the Child Protection and Welfare Workforce**

On 11 September 2009, Australian and State and Territory governments reaffirmed a commitment at the Community and Disability Services Ministers’ Conference to progress the 12 priority actions underpinning the first Implementation Plan (2009-2012) for the National Framework for Protecting Australia’s Children 2009-2020, including the need to build the capacity and expertise of the child protection and welfare workforce.

Through this forum, the Australian and state and territory governments have committed to support the education, professional development, and retention of the child protection and welfare workforce. Professional development training in child and family-sensitive practice will be developed and trialled and opportunities to influence workforce reforms across other disciplines by harnessing professional expertise to guide these developments are being considered.

**Building Capacity for Early Childhood Education**

The Australian Government provided a grant of $2.1 million in December 2008 from the Diversity and Structural Adjustment Fund for a project by Charles Sturt University to build the capacity for early childhood education, particularly in inland and Indigenous Australia, through tertiary sector partnerships and collaborations with local communities. The project commenced early 2009 and is scheduled for completion by mid-2011.

It will deliver new certificate/degree pathways and professional learning modules for qualified early childhood educators (including teachers) and child and family workers, a suite of online teaching and learning resources to be shared across the TAFE/ university sector and three pilots of community-based early childhood education pathways; and support programs with a particular emphasis on attracting, supporting and qualifying Indigenous early childhood educators.

**Chair in Child Protection at the University of South Australia**

In March 2004, the then Minister for Education, Science and Training announced funding for the establishment of the Chair in Child Protection at the University of South Australia’s Australian Centre for Child Protection. This Centre aims to improve the lives of children in Australia who have experienced, or who are at risk of experiencing abuse or neglect. The chair leads and promotes research into child protection and assists researchers working to combat child abuse across disciplines.

Now administered by the Department of Innovation, Industry, Science and Research, funding of $10 million over 10 years (2004 to 2013) has been committed to continue this work.

**Child Protection Courses at Universities**

In line with the Government response to recommendation 39 of the 2004 Forgotten Australians report, the then Department of Education, Science and Training wrote to the Australian Vice-
Chancellors Committee (AVCC, now known as ‘Universities Australia’) in February 2006 to notify it of the Senate Community Affairs References Committee’s recommendations concerning higher education (also including other recommendations of the Forgotten Australians and Protecting Vulnerable Children reports).

The Department’s letter indicated that the Australian Government had supported the recommendations in principle while noting that universities are self-accrediting institutions. The AVCC notified the Department in March 2006 that it had written to all universities. The AVCC noted that it expected that universities teaching in relevant disciplines would consider the recommendations as part of their curriculum development.

IDENTIFICATION AND ACCESS TO RECORDS
Recommendation 12
The Committee recommends that the Commonwealth government pursue the reform of national freedom of information (FoI) and privacy legislation to ensure that care leavers are not hindered in their access to information about their childhoods and families; and that current and future reviews of Commonwealth and State FoI regimes explicitly address this issue.

Response
The Australian Government supports this recommendation in principle.

As outlined in the response to Recommendation 9, the Australian Government will fund a national Find and Connect Service that will provide an Australia-wide coordinated family tracing and support service for care leavers (including former child migrants). The service will provide a national searchable database. Care leavers will be assisted to access and search the data base and apply for relevant files, including through Freedom of Information applications.

The Australian Government notes however that each state and territory government administers its own Freedom of Information (FoI) legislation. The Commonwealth Freedom of Information Act 1982 only applies to information held by the federal public sector.

The Cabinet Secretary, Senator the Hon Joe Ludwig, will write to state and territory Ministers with responsibility for administration of privacy and FoI legislation, to draw Recommendation 12 to their attention, as care leaver records are predominantly held by state and territory authorities.

The Australian Government is also amending the FoI Act with the principal objective of promoting greater disclosure and building a stronger foundation for more openness within government.

It is also proposed that a public interest test will be applied to the personal privacy exemption in the FoI Act which will ensure that public interest factors favouring disclosure of third party information can be taken into account in the circumstances of a particular request for access to information. In the course of developing guidelines on the application of the public interest test, the Information Commissioner (which is being established as part of the Government’s FoI reforms) will be able to consider implications where a care leaver seeks access to a third party’s personal information.

Former child migrants can be assisted to locate and access records held in the United Kingdom and Malta through family tracing services offered by the Child Migrant Trust. The Trust is funded by the Australian Government to provide family tracing support, including reunion preparation and counselling.

All state and territory governments provide varying degrees of assistance, including locating records, responding to FoI applications and providing support while viewing records. Many have published comprehensive guides to providing assistance for the location of records, with family searches or arranging reunions and counselling while viewing files.

ROLE AND OPERATION OF SUPPORT GROUPS AND OTHER BODIES
Recommendation 13
The Committee recommends that the Commonwealth government provide recurrent funding to the Alliance for Forgotten Australians and Care Leavers Australia Network to enable these groups to continue providing adequate services to care leavers on a national basis.

**Recommendation 14**

The Committee recommends that the Commonwealth government provide funding to the Department of Families, Housing, Community Services and Indigenous Affairs to administer a fund for providing operating grants to care leaver advocacy and support groups.

**Response to Recommendations 13 & 14**

The Australian Government supports these recommendations.

The Australian Government recognises the important role these groups play in supporting care leavers, and notes that a broad range of services and supports exist at both the Commonwealth and State and Territory levels that are widely available to all care leavers and former child migrants.

The Australian Government has provided $300,000 over two years (2009-10 and 2010-11) to the Alliance for Forgotten Australians (AFA) as the peak body to continue the important work of advocating, coordinating and building a stronger national structure representing Forgotten Australians. This support will be pivotal in promoting the interests of Forgotten Australians more broadly and for stronger engagement across government and community sectors to facilitate the input of its members into national issues.

The Australian Government has also provided $300,000 over two years to the Care Leavers Australia Network (CLAN); a national support group for people brought up in homes, orphanages or other forms of out-of-home care. This financial assistance will support CLAN to continue its work to enable care leavers to tell their stories, confront the trauma of their past, locate historical documentation and raise public awareness.

The Australian Government will continue to provide ongoing support for these organisations in their critical role.

The Australian Government also already provides recurrent funding under the National Secretariat Program to support a number of peak organisations in the community sector to contribute to government policy and service delivery and to channel information between government and their membership. These organisations often provide a range of services and supports to smaller groups and advocate for a wide range of disadvantaged Australians and their families.

Families Australia is an independent, peak, not-for-profit organisation dedicated to promoting the needs and interests of families and is supported in its role under the National Secretariat Program.

Families Australia has provided significant secretariat and support services to AFA and undertaken education of health and welfare service providers about the experiences and needs of the Forgotten Australians. Families Australia assisted AFA in its production and distribution in 2008 of the booklet Forgotten Australians: Supporting survivors of childhood institutional care in Australia, which was funded by the Department of Families, Housing, Community Services and Indigenous Affairs.

**PROSECUTION OF HISTORICAL CRIMES**

**Recommendation 15**

The Committee recommends that the Ministerial Council for Police and Emergency Management (Police) develop and implement a national policy on the prosecution of, and data collection and sharing about, historical crimes of sexual and physical abuse of children in care; and that the establishment or further development of specialist State police units be considered as part of this policy development process.

**Response**

The Australian Government does not support this recommendation.

The sharing of criminal intelligence and criminal history information already occurs on a national basis. The question of specialist State police units is a matter for individual State and Territory governments and does not require national coordination through Ministerial Council for Police and Emergency Management.

As far as prosecution is concerned, Directors of Public Prosecutions have statutory independence and it would not be appropriate for Ministers to direct them as to how to perform their prosecuto-
rial functions. State Directors of Public Prosecutions operate according to prosecution policies and guidelines that apply the public interest as the paramount criterion in determining whether a prosecution is to be undertaken, as well as within the laws of the relevant jurisdiction.

The Australian Government notes that the Council of Australian Governments (COAG) at its meeting on 29 September 2008 affirmed the importance of a framework to improve access to inter-jurisdictional criminal history information by child-related employment screening schemes and that an inter-jurisdictional exchange be put in place as soon as possible. COAG has endorsed a set of implementation actions, with jurisdictions to prepare, introduce and seek passage of legislative amendments.

MEMORIALS AND REMEMBRANCE
Recommendation 16
The Committee recommends that the States consider establishing an annual remembrance day for care leavers, similar to that held by Queensland each year during Child Protection Week.

Response
The Australian Government supports this recommendation in principle.

The Australian Government supports activities and events that promote recognition and remembrance for care leavers. The national apology and anniversaries of this event will provide an opportunity for ongoing remembrance as part of the healing process.

The Australian Government is supporting two key history projects that will provide a material and visual historical record of the experiences of Forgotten Australians and former child migrants to serve as perpetual remembrance of the history that has occurred.

The aim of these history projects is to provide better awareness and understanding about what happened and to provide a permanent record to the general public, educational institutions, support organisations and, most importantly, Forgotten Australians and former child migrants and their families.

The Australian Government is providing the National Library of Australia with funding of $1.7 million, including $500,000 for counselling support for those who participate in sharing their experiences, and further funding of $1.2 million to the National Museum of Australia to fund a material culture collection and exhibition.

The history projects will involve an oral history project, material culture collecting and a smaller touring exhibition. Both projects will commence early 2010 and be guided by an advisory committee, including appropriate stakeholder representation, and overseen by a steering committee comprising officers of the Library, Museum and the Department of Families, Housing, Community Services and Indigenous Affairs.

The projects will provide a record to assist scholars, support organisations, the public, Forgotten Australians and former child migrants and their families better understand, reflect on and remember the experiences of those involved. These projects will chronicle through the public sharing of items, pictures, memories, voices and other historical information, this period. Not only will this provide poignant recognition and a reminder of the past but also an expression of hope for a better future.

NOTICES
Presentation
Senator Fierravanti-Wells to move on the next day of sitting:

That there be laid on the table by the Minister representing the Prime Minister, no later than 2 pm on 3 February 2010, documents outlining or including the following:

(a) details of the formulation, discussions and approval of the letter from Mr Jim O’Callaghan, Minister-Counsellor Immigration, Australian Embassy, Jakarta, Indonesia, entitled Message to the 78 passengers on the Oceanic Viking, dated November 2009, and the letter from Mr Andrew Metcalfe, Department of Immigration and Citizenship, to Senator Evans, Minister for Immigration and Citizenship, dated 16 November 2009, including any arrangements, undertakings or special circumstances with the United Nations High Commissioner for Refugees and Indonesia regarding processing and resettlement of
the asylum seekers from the Oceanic Viking; and

(b) details of any committee involvement in relation to the letters referred to in paragraph (a), including:

(i) the name of the committee,

(ii) the date, time and duration of the meeting of the other committee, and

(iii) details of all the attendees at each meeting, including the name and position of each attendee and the capacity in which they attended the meeting.

COMMITTEES

Reports: Government Responses

The DEPUTY PRESIDENT—On behalf of the President, and in accordance with the usual practice, I table a report of parliamentary committee reports to which the government has not responded within the prescribed period. The report has been circulated to honourable senators. With the concurrence of the Senate, the report will be incorporated in Hansard.

The report read as follows—

PRESIDENT’S REPORT TO THE SENATE ON GOVERNMENT RESPONSES OUTSTANDING TO PARLIAMENTARY COMMITTEE REPORTS AS AT 26 NOVEMBER 2009

PREFACE

This document continues the practice of presenting to the Senate twice each year a list of government responses to Senate and joint committee reports as well as responses which remain outstanding.

The practice of presenting this list to the Senate is in accordance with the resolution of the Senate of 14 March 1973 and the undertaking by successive governments to respond to parliamentary committee reports in timely fashion. On 26 May 1978 the Minister for Administrative Services (Senator Withers) informed the Senate that within six months of the tabling of a committee report, the responsible minister would make a statement in the Parliament outlining the action the government proposed to take in relation to the report. The period for responses was reduced from six months to three months in 1983 by the incoming government. The Leader of the Government in the Senate announced this change on 24 August 1983. The method of response continued to be by way of statement. Subsequently, on 16 October 1991 [tabled 5 Nov 1991] the government advised that responses to committee reports would be made by letter to a committee chair, with the letter being tabled in the Senate at the earliest opportunity. The government affirmed this commitment in June 1996 to respond to relevant parliamentary committee reports within three months of presentation. The current government indicated on 26 June and 4 December 2008 that it is committed to providing timely responses to parliamentary committee reports.

This list does not usually include reports of the Parliamentary Standing Committee on Public Works or the following Senate Standing Committees: Appropriations and Staffing, Selection of Bills, Privileges, Procedure, Publications, Regulations and Ordinances, Senators’ Interests and Scrutiny of Bills. However, such reports will be included if they require a response. Government responses to reports of the Public Works Committee are normally reflected in motions in the House of Representatives for the approval of works after the relevant report has been presented and considered.

Reports of the Joint Committee of Public Accounts and Audit (JCPAA) primarily make administrative recommendations but may make policy recommendations. A government response is required in respect of such policy recommendations made by the committee. However, responses to administrative recommendations are made in the form of an executive minute provided to, and subsequently tabled by, the committee. Agencies responding to administrative recommendations are required to provide an executive minute within six months of the tabling of a report. The committee monitors the provision of such responses.

An entry on this list for a report of the JCPAA containing only administrative recommendations is annotated to indicate that the response is to be provided in the form of an executive minute.
Consequently, any other government response is not required. However, any reports containing policy recommendations are included in this report as requiring a government response.

Committees report on bills and the provisions of bills. Only those reports in this category that make recommendations which cannot readily be addressed during the consideration of the bill, and therefore require a response, are listed. The list also does not include reports by committees on estimates or scrutiny of annual reports, unless recommendations are made that require a response.

A guide to the legend used in the ‘Date response presented/made to the Senate’ column

* See document tabled in the Senate on 26 November 2009, entitled Government Responses to Parliamentary Committee Reports—Response to the schedule tabled by the President of the Senate on 25 June 2009 for Government interim/final response.

** Report contains administrative recommendations – any response to those recommendations is to be provided direct to the JCPAA committee in the form of an executive minute.

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<td>10.9.09</td>
<td>No</td>
</tr>
<tr>
<td>Temporary visas...permanent benefits: Ensuring the effectiveness, fairness and integrity of the temporary business visa program</td>
<td>12.9.07</td>
<td>10.9.09</td>
<td>No</td>
</tr>
<tr>
<td>Immigration detention in Australia—A new beginning—Criteria for release from detention—First report of the inquiry into immigration detention</td>
<td>2.12.08 *(tabled HoR 1.12.08) *(interim)</td>
<td>10.9.09</td>
<td>No</td>
</tr>
<tr>
<td>Immigration detention in Australia—Community-based alternatives to detention—Second report of the inquiry into immigration detention</td>
<td>15.6.09 *(tabled HoR 25.5.09) *(interim)</td>
<td>10.9.09</td>
<td>No</td>
</tr>
<tr>
<td>Immigration detention in Australia—Facilities, services and transparency—Third report of the inquiry into immigration detention</td>
<td>18.8.09</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td><strong>Ministerial Discretion in Migration Matters (Senate Select)</strong></td>
<td></td>
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<tr>
<td>Report</td>
<td>31.3.04 *(interim)</td>
<td>10.9.09</td>
<td>No</td>
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<tr>
<td><strong>National Broadband Network (Senate Select)</strong></td>
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<tr>
<td>Another fork in the road to national broadband—Second interim report</td>
<td>12.5.09 *(interim)</td>
<td>10.9.09</td>
<td>No</td>
</tr>
<tr>
<td><strong>National Capital and External Territories (Joint Standing)</strong></td>
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<tr>
<td>Inquiry into the Immigration Bridge proposal</td>
<td>15.6.09 *(presented 29.5.09) *(interim)</td>
<td>10.9.09</td>
<td>No</td>
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<tr>
<td><strong>Public Accounts and Audit (Joint Statutory)</strong></td>
<td></td>
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<tr>
<td>Report 412—Audit reports reviewed during the 41st Parliament</td>
<td>1.9.08</td>
<td>10.9.09, *(tabled HoR 28.5.09) recommendations 11 and 12, 15.6.09, *(interim)</td>
<td>No</td>
</tr>
<tr>
<td>Report 413—The efficiency dividend and small agencies: Size does matter</td>
<td>4.12.08 *(interim)</td>
<td>10.9.09</td>
<td>No</td>
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<tr>
<td>Committee and title of report</td>
<td>Date report tabled</td>
<td>Date response presented/made to the Senate</td>
<td>Response made within specified period (3 months)</td>
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<tr>
<td>Report 414—Review of Auditor-General’s reports tabled between August 2007 and August 2008</td>
<td>24.6.09 (tabled HoR 22.6.09)</td>
<td>*(interim)</td>
<td>No</td>
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<tr>
<td>Report 415—Review of Auditor-General’s reports tabled between September 2008 and January 2009</td>
<td>17.11.09 (tabled HoR 16.11.09)</td>
<td>**</td>
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<tr>
<td>Report 416—Review of the major projects report 2007-2008</td>
<td>17.11.09 (tabled HoR 16.11.09)</td>
<td>-</td>
<td>No</td>
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<tr>
<td><strong>Public Works (Joint Standing)</strong></td>
<td></td>
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<tr>
<td>Report 5/2009—Referrals made May to June 2009—Fitout and external works, ANZAC Park West, Parkes, ACT—Fitout of Tuggeranong Office Park, Greenway, ACT</td>
<td>15.9.09</td>
<td>-</td>
<td>Time not expired</td>
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<tr>
<td>Report 6/2009—Redevelopment of the Villawood Immigration Detention Facility</td>
<td>23.11.09</td>
<td>-</td>
<td>Time not expired</td>
</tr>
<tr>
<td><strong>Publications (Joint Standing)</strong></td>
<td></td>
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<tr>
<td>Printing standards for documents presented to Parliament</td>
<td>20.9.07</td>
<td>10.9.09</td>
<td>No</td>
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<tr>
<td><strong>Regional and Remote Indigenous Communities (Senate Select)</strong></td>
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<tr>
<td>Second report 2009</td>
<td>11.8.09 (presented 25.6.09)</td>
<td>*(interim)</td>
<td>No</td>
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<tr>
<td><strong>Rural and Regional Affairs and Transport References</strong></td>
<td></td>
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<tr>
<td>Iraqi wheat debt—repayments for wheat growers</td>
<td>16.6.05</td>
<td>*(interim)</td>
<td>No</td>
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<tr>
<td>Implications for long-term sustainable management of the Murray Darling Basin system—Final report</td>
<td>11.8.09 (presented 25.6.09)</td>
<td>*(interim)</td>
<td>No</td>
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<tr>
<td>Committee and title of report</td>
<td>Date report tabled</td>
<td>Date response presented/made to the Senate</td>
<td>Response made within specified period (3 months)</td>
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<td>Import risk analysis (IRA) for the importation of Cavendish bananas from the Philippines</td>
<td>11.8.09 (presented 25.6.09)</td>
<td>*(interim)</td>
<td>No</td>
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<tr>
<td>Meat marketing—Final report</td>
<td>11.8.09 (presented 30.6.09)</td>
<td>*(interim)</td>
<td>No</td>
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<tr>
<td>Investment of Commonwealth and State funds in public passenger transport infrastructure and services</td>
<td>20.8.09</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>Management of the removal of the rebate for AQIS export certification functions</td>
<td>14.9.09</td>
<td>-</td>
<td>Time not expired</td>
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<tr>
<td>Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [Provisions]</td>
<td>27.10.09</td>
<td>-</td>
<td>Time not expired</td>
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<tr>
<td><strong>Rural and Regional Affairs and Transport Standing</strong></td>
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<tr>
<td>Australia’s future oil supply and alternative transport fuels—Final report</td>
<td>7.2.07</td>
<td>*(interim)</td>
<td>No</td>
</tr>
<tr>
<td>Meat marketing—Interim report</td>
<td>4.9.08</td>
<td>*(interim)</td>
<td>No</td>
</tr>
<tr>
<td>Administration of the Civil Aviation Safety Authority (CASA) and related matters</td>
<td>18.9.08</td>
<td>10.9.09</td>
<td>No</td>
</tr>
<tr>
<td>Water management in the Coorong and Lower Lakes (including consideration of the Emergency Water (Murray-Darling Basin Rescue) Bill 2008)</td>
<td>13.10.08 (presented 10.10.08)</td>
<td>*(interim)</td>
<td>No</td>
</tr>
<tr>
<td>Climate change and the Australian agricultural sector—Final report</td>
<td>4.12.08</td>
<td>*(interim)</td>
<td>No</td>
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<tr>
<td><strong>State Government Financial Management (Senate Select)</strong></td>
<td></td>
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<tr>
<td>Report</td>
<td>18.9.08</td>
<td>*(interim)</td>
<td>No</td>
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<tr>
<td><strong>Treaties (Joint Standing)</strong></td>
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<tr>
<td>Report 91—Treaties tabled on 12 March 2008</td>
<td>26.6.08</td>
<td>*(interim)</td>
<td>No</td>
</tr>
<tr>
<td>Report 94—Treaties tabled on 14 May 2008</td>
<td>18.9.08</td>
<td>*(interim)</td>
<td>No</td>
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<tr>
<td>Report 95—Treaties tabled on 4 June, 17 June, 25 June and 26 August 2008</td>
<td>16.10.08</td>
<td>*(interim)</td>
<td>No</td>
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<tr>
<td>Report 99—Treaties tabled on 3 December 2008 and 3 February 2009</td>
<td>16.3.09 (tabled HoR 12.3.09)</td>
<td>*(interim)</td>
<td>No</td>
</tr>
<tr>
<td>Report 100—Treaties tabled on 25 June 2008</td>
<td>19.3.09</td>
<td>*(interim)</td>
<td>No</td>
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</table>
**DOCS/1009/08/01/227**

**Senator SHERRY** (Tasmania—Assistant Treasurer) (3.57 pm) I table the following documents:

- Particulars of proposed expenditure in respect of the year ending on 30 June 2010 [Appropriation bill (No. 3) 2009-10].
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2010 [Appropriation Bill (No. 4) 2009-10].

I seek leave to move a motion to refer the documents to legislative and general purpose standing committees.

Leave granted.

**Senator SHERRY**—I move:

That

(a) the documents, together with the final budget outcome 2008-09 (see entry no. 2, 27 October 2009) and the Issues from the advances under the annual Appropriation Acts for 2008-09 (see entry no. 2, 27 October 2009), be referred to committees for examination and report; and

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**DOCUMENTS**

**Registrar of Senate Senior Executive Officers’ Interests**

The DEPUTY PRESIDENT—I present the Register of Senate Senior Executive Officers’ Interests incorporating statements of interests and a notification of alteration of interests of senior executive officers lodged between 23 June 2009 and 23 November 2009.

**AUDITOR-GENERAL’S REPORTS**

Report Nos. 14 and 15 of 2009-10

The DEPUTY PRESIDENT—In accordance with the provisions of the Auditor-General Act 1997, I present the following reports of the Auditor-General:

- Report No. 15 of 2009-10: Performance audit—AusAID’s management of the expanding Australian aid program.

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**BUDGET**

**Proposed Additional Expenditure Consideration by Estimates Committees**

Senator SHERRY (Tasmania—Assistant Treasurer) (3.57 pm)—I table the following documents:

- Particulars of proposed expenditure in respect of the year ending on 30 June 2010 [Appropriation bill (No. 3) 2009-10].
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2010 [Appropriation Bill (No. 4) 2009-10].

I seek leave to move a motion to refer the documents to legislative and general purpose standing committees.

Leave granted.

Senator SHERRY—I move:

That

(a) the documents, together with the final budget outcome 2008-09 (see entry no. 2, 27 October 2009) and the Issues from the advances under the annual Appropriation Acts for 2008-09 (see entry no. 2, 27 October 2009), be referred to committees for examination and report; and
(b) consideration of the Issues from the advances under the annual Appropriation Acts in committee of the whole be made an order of the day for the day on which committees report on their examination of the additional estimates.

Question agreed to.

Portfolio Additional Estimates Statements

Senator SHERRY (Tasmania—Assistant Treasurer) (3.58 pm)—I table portfolio additional estimates statements 2009-10 for the following portfolios and executive departments,

Agriculture, Fisheries and Forestry
Attorney-General
Broadband, Communications and the Digital Economy
Climate Change (Prime Minister and Cabinet portfolio)
Defence
Education, Employment and Workplace Relations
Environment, Water, Heritage and the Arts
Families, Housing, Community Services and Indigenous Affairs
Finance and Deregulation
Foreign Affairs and Trade
Health and Ageing
Human Services
Immigration and Citizenship
Infrastructure, Transport, Regional Development and Local Government
Innovation, Industry, Science and Research
Prime Minister and Cabinet
Resources, Energy and Tourism
Treasury
Veterans' Affairs

GEOSCIENCE AUSTRALIA

HEALTH LEGISLATION AMENDMENT (MIDWIVES AND NURSE PRACTITIONERS) LEGISLATION

Returns to Order

Senator SHERRY (Tasmania—Assistant Treasurer) (3.58 pm)—I table statements relating to orders for the production of documents concerning carbon dioxide storage and the Health Legislation Amendment (Midwives and Nurse Practitioners) Bill 2009 and related bills.

DOCUMENTS

Tabling

Senator SHERRY (Tasmania—Assistant Treasurer) (3.58 pm)—I table the following documents relating to travel:

- Parliamentarians’ travel paid by the Department of Finance and Deregulation for the period 1 January to 30 June 2009
- Former parliamentarians’ travel paid by the Department of Finance and Deregulation for the period 1 January to 30 June 2009
- Parliamentarians’ overseas study travel reports for the period 1 January to 30 June 2009
- Schedule of special purpose flights paid by the Department of Defence for the period 1 January to 30 June 2009, and errata to the schedule of special purpose flights from 1 January to 30 June 2008

COMMITTEES

Selection of Bills Committee

Report

Senator McEWEN (South Australia) (3.59 pm)—by leave—On behalf of Senator O’Brien, I present the 18th report of 2009 of the Selection of Bills Committee.

Ordered that the report be adopted.

Senator McEWEN—I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 18 OF 2009

1. The committee met in private session on Wednesday, 25 November 2009 at 6.31 pm.
2. The committee resolved to recommend—
   That—
   (a) the Food Standards Amendment (Truth in Labelling—Palm Oil) Bill 2009 be referred immediately to the Community Affairs Legislation Committee for inquiry and report by 15 June 2010 (see appendix 1 for a statement of reasons for referral);
   (b) the Plain Tobacco Packaging (Removing Branding from Cigarette Packs) Bill 2009 be referred immediately to the Community Affairs Legislation Committee for inquiry and report by 17 March 2010 (see appendix 2 for a statement of reasons for referral);
   (c) the provisions of the Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009 and the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2009 Measures) Bill 2009 along with the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Restoration of Racial Discrimination Act) Bill 2009 be referred immediately to the Community Affairs Legislation Committee for inquiry and report by 9 March 2010 (see appendices 3 and 4 for statements of reasons for referral);
   (d) the provisions of the Tax Laws Amendment (2009 Measures No. 6) Bill 2009 be referred immediately to the Economics Legislation Committee for inquiry and report by 25 February 2010 (see appendix 5 for a statement of reasons for referral);
   (e) the provisions of the Tax Laws Amendment (Confidentiality of Taxpayer Information) Bill 2009 be referred immediately to the Economics Legislation Committee for inquiry and report by 25 February 2010 (see appendix 6 for a statement of reasons for referral); and
   (f) the provisions of the Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Bill 2009 be referred immediately to the Economics Legislation Committee for inquiry and report by 25 February 2010 (see appendix 7 for a statement of reasons for referral).

3. The committee resolved to recommend—
   That the following bills not be referred to committees:
   • Australian Astronomical Observatory (Transitional Provisions) Bill 2009
   • Australian Astronomical Observatory Bill 2009
   • Australian Capital Territory and Other Legislation Amendment (Water Management) Bill 2009
   • Crimes Legislation Amendment (Torture Prohibition and Death Penalty Abolition) Bill 2009
   • Fairer Private Health Insurance Incentives Bill 2009 [No. 2]
   • Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 [No. 2]
   • Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009 [No. 2]
   • International Arbitration Amendment Bill 2009
   • International Tax Agreements Amendment Bill (No. 2) 2009
   • National Health Security Amendment (Background Checking) Bill 2009
   • Tax Laws Amendment (2009 GST Administration Measures) Bill 2009
   • Veterans’ Affairs and Other Legislation Amendment (Miscellaneous Measures) Bill 2009.

The committee recommends accordingly.

The committee deferred consideration of the following bills to its next meeting:
   • Britt Lapthorne Bill 2009
   • Fisheries Legislation Amendment Bill 2009
   • Health Insurance Amendment (Diagnostic Imaging Accreditation) Bill 2009
• Keeping Jobs from Going Offshore (Protection of Personal Information) Bill 2009
• Therapeutic Goods (Charges) Amendment Bill 2009
• Therapeutic Goods Amendment (2009 Measures No. 3) Bill 2009
• Trans-Tasman Proceedings Bill 2009

Kerry O’Brien
Chair
26 November 2009

SELECTION OF BILLS COMMITTEE
APPENDIX 1
Proposal to refer a bill to a committee
Name of bill:
Food Standards Amendment (Truth in Labelling - Palm Oil) Bill 2009
Reasons for referral/principal issues for consideration:
In undertaking the inquiry, the Committee should consider:
1. The rights of consumers to be provided with accurate and truthful information to enable them to make an informed choice about the food products they are eating and purchasing;
2. That allowing palm oil to be listed as “vegetable oil” on food packaging is misleading to consumers;
3. That palm oil is considered high in saturated fats and consumers should be made aware if it is used in foods they are eating for health reasons;
4. That the impact of palm oil production on wildlife, specifically Orang-utan’s in South East Asia is significant unless it is done sustainably;
5. That sustainable palm oil can be produced with low impact on the environment and wildlife and with better labour laws on plantations; and,
6. That manufacturers should be encouraged to use sustainable palm oil in their production process and can subsequently use the status of “Certified Sustainable Palm Oil” as a business benefit.

Possible submissions or evidence from:
Zoos Victoria
Humane Society International Perth Zoo
WWF
Royal Zoological Society of South Australia
The Australian Orang-utan Project Palm Oil Action Group
Friends of the Earth Australia

Committee to which bill is to be referred:
Senate Standing Committee on Community Affairs (Legislation)

Possible hearing date(s):
February/ March 2010

Possible reporting date:
Thursday 18 March 2010

(signed)
Rachael Siewert
Whip/ Selection of Bills Committee member

APPENDIX 2
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Plain Tobacco Packaging (Removing Branding from Cigarette Packs) Bill 2009
Reasons for referral/principal issues for consideration:
Smoking is a major health issue in Australia and the measures contained in this bill will go towards decreasing smoking rates in the community

Possible submissions or evidence from:
Australian Heart Foundation, Action on Smoking and Health, Cancer Council Australia, Public Health Association of Australia

Committee to which bill is to be referred:
Community Affairs Legislation Committee
Possible hearing date(s):
February 16, February 17, March 3

Possible reporting date:
17 March 2010

(signed)
Stephen Parry
Whip/ Selection of Bills Committee member

APPENDIX 3
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009
Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2009 Measures) Bill 2009
Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Restoration of Racial Discrimination Act) Bill 2009

Reasons for referral/principal issues for consideration:
These are significant reforms to welfare policy which will affect a large number of disadvantaged Australians around which there has been significant community interest.
Assess the effectiveness of the amendments proposed in the bills to:
• improve the social and economic conditions, social inclusion and life outcomes of all the disadvantaged individuals and communities affected by the measures, including but not limited to the Northern Territory;
• deliver measurable improvements in protecting women and children, reducing alcohol-related harm, improving nutrition and food security, promoting community engagement and strengthening personal and cultural sense of value in all affected communities, including but not limited to Indigenous communities in the Northern Territory;
• reinstate the racial Discrimination Act 1975 and deliver on our international commitments under the UN Convention of the Elimination of Racial Discrimination in the operation of relevant legislation, particularly the Northern Territory National emergency response Act 2007;
Assess the evidence that the proposed measures will deliver their stated policy objectives in an appropriate and cost effective manner.
Consider the relative merits of alternative measures in achieving these outcomes. Assess the likely direct and incidental costs of the proposed measures including:
• the cost of administration and delivery of the measures;
• additional costs incurred by those subject to the measures;
• the costs incurred by businesses complying with the Basics Card and potential losses of businesses excluded from the scheme
Possible submissions or evidence from:
Non-government providers of social welfare services; national, territory and state peak welfare sector organisations; Indigenous organisations; welfare rights advocates and social justice organisations; Australian Human Rights Commission (both Race and Social Justice Commissioners); Law Council of Australia; community legal centres; academics and institutions involved in Indigenous and welfare policy issues; child protection and family violence experts; Indigenous health experts; public health, drug and alcohol experts; experts in employment and training with experience with disadvantaged groups; affected individuals and members of the public.
Committee to which bill is to be referred:
Community Affairs Legislation Committee.
Possible hearing date(s):
To be determined by the committee
Possible reporting date: 11th March 2010
(signed)
Rachael Siewert
Whip/ Selection of Bills Committee member
APPENDIX 4
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Social Security and other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009
Reasons for referral/principal issues for consideration:
Assess the effectiveness of the amendments proposed in the bill in meeting the Government’s policy objectives to:

- address the social and economic disengagement arising from long term welfare dependence in disadvantaged regions, and in particular across the whole of the Northern Territory;
- improve the engagement, participation and responsibility of certain welfare recipients;
- continue and strengthen the measures to protect women and children, including reduce alcohol-related harm, improve food security, ensure appropriately secure tenure for the delivery of government services, promote personal responsibility and rebuild community norms in Northern Territory Indigenous communities; and

Possible submissions or evidence from:
Welfare sector, non-government providers of social welfare services, national and NT peak welfare sector organisations, peak Indigenous organisations in the NT and possible elsewhere, the NT Government, the Human Rights and Equal Opportunity Commission, NT Local governments, Reconciliation Australia, the Law Council of Australia, the AMA, academics and academic institutions involved in welfare policy and Indigenous policy issues. There is also likely to be relatively strong interest from the public.

Committee to which bill is to be referred:
Community Affairs Legislation Committee

Possible hearing date(s):
To be determined by the Committee
Possible reporting date: 25 February 2009

(Kerry O'Brien)
Whip/ Selection of Bills Committee member

APPENDIX 5
SELECTION OF BILLS COMMITTEE Proposal to refer a bill to a committee
Name of bill:
Tax Laws Amendment (2009 Measures No 6) Bill 2009
Reasons for referral/principal issues for consideration:
Technical piece of law which needs analysis before coming before Senate.

Possible submissions or evidence from:
Chartered Accountants Association
Tax Associations

Committee to which bill is to be referred:
Economics Legislation Committee

Possible hearing date(s):
Throughout summer break.
Possible reporting date:
Report 25 February 2010

(Stephen Parry)
Whip/ Selection of Bills Committee member

APPENDIX 6
SELECTION OF BILLS COMMITTEE Proposal to refer a bill to a committee
Name of bill:
Tax Laws Amendment (Confidentiality of Taxpayers Information) Bill 2009
Reasons for referral/principal issues for consideration:
Technical piece of law which needs analysis before coming before Senate.

Committee to which bill is to be referred:
Community Affairs Legislation Committee
Possible submissions or evidence from:
Chartered Accountants Association Tax Associations

Committee to which bill is to be referred:
Economics Legislation Committee

Possible hearing date(s):
Throughout summer break.

Possible reporting date:
Report 25 February 2010
(signed)
Stephen Parry
Whip/Selection of Bills Committee member

APPENDIX 7
SELECTION OF BILLS COMMITTEE Proposal to refer a bill to a committee

Name of bill:
Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Bill 2009

Reasons for referral/principal issues for consideration:
To examine the extent of support for industry through the grants and subsidies paid under this scheme.

Possible submissions or evidence from:
Textile, Clothing and Footwear Union of Australia Textile Industry Association
Department of Innovation, Industry, Science and Research

Committee to which bill is to be referred:
Economics Legislation Committee

Legal and Constitutional Affairs References Committee

Report

Senator PARRY (Tasmania) (3.59 pm)—On behalf of the chair of the Legal and Constitutional Affairs References Committee, Senator Barnett, I present an interim report of the Legal and Constitutional Affairs References Committee on access to justice and Australia’s judicial system and the role of judges. I seek leave to move a motion in relation to the report.

Leave granted.

Senator PARRY—I move:

That the recommendation contained in the report, proposing an extension of time for the committee to report, be adopted.

Question agreed to.

DOCUMENTS
Tabling

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

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

COMMITTEES
Agricultural and Related Industries Committee

Membership

The DEPUTY PRESIDENT—The President has received a letter from a party leader seeking to vary the membership of a committee.

Senator SHERRY (Tasmania—Assistant Treasurer) (4.01 pm)—by leave—I move:

That Senator Milne be discharged from the Select Committee on Agricultural and Related Industries, and be appointed as a participating member of that committee.

Question agreed to.
Legal and Constitutional Affairs Legislation Committee

Report

Senator O’BRIEN (Tasmania) (4.01 pm)—On behalf of the chair of the Legal and Constitutional Affairs Legislation Committee, Senator Crossin, I present the report of the committee on the Marriage Equality Amendment Bill 2009, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Economics Legislation Committee

Report

Senator O’BRIEN (Tasmania) (4.02 pm)—On behalf of the chair of the Economics Legislation Committee, Senator Hurley, I present the report of the committee on the Food Standards Amendment (Truth in Labeling Laws) Bill 2009, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Regional and Remote Indigenous Communities Committee

Report

Senator PARRY (Tasmania) (4.02 pm)—On behalf of Senator Scullion, the chair of the Select Committee on Regional and Remote Indigenous Communities, I present the third report of the committee, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator PARRY—by leave—I move:
That the Senate take note of the report.
I seek leave to continue my remarks later.
Leave granted; debate adjourned.

Finance and Public Administration References Committee

Report

Senator PARRY (Tasmania) (4.03 pm)—On behalf of the chair of the Finance and Public Administration References Committee, I present the report of the committee on the relationship between the Central Land Council and Centrecorp Aboriginal Investment Corporation Pty Ltd, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator PARRY—by leave—I move:
That the Senate take note of the report.
I seek leave to continue my remarks later.
Leave granted; debate adjourned.

CARBON POLLUTION REDUCTION SCHEME BILL 2009 [No. 2]
CARBON POLLUTION REDUCTION SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2009 [No. 2]
AUSTRALIAN CLIMATE CHANGE REGULATORY AUTHORITY BILL 2009 [No. 2]
CARBON POLLUTION REDUCTION SCHEME (CHARGES—CUSTOMS) BILL 2009 [No. 2]
CARBON POLLUTION REDUCTION SCHEME (CHARGES—EXCISE) BILL 2009 [No. 2]
CARBON POLLUTION REDUCTION SCHEME (CHARGES—GENERAL) BILL 2009 [No. 2]
CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) BILL 2009 [No. 2]
CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) (CONSEQUENTIAL AMENDMENTS) BILL 2009 [No. 2]
In Committee

Consideration resumed from 25 November.

CARBON POLLUTION REDUCTION SCHEME BILL 2009 [No. 2]

Senator MILNE (Tasmania) (4.04 pm)—
I move Australian Greens amendment (1) on sheet 5786:

(1) Clause 3, page 3 (line 10), at the end of subclause (3), add “including the provision of financial support to developing countries for nationally appropriate mitigation actions and adaptation”.

This amendment pertains to financial support for developing countries. This amendment proposes to add to the objects clause the words ‘including the provision of financial support to developing countries for nationally appropriate mitigation actions and adaptation’.

We canvassed the background to this in a fairly peripheral way last night, but the issue here is that everyone recognises that, for a successful global agreement to address global warming, there needs to be a recognition not only that there has to be an adequate target to reduce greenhouse gas emissions but also that equity has to be addressed. It is vital that equity become an instrumental part of any agreement reached in Copenhagen, and it is absolutely certain that there will be no agreement if it is perceived to be unfair.

The inequalities that are already there are clear. Developed countries are already responsible for approximately 76 per cent of the greenhouse gas emissions already released into the atmosphere. Per capita rates of greenhouse gas emissions are significantly higher in developed countries than in developing countries. For example, the average Australian emits nearly five times as much as the average Chinese, and the average Canadian emits 13 times as much as the average person in India. About 100 countries with a total population of nearly one billion people but less than three per cent of the emissions will have to suffer the effects of climate change impacts in the near term. Developed countries have greater economic capability to make the adjustments that are needed to reduce emissions. For example, the US GDP per person is about 10 times that of China and about 19 times that of India.

One of the frustrations in the negotiations to date leading up to Copenhagen is that developed countries have not laid on the table a very clear statement of their level of ambition with regard to a financial mechanism. I think it is important, in the objects clause in Australia, not only that we have a target for greenhouse gas emissions but also that we have a legislated commitment to provide financial support to developing countries for nationally appropriate mitigation actions and adaptation.

Last night we indicated that the European Union has said that, globally, $5 to $7 billion will be needed per year over the three years from 2010 to 2012. Recently, at the pre-COP ministerial meeting, the Japanese announced a fast start-up finance figure of $9.2 billion out to 2012. For the United Kingdom, Gordon Brown is already offering a deal on finance which includes 800 million over three years for the Climate Investment Fund for 2008 to 2011. I ask the minister about Australia’s position on this. It is no use saying that Australia will do its fair share. We know that the negotiations start Saturday
week, so it is no use trying to say that we do not have a position. We clearly must have a position if we are going to the negotiations in a week’s time. The negotiating team must have its instructions from the government.

I would like to know whether the government is going to support this amendment, which is an in-principle amendment to commit financial support. What is Australia’s view about the amount of money that needs to be on the table globally from developed countries for fast start-up finance between 2010 and 2012 and, more particularly, what do we think we need overall out to 2020? I know the minister said last night that there are a number of possible criteria that might be used to develop a formula for an appropriate level of financing. They could include capacity to pay, the demonstration of early action, the historical legacy, population growth—a range of things. I would like to know, from the Australian team, what formula we intend to be negotiating around. I might leave it there for the moment in order to get some answers to those questions about what we have on the table and the parameters of the formula that we are pursuing.

Senator IAN MACDONALD (Queensland) (4.10 pm)—I wish to raise with the Minister for Climate Change and Water a matter of some importance to people in North Queensland and, particularly, Townsville. We awoke this morning to find a headline in the local paper ‘Yabulu closure threat’. Yabulu is a major nickel production plant in Townsville that creates a lot of jobs for North Queenslanders. It is particularly important in these times of high unemployment in North Queensland. The chief operating officer of Yabulu nickel refinery, a Mr Neil Meadows, said that the refinery’s current assessment of the way it was treated under the Carbon Pollution Reduction Scheme, amounting to a 30 per cent subsidy, ‘meant it could be hit with tens of millions of dollars a year in additional charges’. The Townsville Bulletin reported further on Mr Meadows’s comments:

“That could tip it over the edge on what it was a year ago,” Mr Meadows said.

“On the current nickel prices and foreign exchange rate, it is only breaking even.”

The way Chinese nickel pig iron production was affecting prices, he did not see boom times ahead any time soon.

The nickel and cobalt refinery is lobbying Canberra for status as a stand-alone industry to gain the top subsidy rate of 94.5 per cent for high-emission activities.

Yabulu apparently produces high emissions—1.2 million tonnes of carbon dioxide each year—because it processes a cruder form of laterite ores, whereas rival companies produce less than half the carbon footprint with sulfite ores. Yabulu imports much of its ore from the Philippines where a similar refinery has been mothballed but which could reopen to process the ores should Yabulu close. The Townsville Bulletin reports that Mr Meadows goes on to say:

“This is a classic example of an Australian operation which is at threat of the work going overseas…

This is an argument that has been regularly made. The Townsville Bulletin reports:

The office of Climate Change Minister Penny Wong did not return the calls from the Townsville Bulletin yesterday…

So it was unable to get a response from you. I am particularly concerned that here is a direct example of a job-producing activity in North Queensland and that, further north in Queensland, unemployment is something like 17 per cent of adult males. It is a little bit better in Townsville but only because this refinery, the copper refinery and the zinc refinery in Townsville continue to operate. All the way along, I have been vitally concerned that Mr Rudd’s CPRS would make
those three refineries unprofitable. I have raised the zinc question a number of times and I have been told by members of the government, ‘Oh, that’s not right, they’re not going overseas,’ but here we have a refinery that employs, according to the headline in the Townsville Bulletin, 1,200 people. The headline says ‘PM asked to intervene to save 1,200 jobs’. You can imagine what the loss of 1,200 jobs would do to the Townsville economy.

Senator Boswell—What about Bluewater?

Senator IAN MACDONALD—Indeed, Senator Boswell. I know what impact it had on the Cairns economy when the Labor Party refused to give a contract to the Cairns shipbuilding operation. Thereby some 300 jobs were—not put at risk—lost. They should have been given the shipbuilding contract but they were not, as a result of shenanigans between the state Labor government and the federal Labor government.

But that was in Cairns. You can imagine what the loss of 1,200 jobs would do to this community of north Queensland. I know that today, following the presentation of this article in the Townsville Bulletin, there are a great many Townsville working families currently under great stress at the suggestion that the nickel refinery will close because of the government’s CPRS. I ask the minister whether she could accede to the request of the refinery for the status of a stand-alone industry to gain the top rate, or whether in other ways the minister can assure not just the owners of this refinery—whilst they are important they are less important in this equation—but also the 1,200 working families in Townsville that their jobs are not at risk of being exported to the Philippines.

I note that the Townsville mayor has said that he will be raising that with Mr Rudd when he visits Townsville next month but that will be too late. I would just like an assurance from the minister that they will take whatever action is necessary to ensure that 1,200 jobs are not lost from this refinery in Townsville.

The TEMPORARY CHAIRMAN (Senator Troeth)—Senator Macdonald, I would point out that we are discussing the Greens amendment which deals with financial support to developing countries. I realise that your query has a tangential connection to that but it is very slight. I will leave it to the minister to describe but you may need to ask that at another time. I will leave it to the minister.

Senator WONG (South Australia—Minister for Climate Change and Water) (4.17 pm)—I did not want to take a point of order in the interests of trying to proceed through these matters. If Senator Milne can give me a minute or two, I will respond to Senator Macdonald and then I will come to her amendment.

In relation to Yabulu I am advised that representatives of Queensland Nickel are meeting with my department in a couple of weeks time—or some time thereabouts—to discuss this issue: that is, the activity definition for nickel production. So I am certain my department will consider very closely what is being put by that company. I would make the point that the government—supported by the majority of the opposition—has agreed on a very significant amount of transitional assistance to our emissions-intensive industries. Those thresholds have been public and the subject of consultation with industry for some time. They enable, as assistance, a starting rate for the most emissions-intensive industries of 94.5 per cent of free permits, and some 66 per cent for the moderately intensive industries.

I am certainly happy for my department to work with this company through the issues
raised. The government has put a lot of focus on ensuring that this is a scheme that enables our economy to continue to grow, in terms of both the size of the economy and jobs. That is certainly what the Treasury modelling shows us. So, on that issue I indicate that the department will be meeting with that company.

In relation to the amendment which is before the chair, I say to Senator Milne firstly that she is asking what the government’s negotiating position is but that that is not something that has yet been announced, and I do not propose to announce it now. Secondly, we have put on the record—I did last night—that Australia is prepared to pay its fair share in an agreed global climate finance package. However, it is the case that those matters are still under consideration and for negotiation. We have said quite clearly that we recognise the significant and urgent need for international financing. We recognise that these are matters which need to be dealt with both in Copenhagen and beyond, but the government is not minded to accept this amendment. We think this is legislation which is about reducing Australia’s carbon pollution. It is not necessary to include this provision in domestic legislation. We will continue to engage, through the UNFCCC, to deal with financing issues.

Senator MILNE (Tasmania) (4.21 pm)—It seems that the European Union has no problem identifying the amount of money they think needs to be on the table as start-up finance. Japan has no problem. The UK has no problem. The US has no problem. One of the big problems, though, is that the developing countries are beginning to think that Australia is not negotiating in good faith, because you are not acknowledging the quantum that needs to be on the table globally, let alone talking about the appropriate burden share. I note that you are rejecting the notion of even putting final support to developing countries into the object clause of the legislation. So, firstly, my question is: is the money that is provided for developing countries going to come out of public funding and not be related to receipts from the scheme in any way? Are you saying that it will be publicly funded? Are receipts from the scheme in any way directed to overseas funding?

Secondly, I would like to know from the minister whether Australia is supporting a tax on aviation or bunker fuel in order to be part of a private sector contribution to a fund that might be able to be directed in the way that I am suggesting. Can the minister at least confirm that there will be no global treaty unless there is a fair allocation of funding to developing countries to allow them to adapt and to mitigate as much as possible? Can she be clear about where the money will come from, if it is not going to be in any way connected to the Carbon Pollution Reduction Scheme?

Senator WONG (South Australia—Minister for Climate Change and Water) (4.23 pm)—First, in relation to the bunker fuel, the government has not determined its negotiation position on that issue. I think that is the best way to explain it. Second, in terms of the revenue sources, I explained to, I think, Senator Joyce last night that this income is not hypothecated. We have provided publicly an indication of the impact of government policy measures on the fiscal balance, but that is as an indication of how the revenues are being spent as opposed to that revenue being hypothecated to any particular outcome.

Obviously, when the CPRS returns to a budget-positive position the government will be very mindful of the importance of the allocation of those revenues to environmental programs. But the reality is the current package is not revenue positive out to 2020. In terms of the third question, we have already
stated publicly that we understand that climate finance to support developing country action on climate change will be an important part of a global deal. The Prime Minister said words to that effect and I have said that.

Senator MILNE (Tasmania) (4.25 pm)—I thank the minister for her answer because it is clear looking at this that the Carbon Pollution Reduction Scheme will not have a positive budgetary impact out to 2020, so any money that is paid into a global fund must come out of the budget somewhere. That is why it is important that Australians have a commitment that the money will be paid and that Australia is not going to go to Copenhagen with a miserly position, having allocated so much compensation to the coal-fired generators—without justification whatsoever—and argue that there is no money, because the scheme does not generate any additional funds, to put an appropriate share into an international fund for the adaptation, mitigation and assistance that is required.

So I think it is important that we at least get from you, Minister, a commitment to the kind of quantum. As you are aware, Oxfam, Friends of the Earth and others have put on the table their view. Looking at the formula that I have referred to previously, they think that Australia’s fair share ought to be in the vicinity of $4 billion per annum. I think there has to be some awareness of what it means when you design a scheme that is so economically inefficient that there is no money left over from it to meet your quite right, just and fair international obligations to shoulder your fair share. If the rest of the world determines that the adequacy of the target on offer has a direct relationship to what our fair share is—so, the lower the target, the higher the financial contribution—we need to know what Australia’s position is. There is real concern that the failure of developed countries to put an adequate amount of money on the table will be a deal breaker in Copenhagen.

I would just like to know from the minister whether she thinks the quantum that has been put on the table by the EU, Britain and Japan for fast start-up is in the ballpark. Does Australia think that is the kind of quantum we need on the table for the fast start-up? And what is the ballpark quantum for us out to 2020? I also want a commitment that the government is going to meet it, because I know what could happen here. It could become crunch time because of the global financial crisis and the amount of money that has to be found because of what we expended in the short-term. With this scheme having been so generous to the polluters, it could well end up that there is no money on the table for developing countries.

I want to know how Australia is going to finance it and, secondly, that it is going to finance it. If it is not then we will not have a global treaty. That is why it is critical that we get this amendment up—so that in the objects clause there is a clear understanding that, when you have a carbon pollution reduction scheme to reduce emissions, it ought to be efficiently designed in order to generate sufficient funds to invest in such a scheme. If it is going to be publicly funded outside the scheme, we need a commitment to that and to the order of magnitude. Otherwise, I am fearful Australia will not front up with its appropriate level of burden share.

Senator WONG (South Australia—Minister for Climate Change and Water) (4.29 pm)—Senator, I am not sure I can add anything further. The government have not indicated a view as to quantum. The government have not indicated a view as to quantum. The government have said that we will continue to work through the negotiations on the whole gamut of issues that are on the negotiating table, including international finance. The government have said that we understand
that climate finance to support developing country action on climate change will be an important part of a global deal. I am not sure I can add anything further. You are seeking announcements in this chamber that the government has not yet made, and no amount of questioning me is going to alter that. In terms of your comments about an economically inefficient scheme, I simply make the point that obviously that is a subjective view. That is your view; that is not the government’s view.

Senator IAN MACDONALD (Queensland) (4.30 pm)—I am concerned with the figure Senator Milne raised. I ask the minister: do you accept that people are saying that at Copenhagen Australia’s share would be $4 billion? I am not asking you to say whether you are committing it, Minister, but do you agree with Senator Milne that that is the amount being sought from Australia?

Senator WONG (South Australia—Minister for Climate Change and Water) (4.30 pm)—I have to be honest and say that it is not a figure I recall reading about in the press. What I have said in response to Senator Milne’s question stands.

Senator BOSWELL (Queensland) (4.31 pm)—I want to ask some questions about the financing of underdeveloped countries. But before I go there I want to talk about the nickel plant in Townsville. We have not even started this CPRS—or ETS—and we are finding that already there are 1,200 jobs on the line.

The TEMPORARY CHAIRMAN (Senator Troeth)—Senator Boswell, I draw your attention to the content of the amendment.

Senator BOSWELL—Madam Chair, maybe I can form my comments to meet with the amendments. Here we are debating how we are going to look after the underdeveloped countries. As we quite often find ourselves in parliament now, we are in a situation where Senator Milne wants to go too far and we want to find out just how far we have got to go. I raise this in the context of 1,200 people losing their jobs. We pay for other people to put an ETS in their countries. What is the point of this? There are 1,200 jobs going to go on the burner—the company is on the line. It was bought out by Clive Palmer about 12 months ago and it was losing money then. He took over, guaranteed the jobs and now we are penalising him so we can provide compensation for foreign countries. Senator Macdonald has a unit in Townsville. There is a series of suburbs along the northern beaches of Townsville. People from the whole of that area work in the nickel refinery, and we are going to close down the whole of North Townsville so Australia can provide finance to underdeveloped countries.

We are getting into the farcical stage. We are closing our industries down because we are penalising them so much. We then have to go and put in $4 million or $8 billion—depending on who you talk to—and you come in here, Minister, and say, ‘Well, I haven’t got a figure.’ Well, you had better get one because in three weeks time you are going to Copenhagen. I find it very difficult to believe that a government with all the public servants at their disposal—and there must be 200 to 300 in that department—are asking us to believe that you are going to Copenhagen without knowing what you are going to put on the table. That defies logic.

I have very rarely agreed with anything you have said. I know you are an intelligent woman and I know you would not go to Copenhagen unprepared. You would have all your i’s dotted and your t’s crossed before you went over there. You are not going over there and pulling out a figure from the back of an envelope. Do not ask us to believe what is impossible to believe. You are a
skilled performer but do not try to spin it so much that you do not know what you are doing. You do know what you are doing; you have had a grip on this ETS for 12 or 18 months and you know exactly what is going to happen. I am not going to say you are misleading the Senate, but I believe you know what you are going to put on the table. It is going to be frightening. You are trying to avoid getting it out while the parliament is sitting and before we vote on the ETS.

People are terrified of this and what this is going to do to the economy. You are asking them to finance another country while jobs at Yabulu nickel refinery are going. And that is not the first lot. The first lot was the Rockhampton cement mill. They could have kept going; it would have been hard because they would have had to revamp their machinery. But they would have kept going if there was no ETS. But while there was an ETS there they said, ‘It is not worth doing it.’ That was not a lot of jobs—68—but as I said at the time, it was a canary in the coalmine. Now we are having massive losses.

Townsville cannot afford this and neither can Australia. If you want to push this through—all the Nationals and many of the Liberals do not want it to go through—then be honest with us; do not try and dodge it. Tell the people what they have got to know. You might not carry the people, but do not dodge it. That is what a parliament is for—to expose these issues and to find out what the figures are, and you know it. You know you have got them there, I know you have got them there and everyone in this parliament knows you have got them there.

Senator WONG (South Australia—Minister for Climate Change and Water) (4.37 pm)—Senator Boswell has just engaged in the same sort of scaremongering that those on that side of the chamber who have lost the vote in their party room have engaged in, because they will do and say anything—

Senator Boswell—Are you including Senator Milne in that? She is on this side of the chamber.

The TEMPORARY CHAIRMAN (Senator Troeth)—Order! Senator Wong has the call.

Senator WONG—There is scaremongering by National and Liberal Party members who have never wanted action on climate change and will do and say anything, regardless or how erroneous, wrong and incorrect it is, in order to avoid action. That is what is happening. The fact is that you have form on this. You are the rump of the Liberal Party and the National Party who refuse to believe the science, who refuse to listen to the Australian people about their desire for action on climate change and who refuse to back the election commitment you made under John Howard to introduce a scheme like this. It is irresponsible in the extreme for senators to come into this place seeking to deny the science and fight this policy, not on the basis of fact but on the basis of fear. Senator Boswell knows well that this scheme has not yet commenced; in fact that is what he is trying to stop. That is what he is opposing. He wants to ensure that the scheme never commences.

Second, he makes this claim that we are closing down industries to send money overseas. What an appalling piece of scaremongering here in this chamber. He knows that every cent of this scheme out to 2020, and more, is being used to assist Australian households and Australian businesses to adjust to the impact of a carbon price. That was our commitment and that commitment remains. He also seeks to avoid recognising the impacts of climate change. Senator Boswell, I know that you do not agree with the science. But we are doing this because we
think it is the right thing for the country. We believe that the science is right, that this is an enormous economic and environmental risk to Australia and that the world is moving. We know, for example, that the US has just announced a provisional target to take to Copenhagen.

Senator Joyce—Is it legislated?

Senator WONG—I will take that interjection. Senator Joyce asked if it was legislated. If he does not want to take the word of the President of the United States, that is a matter for him.

Senator Joyce—Unless it has been to Congress, I will not.

The TEMPORARY CHAIRMAN—Order! I remind senators the minister has the floor.

Senator WONG—In relation to nickel, I think it is always very useful to get facts on the table about movements in price, because there are some in this place who seek to suggest that the world will come to an end if we start to recognise the costs of climate change through our economy. And I believe I had interchanges with Senator Macdonald and Senator Boswell about cement previously. I will just make an observation about the movement in the world nickel price over the last couple of years. My advice is that that has varied between in excess of $55,000 and $18,000 over two years. So there has been a 70 per cent fluctuation in the price of nickel, and that is not unusual in the sense that there is variation on world markets. But those are the sort of market fluctuations that industry deals with. The sort of impact on revenue, before assistance, that we anticipate for this industry—and this is a rough estimation—is about three per cent. So the proposition is that somehow that is—what was it that Senator Boswell said?—'closing down industries.' Three per cent of revenue. The reality of the scaremongering campaign is that any price impost is described as 'closing down industry' by those who want to stop action on climate change. We have worked enormously hard in this government, including with sensible members of the opposition, to provide reasonable transitional assistance to Australian business.

I want to make another economic point; it is this: if you believe that the world is eventually moving to a global carbon constraint, and the evidence is that it is moving, then Australia needs to be able to compete in that world. So the rationale for this reform is not only that we have to be part of action on climate change but it is also that we have to reform so that we can produce the goods and services that, increasingly, will be demanded by world markets.

Senator XENOPHON (South Australia)—I had a discussion with the minister’s office earlier today and I thought that the most time effective way of dealing with things that I need to seek your leave on—whilst this does not relate to the amendment at hand—is to actually set out a list of questions so that, effectively, the minister can take those questions on notice and respond. I am not sure if that is an adequate way of proceeding with that.

Senator WONG (South Australia—Minister for Climate Change and Water)—I will make a suggestion to the chamber for the consideration of senators. We have before us an amendment from Senator Milne. I wonder whether, when senators have sufficiently put their views on that, we could put that amendment. I am very happy then to take questions from Xenophon—that will give me time to come back. I say to senators Joyce and Milne that I have some responses on a number of issues raised last night. I also have an official here in relation to the Kyoto accounting rule issue that was discussed last night. I wonder if it would
be possible for us to deal with that set of questions rather than asking the official to remain here until 11 pm. If that is not convenient for the Senate we will obviously facilitate that but, if it is, that would be appreciated.

Senator MILNE (Tasmania) (4.45 pm)—I support the proposition that we finish considering this amendment, vote on it and then go to the bushfire questions, Senator Xenophon’s questions and so on. But, first, I return to the issue of what we are going to put on the table in terms of our obligations under a financing mechanism.

I note that Minister Wong said that she had not seen the figure of $4.4 billion in the press. I draw her attention to Oxfam Australia’s report, which it sent to all senators, entitled Hang together or separately? How global co-operation is key to a fair and adequate climate deal at Copenhagen. James Ensor, the Director of Public Policy and Outreach at Oxfam Australia, said in a letter he sent to all senators:

A new global mitigation finance mechanism managed by the United Nations should be established to direct money from the sale of carbon permits allocated under the UNFCCC to assist poor countries in their efforts to reduce emissions and adapt to the unavoidable impacts of climate change. At least $187 billion globally is needed each year, and Australia’s fair share of this amount is approximately $4.3 billion annually. So that figure of $4 billion came from a report by Oxfam, based on the kinds of discussions and parameters that I mentioned previously. The minister said that she did not think it was appropriate to put a provision for financial support to developing countries into this legislation, but I draw a minister’s attention to the objects clause where:

The first object is: … to give effect to Australia’s obligations under:

(a) the Climate Change Convention; and
(b) the Kyoto Protocol.

The second object is:

… to support the development of an effective global response to climate change

I would have thought that including the provision of financial support to developing countries for nationally-appropriate mitigation actions and adaptation would be part of an effective global response to climate change. It does not specify figures; it is a principle in the clause. I am concerned that no public financing facility is being foreshadowed by the government on where our fair share is going to come from. There is no private fund from aviation or bunker fuel. I accept that that has not been agreed and that it is on the table for negotiation, which will, hopefully, lead to some private sector financing for such a fund.

Can the minister guarantee that Australia’s overseas aid budget will not just be rolled into part of Australia’s effort and that Australia’s contribution to this fund will be over and above both our existing obligations under the Millennium Development Goals and our existing aid budget? Can the minister guarantee that our aid budget is not going to be merely a part of this contribution but actually additional to it, since it will come out of the public purse?

Senator IAN MACDONALD (Queensland) (4.48 pm)—On the same issue and in relation to this amendment, I have a question for Minister Wong. Senator Milne had to say this, but she makes a very good point: you are going to Copenhagen in three weeks time and you are going to be asked there—even if you do not want to be, though I am sure you do want to be and I am sure it is in your mind—what Australia can contribute to underdeveloped countries along the lines of calls that have been made by the Secretary-General of the UN and many other people.

Again, Minister Wong, I can appreciate why you do not want to tell the Australian
public or the Australian parliament or the people who approve your appropriations. I can understand why you do not want to do that now. There is a lot of spin in this, so that will make for a good announcement at the right time. I understand that, but can you at least tell the Senate what your parameters are? Are you prepared to agree to anything? If you are, are you prepared to agree to a little bit, a big bit or a medium bit? Are you likely to agree to something that is for this year, for next year, for the next decade or for the next 100 years?

Can you just give us some details without mentioning the figure of $4 billion or anything else specifically? Or do you think you are not going to be asked? Do you think that after you and Mr Rudd have been to Copenhagen, you will come away from there without making any comment whatsoever on what Australia might be able to contribute to underdeveloped countries?

Senator WONG (South Australia—Minister for Climate Change and Water) (4.50 pm)—I reiterate that the government has made no announcement as to quantum.

Senator Ian Macdonald—I know that. I acknowledge that.

Senator WONG—I know, Senator Macdonald, that you want to try to use this issue to bolster your campaign against this bill. I know that. Senator Boswell has made that quite clear.

Senator Ian Macdonald—You are casting aspersions, which is contrary to standing orders.

Senator WONG—No, not at all. I am not casting aspersions; I am telling the truth. You are trying to use this issue—

Senator Ian Macdonald—You are imputing improper motives.

Senator WONG—Senator Macdonald suggests that I am imputing an improper motive. I do not know that I would call it ‘improper’; it is quite patent. Senator Macdonald has crossed the floor against his own party.

I am not going to add anything further to what I have said. I have answered Senator Milne’s questions and Senator Boswell’s questions. I have also made the point that every cent of the revenue from the bills before the chamber is accounted for. The government has gone to unprecedented lengths to do a 10-year forecast, which is most unusual. We did so because we wanted to be transparent about the revenues and the expenditure associated with the scheme, so we have gone beyond the forward estimates period, which is an unusual thing to do. But, given the importance of this legislation, we thought that was appropriate.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.52 pm)—I have a question for the minister: is China a developing country?

Senator WONG (South Australia—Minister for Climate Change and Water) (4.52 pm)—China is regarded as a developing country under the UNFCCC.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.52 pm)—So we will be borrowing money from China to pay back to China to develop?

Senator WONG (South Australia—Minister for Climate Change and Water) (4.52 pm)—It is most regrettable that that same question has been asked again. Senator Nash asked it last night. I made the comment that it is regrettable that we want to play politics in terms of our relationship with China. I make this point: China already receives funds from Australian companies under the current mechanisms of the Kyoto protocol, known as the clean development mechanism, whereby Australian companies can, for example, invest in renewable pro-
jects in China. What I would say to you, Senator, is that that is a good thing. If we have a situation where we can give an incentive to Australian companies to invest in clean energy in China, displacing more emissions-intensive forms of energy such as coal, that is good for the planet—and, providing you get the mechanism right, it is good for that Australian business. There are Australian businesses already doing that.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.53 pm)—Minister, this is not about businesses; this is about you going to Copenhagen and putting on the table money to be appropriated towards developing countries, which would include China. We currently have in excess—I imagine; I will have to find out—of $115 billion of debt. The states have in excess of $170 billion in debt. The major financier of that debt is the People’s Republic of China. So, quite evidently, we will be borrowing further money, and putting ourselves further into debt, to take the money across to Australia, pay for the administration charges, and then send it back to China. Then we will have to repay the debt for the stimulation of the Chinese economy from the Australian economy back to China, for the money we borrowed from China to pay to China to develop Chinese industry.

Senator IAN MACDONALD (Queensland) (4.54 pm)—Senator Joyce makes a very good point. But can I just respond to the minister’s answer to my question—which she chose not to answer but simply used to abuse me and others who have the temerity to question our government on what funds they are putting aside for this. I acknowledged to her that I did not expect a dollar figure. I asked her to tell us what the parameters might be. I asked her to tell us whether she expected to come away from Copenhagen without having mentioned funds to developing countries but that, if she was intending to say something, could she indicate to us just what the parameters are and how it is going to be assessed?

I say to the minister that, if she is simply going to get up in response to questions and abuse the questioner, then we are going to be here until Christmas. This is the greatest piece of economic rearrangement of Australia in a lifetime. We understand the government has a position, wants to get this through and claims a mandate—and all of that may be true—but at least this Senate should be able to question the minister on just what this might cost and how it is going to operate. If the minister, in answer to those questions, simply abuses the questioner, we are going to be here for a very long time. I suggest the minister might need to find a fill-in for Copenhagen, because if that is the way she is going to keep answering our questions, we will keep asking the questions—and we can do that until we get an answer.

Senator MILNE (Tasmania) (4.56 pm)—The Australian Greens’ perspective is very clear: developed countries have caused the problems we now face with climate change and we have a responsibility, because of the historical legacy, to assist developing companies to mitigate and adapt into the future. There is no doubt that, if we do not contribute our fair share, there will be no global agreement and we will be going beyond the tipping point and the whole planet will suffer. This is a matter of justice. It has to be built into any negotiation.

I want to come back to this issue of Australia’s fair share, justice and the need for this principle to be here. In the negotiations with the coalition it is clear that billions more were found for the coal-fired generators but there is no income stream identified in the Carbon Pollution Reduction Scheme to provide this finance. I have heard the minister say that Australia has said it will pay its
fair share, but I have not heard any undertaking from her as to what the government has thought the parameters or the formula for a fair share should be—or, indeed, how Australia is going to find the money for that fair share. I believe it will be, and should be, in the quantum of the figures that I have discussed earlier—that the European Union, that Britain and that Japan have put on the table, for early and fast financing out to 2020.

I asked the minister a minute ago to give us an unequivocal undertaking that this will not be to displace Australian overseas aid, that it will be additional to that. I think there is some obligation for the minister to explain to the parliament, given that billions could be found for the polluters, how billions are going to be found for those who deserve the billions. They are the people who are suffering around the world now, as the minister well acknowledges and that is clear to everyone who follows this debate. Millions are suffering already. A billion people live in the four big river valleys of Asia. If you have the glaciers in the Himalayas retreat and disappear, they will have no fresh water for six months of the year. This is a humanitarian crisis, quite apart from an ecological crisis.

In moving this amendment, the Greens are trying to secure a real commitment and an identification of where the income stream is going to come from to pay our fair share. If this is public financing coming out of budgetary lines for which the government of the future will say ‘there is no money to pay’ then we have no hope of getting a global agreement that is just and fair, and therefore we will not get a global agreement, because I am sure that developing countries will not sign on unless they have a high degree of confidence that each of the developed countries is signing on for something real in terms of a figure. I have heard the minister say that she is not going to say anything more on this issue. I think that is unfortunate, because other developed countries have felt they are able to say something on this issue. At least please assure this Senate that this will not be a substitute in part for overseas aid but that it will be additional to our Millennium Development Goals obligations and our current overseas aid obligations.

Senator XENOPHON (South Australia) (5.01 pm)—I indicate my support for this amendment. I have had a number of discussions with Tim Costello, from World Vision, in relation to this as recently as last night and today. Reverend Costello indicates that the Global Humanitarian Forum—that is the group that Kofi Annan is involved with—has indicated that 330,000 people died in the developing world last year due to climate change related health issues. The World Health Organisation has given a lower figure and has said that 154,000 people died last year due to climate change related health problems—for example, malaria in areas which previously did not have malaria, because of temperature rises.

The point made by Reverend Costello on behalf of World Vision is that there is a very real concern about the whole issue of adaptation as well as funding for mitigation. World Vision’s view, as I understand it, is that our share of the health commitment to the region, which is $600 million by 2012, should be $1.200 million by 2012. Senator Milne is right: if there are additional health pressures as a result of climate change then we should increase our budget. I think that this object clause is laudable. It does not constrain the government in a budgetary sense, but it does set as a clear objective that we provide appropriate financial support for mitigation actions and adaptation. Therefore I support it.

Senator BOSWELL (Queensland) (5.02 pm)—What are you supporting? You support
an increase, but how much? I am sure you want to know—

The TEMPORARY CHAIRMAN (Senator Mark Bishop)—Senator Boswell, you might care to direct your comments through the chair.

Senator BOSWELL—Certainly. Senator Xenophon has just given a contribution in which he says he supports an increase. That is his prerogative. I am sure that Senator Xenophon would want to know how much money he is supporting, because I certainly want to know.

The European Community are a bit more generous to us than Oxfam. They say we should pay only $3.8 billion. Oxfam says we should pay $4 billion. I want to know a couple of things. I want to know how much it is and how we are going to pay for it. Is it going to be paid for by increased taxes or a levy on aviation fuel and bunker fuel for the ships, or are we just going to take it out of the budget? I have asked these questions; they are reasonably sensible questions, and all I get from you, Senator Wong, is abuse. You are better than that. You really do not have to do that. You might have your faults but you are not a redneck.

Senator Joyce interjecting—

Senator BOSWELL—Senator Joyce, she is a capable woman. You are not telling us what we have got to know. It does not matter what Senator Joyce wants—or Senator Nash or Senator Milne. It is irrelevant. But you have to tell us what you are going to spend and how you are going to raise the money—whether it is going to be by a tax, a levy or any other means. If you do not, you are deceiving the Senate, and when you deceive the Senate you are deceiving the Australian people. This is a parliament and we are all gathered here because we have been elected to represent our constituents. Whether they are to the far left or the right or the middle, they all have to vote, and they all want to know how much this is going to cost and how we are going to finance it.

If it is a levy on aviation fuel and bunker fuel, that is going to impact on Australia more than any other country in the world, because we are a trading nation. As I said in my speech on the second reading, we have been a trading nation since Macarthur sent the first bale of wool overseas. And we are a long way away from anywhere. We are down at the bottom end of the world, so our transport costs are going to be more than others. We will be impacted on more by levies and taxes. If you want to get this through, that is okay; I do not know whether you have the numbers. But surely there is nothing wrong with telling us that. Are you ashamed? Are you frightened? Are you observing the polls, as I am, and finding that the ETS is going down like a brick and you do not want to frighten the horses? Your polling must be the same as ours, and ours is saying it is going down in front of your eyes. That is a fact of life. You cannot escape it. People have a view and they express that view in the polls. But it is wrong for you to stand here and abuse Senator Macdonald, Senator Milne and Senator Joyce. Senator Joyce is pretty thick-skinned and he can cop it, but Senator Milne does not like it, and I do not think you should abuse her. Chivalry is not dead in the National Party, and we respect women.

We can be flippant about this, but I do not think you can escape it: you cannot deny telling us how you are going to raise the money, what the money is, what taxes are going to be paid, what is going to be on revenue and how you are going to raise the money. The figure is going to be around $3.8 billion, I suspect. You can deny that, but that is what Oxfam have said. I do not know what they have got to do with the price of fish. They are a charity organisation and they probably do a pretty good job as a charity
organisation, but when they stray from their knitting I do not think they have any expertise to make these claims. Then you have got the EU, which has put us down for $3.8 billion. So we can assume that we are in the ballpark, give or take a billion, but we would actually like to know the figure and how you are going to raise the figure, whether it is going to be by taxes, levies or raiding the budget. They are not unreasonable questions, I would have thought. So can you please give us some answers or, as Senator Macdonald said, we will be here until Christmas. We are prepared to stay here as long as you like. Do not try and obfuscate, because you can only obfuscate for so long. In the end, the truth will come out. You will have to give us the truth and you are trying to avoid that at the moment. The questions I ask you are: how much is it, and how are you going to raise the money—are you going to invoke a levy on fuel or is it going to be through taxation or a raid on the budget or something else?

Senator WONG (South Australia— Minister for Climate Change and Water) (5.09 pm)—I am not sure if I should take some of that contribution as a compliment or not, but I think I will take it in the spirit in which it was said.

Senator Joyce—Sir Galahad and Sir Lancelot over here.

Senator WONG—I think a lot of things about Senator Boswell, but Galahad and Lancelot are not amongst them I have to say. Not pretty but pretty effective was one of his slogans, wasn’t it? I am not sure what you think was abusive about what I said, Senator Boswell. I have found in this debate that the very harsh language has not been from those who want action on climate change; it has been from those who oppose it. There have been people in this chamber who have accused me of wanting to burn people at the stake. Those are not words I would use. I think I have referred to the comments about China as regrettable. I do not think it is abusive to name what is happening, and I do think this is scaremongering.

A number of figures have been raised and put into the public arena by NGOs and other governments. Those are not Australian government figures. If and when the Australian government chooses to put a figure out, we will be held accountable to it. But that is not something we have done. A number of the issues raised are issues which are live in the negotiations, so I am being asked to respond to something which is currently the subject of negotiations and will continue to be the subject of negotiations.

In terms of the bills before the chamber, there is a lot of discussion about international finance. I do not agree with Senator Milne’s position, but it is a legitimate amendment for her to put which is consistent with her party’s position. Some of the contributions that are being made are seeking to conflate an issue which is not before the chamber. There is no revenue out to 2020 which the government is asking the chamber to allocate towards international finance. Every cent is going towards Australian business and Australian households. That is the issue that Senator Milne has. I respect that and I have given my answer to that, but Senator Boswell’s contribution seems to suggest we are putting something before the chamber that allocates revenue to developing countries when we are not. In fact, that is Senator Milne’s very point.

Can I make a suggestion? I know there are people in this chamber who really do not want to vote on this bill. Throughout all of last night and up to now we have only dealt with one amendment.

Senator Boswell—Because you have never told us what we have been asking for.
Senator WONG—Senator Boswell, you are asking me to make announcements that the government has not made. You can ask all night long and my answer will be the same. I suggest to the chamber that we have been sent here to consider this bill. People are entitled to move amendments and to speak to them but, if they are simply trying to avoid this bill being resolved, I think that will become increasingly clear to anybody who is watching as the hours go on.

Senator MILNE (Tasmania) (5.12 pm)—I have asked twice; I will ask for a third time and then I will assume that the minister is not going to answer and therefore the answer is that there is every likelihood the aid budget will be rolled into this. I just wanted the minister to give an undertaking that this money will be over and above the existing aid budget and existing commitments under the Millennium Development Goals and will not be money that is substituted for those amounts. That is the commitment I want from the government. It is not about the quantum that Australia is prepared to pledge; it is whether the money will be over and above the existing amounts. I also put it clearly on the record that the decision to give billions of dollars to the coal-fired sector when it is completely unjustified in this scheme is no excuse for future budgets not to allocate what is Australia’s fair share, because it is a choice of the government and the coalition not to provide an income stream under the CPRS for the social justice commitment that Australia should rightly be making.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.14 pm)—The issue of what proportion is ODA or not ODA is obviously one of the issues that has been the subject of negotiation, but again, given that the Australian government has not announced its position, I cannot give you an indication on that. I just refer you again to my statements and the Prime Minister’s statements about Australia paying its fair share in an agreed global climate finance package.

Senator McGauran (Victoria) (5.14 pm)—Following my colleagues Senators Boswell and Macdonald, who raised the issue of job losses in the north of Queensland, I want to raise the same issue of job losses in my state of Victoria. It is relevant at this point because of the high-handedness of the minister when she—

Senator Wong—Mr Temporary Chair, I rise on a point of order. It goes to relevance. I have no difficulty in Senator McGauran making a contribution on this issue—and there are amendments subsequently which deal with this—but we are dealing with an amendment on international financing and putting it into the objects of the act. I fail to see how a contribution about Victorian industry is relevant to an international financing amendment.

The TEMPORARY CHAIRMAN (Senator Mark Bishop)—The minister has on a number of occasions suggested a particular course of action as to how this debate be conducted. We are dealing with an Australian Greens amendment about financial support to developing countries. It would be useful in the discussion if the comments made are directly relevant to the amendment we are dealing with.

Senator McGauran—I can make my comments relevant. I could raise my particular issue in relation to the Victorian aluminium industry at any point, but the minister has provoked me to get up at this particular point because she was very high-handed towards a question asked by Senator Joyce about whether China is a developed or a developing country. It is classified as a developing country—a very developing country, I should add. The minister put that information
out with a certain undertone in her comments.

Senator Joyce asked how many billions we are going to give to China. We have a right to ask what the effect of this scheme will be on Australian jobs and industry. There is such a thing as carbon leakage. The minister would know all about that. If this scheme is badly designed, these industries will head off to China while we are paying China whatever is agreed—and we have no idea what that might be from the upcoming Copenhagen agreement—to lower its emissions. For example, if not the case in point, the aluminium industry in Victoria will go to China to set up under the existing structure.

Two Senate reports have touched on the question of carbon leakage to developing countries. The interim report of the Senate Select Committee on Fuel and Energy—a government majority report, I should add—raises deep concern about carbon leakage. This is where the developing country aspect is important. In evidence to that committee, the Australian Aluminium Council outlined its view of the impact of the CPRS on the aluminium industry. It said:

The CPRS will impose an extra cost on alumina refining and aluminium smelting industries—thus helping to move our very competitive operations up the cost curve, whilst competitors in non carbon constrained economies remain unaffected … Capital will instead be most likely directed to operations in countries such as China …

That industry is Victoria’s biggest export industry, the greatest revenue earner for Victoria. Under the framework of this scheme, Alcoa in Portland and Geelong will pack up and possibly go to the developing country that we will be supporting. That is the relevance of all this. That is why Senator Macdonald raised the question of Australian jobs because that will be the effect.

All the industries that Senator Macdonald, Senator Boswell and I have been talking about involve rural and regional jobs. And there will be a double effect. They are part of the community, the essence of the economy. Those industries are the foundation of those rural economies. In the city, they would be missed, of course, but when they pack up and leave a country town the effect is devastating on families and jobs. Where are the unions in speaking out for the aluminium industry or the nickel industry?

The minister knows that the aluminium industry, which I will raise later in more specifics, has a real problem in Victoria, and at the moment it is unsolved. Under the structure of this scheme, the effect on their bottom line in Victoria alone will be $40 million. They cannot sustain that. China will look like a very attractive proposition. They will certainly look at China if the scheme goes through as it is. The minister knows the aluminium industry has a problem, but does she know the real effect on rural and regional economies? Does she know that of all the industries this is one that can pack up pretty quickly? The aluminium industry around the world have proven how quickly they can pack up and move to the most cost-effective country. China looks very cost effective at the moment under this scheme.

It is not a matter of us trying to stop it. Of course we are trying to stop it. That is well known. We may yet stop it, by the way, Minister. Wouldn’t that be a turn-up? We may yet stop this. In fact, I am a little bit confident about that. I know something you do not know. It ought to be stopped because under the existing structure it will be devastating on industry. We are unaware of how many billions are going to go over to developing countries. My question is this: will you factor in carbon leakage if the aluminium industry leaves Victoria in the next five years and goes to China? Will you factor that in to how much you will be handing over to China? Why should Australia give up its economic
security? Why should Victoria give up its biggest export industry when there is little likelihood that any of those countries are going to reduce their emissions, and certainly not have an ETS like Australia?

Question put:
That the amendment (Senator Milne’s) be agreed to.

The committee divided. [5.27 pm]
(The Temporary Chairman—Senator TM Bishop)

Ayes……………… 6
Noes……………… 37
Majority……….. 31

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

NOES
Adams, J. * Arbib, M.V.
Back, C.J. Bilyk, C.L.
Bishop, T.M. Boyce, S.
Brown, C.L. Cameron, D.N.
Colbeck, R. Collins, J.
Conroy, S.M. Farrell, D.E.
Feeney, D. Fielding, S.
Fierravanti-Wells, C. Forshaw, M.G.
Furner, M.L. Hogg, J.J.
Hurley, A. Hutchins, S.P.
Joyce, B. Ludwig, J.W.
Landy, K.A. Macdonald, I.
Marshall, G. McEwen, A.
McLucas, J.E. Moore, C.
Nash, F. O’Brien, K.W.K.
Parry, S. Polley, H.
Pratt, L.C. Stephens, U.
Sterle, G. Wong, P.
Wortley, D.

* denotes teller

Question negatived.

Senator MILNE (Tasmania) (5.32 pm)—I am ready to move Australian Greens amendments (2) and (3) and I seek leave to move them together. But I do note that the Minister for Climate Change and Water had said—possibly prior to you coming to the chair, Mr Temporary Chairman Bishop—that she wished to take a few moments to respond to some matters that were raised last night. We had an informal agreement in the chamber that, before we move to discussion on my next amendments, the minister would respond to some of those matters.

Leave granted.

Senator MILNE—by leave—I move Australian Greens amendments (2) and (3) on sheet 5786:

(2) Clause 3, page 3 (lines 13 to 25), omit paragraphs (4)(a) and (b), substitute:
(a) to take action directed towards meeting Australia’s target of reducing net greenhouse gas emissions to at least 25% to 40% below 1990 levels by 2020; and

(3) Clause 3, page 3 (line 26), omit “or (b)”.

I will now hand back to the minister to inform the Senate of the responses that she wanted to make.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.33 pm)—I thank Senator Milne for that indication. We did have a discussion last night about the way in which bushfires—I think I described them as ‘extreme’ or ‘catastrophic’ bushfires—were reported. I can advise the Senate that Australia currently only reports its non-carbon dioxide emissions, such as nitrous oxide, for bushfires. That is regardless of size or source. That is as a result of the non-election we have made under article 3.4 of the Kyoto protocol in relation to land management activities. One of the reasons Australia did not elect to count land management was the problem of wildly fluctuating emissions due to catastrophic bushfire events.

In relation to the international negotiations, Australia is seeking a solution in the post-2012 international agreement to the is-
ssue of massive instantaneous emissions of CO₂ from catastrophic bushfires. The same quantity of CO₂ is later removed from the atmosphere as the forest regrows over a period of years. The issue is the fluctuation of emissions in a short time frame from such bushfires.

I have a long note here, and I am just trying to work out which parts of it Senator Milne may need. Australia and many other countries are developing an approach in the negotiations for a post-2012 international climate agreement that, for catastrophic fire events, those emissions would not count against the emissions target but nor would the country have the benefits from carbon removals in the burned areas in following years as the forest regrows. Under this approach, Australia will transparently report locations of burned areas and the emissions associated with the fires, even though the emissions would not count against the target.

**Senator MILNE** (Tasmania) (5.36 pm)—

Last night we were talking about the fact that Australia had not elected in the first commitment period to be part of article 3.4 activities, predominantly because of drought, fires et cetera. I was asking whether, in the negotiations on the post 2012 or a second commitment, it was true that Australia was pushing to have the bushfires, catastrophic events, or natural disturbances—which, in the Australian context, would mainly be droughts and fires—excluded so that Australia might be able to sign on to a land use change in forestry set of provisions.

My concern about what the minister has just said is that Australia’s position seems to be, or is being said to be: ‘Let’s account for what the atmosphere sees’—the emissions that are actually going into the atmosphere. I accept that, if you had an unlimited period of time and a fire that burns this year and puts a huge amount of emissions into the atmosphere, then, over the next hundred years, the forest may well recover and—you could mount an argument—take up, over time, that same volume of carbon dioxide with regrowth. The problem I have with this is the quantum and the time frame.

In the case of the Victorian fires, my understanding is that in the order of 190 megatons—some extraordinary amount—went into the atmosphere. We do not have a time frame of another hundred years to allow that to be neutralised, so, if it is not counted, it is actually a deceit because you are putting all that carbon into the atmosphere and we do not have a huge length of time to take it out again. Unless it is accounted for, we will actually be pushing the climate over the tipping point by front-loading the atmosphere.

What I am trying to understand is: how would the emissions from fires be accounted for in the time frames if the IPCC is right in saying that global emissions have to peak and come down by 2015? I have lately heard people saying, ‘Well, let’s take that out to 2020.’ I do not accept that, but it is the next decade anyway. How would you account for those emissions from fires?

Secondly, this is about taking out natural disturbance, and my point is—and I will speak in the Tasmanian context because it is the one that I know best—that the majority of fires in Tasmania are deliberately lit, so these are not natural disturbances. These are anthropogenic fires caused by arsonists going out and lighting the bush. In particular, just two years ago we had the Tarkine burn as a result of somebody in a four-wheel-drive leaving the Tarkine Road, lighting the Tarkine in order to draw attention to himself and letting the whole place go up. That is not a natural disturbance. I am interested to know how you intend to handle this issue and how you can justify not reporting in the accounts a catastrophic event, whether it is drought or fire, given that you have a global
carbon budget which cannot wait, which is not generous enough to be able to wait for the uptake over the 100 years to neutralise the extreme event.

Senator Wong (South Australia—Minister for Climate Change and Water) (5.40 pm)—Senator, this is obviously quite a technical area and I am happy to provide an answer now and also happy, if you are interested, to arrange a briefing for you on this issue. I can give you my understanding based on the advice I have been given. The difficulty is the very high spike in a short time period—days or months, for example, but within one accounting year. How do you deal with the very high spike that a catastrophic bushfire would impose, given that it may be a very high percentage of your inventory if you were to include it? As I understand it from the officials, what is being suggested—and one of the things under discussion is the threshold—is to recognise a threshold above which you would not account for the emissions, but, because you want to preserve the integrity of the accounting of the effect on the atmosphere, you also would not be able to include in the accounting the subsequent sequestration as the forest regrows for a period of time.

So the intent is not an accounting trick. The intent is to deal with a particular accounting issue which has, I think, operated as a disincentive for a number of countries to include land management activities within their inventory, but to do so in a way that reflects the net effect on the atmosphere. That is how I have understood it. I asked the official just now what the threshold would be and I understand that is a matter under discussion.

Senator Barnett (Tasmania) (5.42 pm)—I wanted to seek some clarification on these bushfire issues. I know we touched on it last night—Senator Joyce, Senator Milne and others. It seems, Minister, that you have advised the Senate that you will be seeking a solution post-2012, so that means that we do not know exactly what the position will be post-2012. You have advised that natural catastrophic events—for example, drought and fire in Australia’s case—will not be counted. Looking at the history of, say, the last decade, can you, based on this new approach, indicate the net benefit or adverse effect on the environment from catastrophic events and associated regeneration et cetera? You obviously have to distinguish between man-made bushfires—Senator Joyce, I think, was talking about dropping a cigarette and causing a fire—and a lightning strike. How you actually differentiate between the two is an accounting dilemma under this new system and, for the life of me, I cannot see exactly how it is going to work.

I am advised that the Victorian bushfires last year generated in the order of 15 to 20 per cent of Australia’s annual emissions. That is a huge proportion of Australia’s annual emissions, from just the one devastating bushfire in Victoria. As a Tasmanian, I know about bushfires and all of us here are concerned about, and aware of, bushfires in our own states and territories. Using the Victorian bushfires as an example, to what extent was that man-made and to what extent was it due to natural causes and a catastrophic event? Could you perhaps use that as an example and advise the Senate of the portion that would be considered man-made and the portion that would be natural? That would give us an indication of how this scheme would work in the future, because, frankly, we are up in the air. We are in a ‘don’t know’ zone post-2012.

Unless these things can be clarified, those questions will remain. I leave that for the minister and hope she can assist. She did not have the expert with her last night, but pre-
sumably the expert is here now and can assist in answering those questions.

Senator Joyce (Queensland—Leader of the Nationals in the Senate) (5.45 pm)—From what I understand from your answer, bushfires do not count because of regeneration—therefore you are saying that, even though it would take about 100 years to replace the carbon, it is not an issue. But if the Victorian bushfires were about 20 per cent of our nation’s carbon emissions—and that is equivalent to four years of what our target is if we want a five per cent reduction—you are saying that four years of the pain that the nation is going to go through is equivalent to one bushfire, yet that bushfire does not matter.

Senator Wong (South Australia—Minister for Climate Change and Water) (5.46 pm)—Of course the bushfires matter, Senator Joyce. Any bushfire matters. This is about accounting mechanisms for the second commitment period of the Kyoto protocol or whatever arrangement is put in place by the international community. Of course we all want to ensure that there are policies in place to minimise the likelihood of bushfires. This is simply a technical issue about the accounting framework which currently applies and which, for example, organisations such as the National Farmers’ Federation—and I know that your position and their position differs, Senator Joyce—

Senator Joyce—I’m elected; they’re not.

Senator Wong—No, but they represent a lot of farmers and they have a view that farmers do want to be part of the solution on climate change. Some of these accounting issues are issues which affect the capacity of landholders to be part of that solution. I do not know whether there is anything further I have to add on this issue.

Senator Joyce (Queensland—Leader of the Nationals in the Senate) (5.47 pm)—Just so we get it clear: after this scheme goes ahead—we had a bushfire at our place the other day at Danglemah—and if I was of evil intent and I threw a match and burnt out half of northern New South Wales, at this point in time that would not be taken into account as far as the carbon accounting system goes.

Senator Wong (South Australia—Minister for Climate Change and Water) (5.48 pm)—One of the things we have been lobbied about by the National Farmers’ Federation, for example—

Senator Joyce—I just want to know if that is fact or not.

Senator Wong—I do not know if he is intending to ask questions by interjection for the whole evening.

The Temporary Chairman (Senator Mark Bishop)—Minister, Senator Joyce has asked a question and you are part way through responding. Please ignore his interjections.

Senator Wong—I will try and ignore the interjections. One of the things we have been lobbied about is the inclusion, for example, the capacity for farmers to gain credits through soil carbon or biochar or other such mechanisms. To get that benefit these are some of the accounting issues we need to resolve. So the government is trying to work to ensure that we have the ability to enable Australian farmers, in the years to come, to be part of the solution on climate change—which is as I and others in this government have been lobbied on.

Senator Joyce (Queensland—Leader of the Nationals in the Senate) (5.49 pm)—What I garner from your answer is that at this point in time we do not have a position on bushfires, regardless of how they start. But you did mention something about biochar in there. Is there some relationship between biochar and bushfires? Is there some connection there? Maybe not. The answer I
got from that is that we do not have a position, therefore all I can gain from that, and all the Australian people can gain from that, is that if you throw a match and burn out half the countryside, a major bushfire could emit up to four times the annual return of what you wish to reduce carbon by. That is not of some consequence in our mechanism of reaching a global target, which I find amazing. So I just want to go back to what our global target is while you have the carbon accounting people there. By how much will Australia’s carbon pollution reduction scheme reduce the amount of carbon dioxide in the atmosphere?

Senator MILNE (Tasmania) (5.50 pm)—If I can just come back to this: I can completely understand why Australia has not wanted to elect forest management under article 3.4—for all of the reasons that have been said. And I also understand that if you elect for article 3.4 and then there is a catastrophic bushfire, like those in Victoria, it blows any capacity for a country to meet their targets. That clearly is the reason that this whole accounting thing is being looked at—so that there is some legitimacy over time in the effort people are making to meet their targets.

I understand that, but what I am worrying about is: whilst you could leave out catastrophic events in order to get some evenness in response in getting your targets, the atmosphere does not know that difference, and in my view—and I think in the view of most scientists—we do not have time to wait for the trees to grow again and take that carbon down. So is there a proposition that there be, in the global budget and therefore the targets that are being asked of developed and developing countries, a higher target so that a percentage of the carbon budget is set aside as what might result from catastrophic events like this, regardless of where in the world that occurs? If that is not the case then we are going to exceed our carbon budget. We might meet our country targets, but if that amount of carbon is not factored in somewhere we are not going to meet the global target.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.53 pm)—First, I am advised that we are not aware of that proposition being put in the negotiations by other nations or Australia. The second point is that I am also advised that you do get a significant sequestration from regrowth in a net sense in the first decade. So it may be that the time frames about which you are concerned—and I think I understand—may not be quite as extreme or lengthy as you are postulating.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (5.53 pm)—Minister, I am serious about this question and I expect a serious answer, because it is the whole premise of why we are going down the path of this legislation. So, Minister, I ask you again: how much will Australia reduce global carbon emissions through Australia’s scheme? There has to be an answer for that. If you cannot answer that, the whole thing is fallacious and a farce and should be knocked out.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.54 pm)—I am very happy to answer it. In fact, Senator Joyce, I answered it last night so, if you are going to continue to participate in this debate with an intent to delay the vote, you might need to come up with some other questions. I answered the question last night and I said to you that the reduction in Australia’s emissions will depend on Australia’s targets or caps—that is, the limit on the amount of carbon pollution that we will set under the scheme. So each year there will be a cap—a firm, legislated limit on how much carbon pollution we can put into the atmos-
phere—and each year it will be reduced. The government made clear, through the white paper in December and a subsequent announcement adding to that target range in May—so it has been known for a very long time—what our target range at 2020 is.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (5.55 pm)—What I asked for was parts per million. What is the range in parts per million—because that is the lexicon we are using in carbon emissions—by which the Australian scheme will reduce the global carbon presence? Will it reduce it by 100 parts per million, five parts per million, one part per million or 10 parts per million? Give me a range.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.55 pm)—A parts-per-million analysis is not a sensible way to approach this in terms of a single country’s target because that is an assessment of the entirety of our atmosphere and the concentration of gases in that atmosphere. Australia accounts for about 1.5 per cent of global emissions. I can give you the number of tonnes we anticipate will not be put into the atmosphere as a result of Australia’s scheme at different levels, against what we would otherwise expect. In other words, if you look at how much pollution we would put into the atmosphere without a scheme and how much we would put into the atmosphere with a scheme, you get a figure of how many millions of tonnes of carbon we will be avoiding. As at 2020, at a five per cent target, you are talking 138 million tonnes or equivalent; at a minus 15 per cent target you are talking 194 million tonnes; and at a 25 per cent target you are talking 249 million tonnes. Those figures are tonnes of carbon pollution that would not go into the world’s atmosphere as a result of the legislation that is before the chamber.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (5.57 pm)—The whole premise of the debate is reducing carbon in parts per million. In the current position, how many parts per million of carbon dioxide in the atmosphere is 138 million tonnes equivalent to? It sounds like such an amazing figure, but it is not even one part per million. It is not even a fraction of 100th of one part per million. In fact, it is not even a fraction of 1000th of one part per million. Is that correct?

Senator MILNE (Tasmania) (5.58 pm)—I want to go back to the negotiations around electing to account for forest management under 3.4 in the event of a change to the accounting rules that gave effect to what is being proposed—that is, above a certain threshold, to take out those catastrophic events. Does that mean that, if we did opt into forest management, there would be full carbon accounting applied to all managed forests—in other words, would all carbon gains and losses be accounted for in the year in which they occurred? Would that occur under article 3.4?

Senator WONG (South Australia—Minister for Climate Change and Water) (5.59 pm)—I am advised that in those circumstances, subject to what the international rules said and subject to whatever the Australian government did, there would be full accounting and there would be a separate category for the catastrophic event.

Senator MILNE (Tasmania) (5.59 pm)—As a follow-up, can you explain to me how sequestration in forests regrowing after being logged many years ago—as in, before 1990—would be treated in that circumstance?

Senator WONG (South Australia—Minister for Climate Change and Water) (6.00 pm)—Any movement in that forest for that year, I am advised, would reflect the
effects of all previous management practices. Senator, I am happy to keep trying to do this but I am simply saying what Mr Carruthers is saying. If you want a briefing on this I will be very happy to provide it.

Senator MILNE (Tasmania) (6.00 pm)—I will take you up on that offer at another time. What guarantee is there that people would not use bushfire as a mechanism for land clearance so that they did not have to account for their emissions—both in Australia and in other parts of the world? What would be the guarantee that that would not occur? Secondly, how would you treat a catastrophic fire event in, say, Indonesia, where a tropical forest had been converted to a palm oil plantation and where irrigation channels had drained that tropical forest, causing the peat to catch fire and burn indefinitely with massive emissions? Would that be regarded as a natural disturbance or would that be something that would have to be accounted for? So there are two questions: firstly, how would you avoid bushfire being used as an excuse for land clearance and therefore not accounting for emissions; and secondly, how would you treat a fire in a tropical forest converted to a palm oil plantation? The ecosystem has been altered by the draining of the land and by having peat catching on fire and burning for years in some cases.

Senator McEWEN (South Australia) (6.02 pm)—While the minister is contemplating answers to the questions by Senator Milne, I also take the opportunity to ask the minister a few questions and perhaps take this debate back to the beginning to restate exactly why Australia needs to have a Carbon Pollution Reduction Scheme. We have had discussion over the last 20 minutes or so about the impact of bushfires on Australia’s environment. As we know, all states have been affected by this—in particular, my own home state of South Australia. I recall last week we made mention in this chamber the devastating impact of the bushfires in South Australia that had been started in the context of a heatwave—one which was unprecedented in the history of South Australia; there were more than 15 days where the temperature was over 35 degrees. I recall the debate in the chamber about whether that appalling situation could be attributed to climate change. It was evident from the scientific evidence that had been put forward, including recent scientific evidence, that the climate of the earth is warming. That directly contributes to the situations, like the one we had in South Australia, where extraordinary temperatures led to the ignition of bushfires. They were not deliberately lit. There has been some discussion here today about anthropogenic fires versus natural wildfire. Those fires in South Australia were spontaneously lit. While we can debate how the emissions from such fires are accounted for in the Carbon Pollution Reduction Scheme, I would like you to address in your answer, Minister, whether those bushfires are increasing—and with increasing intensity—like in our state of South Australia, and whether they can be attributable to global warming, which is an effect of the impact of human caused carbon emissions.

Senator WONG (South Australia—Minister for Climate Change and Water) (6.05 pm)—Thank you, Senator McEwen, for that contribution. It is the case that, amongst the effects of climate change which scientists warn us about, there are droughts and bushfires, including more extreme bushfires. That is enormously regrettable and it is one of the reasons why we have seen emergency service workers—including those coming to Parliament House—demanding action on climate change. Senator Milne hosted an event that I attended and we saw emergency service workers, including firefighters, who had come to parliament to urge
action on climate change. On the second point—and I am not sure, Senator Milne, that I understood your question correctly—but there was a question about the effect of deliberately lighting fires to clear land, for example. I indicate that Australia’s proposal is that the special case exception, about which I have been speaking, would only be where there is no land use change.

Senator McGauran (Victoria) (6.06 pm)—On the issue of bushfires, Senator Barnaby Joyce raised the excellent point—

Senator Barnett interjecting—

Senator McGauran—You have raised an excellent point too, Senator—we all have, and that is the point I am trying to make. On this side of the chamber we have all made excellent points, and what happens? We get glared down by the minister, who is becoming tetchier and tetchier as the hour goes on. And then I notice that Senator McEwen jumps up, as a filler—that is her role: a filler—and then goes right off the actual narrowness that we have been told we have to keep to on Greens amendments. She went right off on the whole debate of climate change. Well, thank you, you have just opened it all up for us now and we appreciate that. But then the minister follows Senator McEwen and she is all smiles—a little giggly even.

The TEMPORARY CHAIRMAN (Senator Troeth)—Senator McGauran—

Senator McGauran—But that is the point: we are not getting the right treatment on this side, and respect, and answers to questions—particularly Senator Joyce—that we ought to. That is the point I am making.

Senator Joyce made the perfect point about the Victorian fires: that the emissions effect they had was something like 15 to 20 per cent of overall Australian emissions, which makes a mockery of the attempt by the government to reduce emissions, because in one big Victorian bushfire there it all goes—wiped out. How are we going to account for that? We are not. We are putting it aside and ignoring it.

If the minister were serious about reducing carbon emissions she would pay a visit to her Victorian state government to get them to do better. They have just finished a royal commission that went for over 12 months and probably cost over $100 million and the one thing that this royal commission did not come up with was a connection between the Victorian bushfires and climate change. The royal commission could not come to that conclusion and nor could Senator McEwen on the other side. The Victorian fires had a lot to do with the failure of the Victorian government to provide resources to equip the CFA so that it could respond quickly and with the right equipment. It had a lot to do with such things as road access and proper vehicles. It had a lot to do with the warning systems available. Therein lie the reasons for the loss of life, and the greater the tragedy of it all. Also, it had a great deal to do with the question of fuel loads. If you are really serious, why don’t you talk to your state colleagues about that—about burning off?

I will be followed by Senator Back—and I am glad I am speaking before him. He was a fire fighter in a previous life in Western Australia. He once told me that when the Western Australians came over during the Victorian bushfires to support and act as volunteers they could not believe the fuel loads that Victorian fire fighters were fighting. They were impossible. He will develop this subject and give you the figures, the statistics, such as the weight per square metre. The Western Australians have a very good system in place. The importance of this issue of burning off—and that was the key point of the Victorian bushfires—is that that is where you will get, and did get, your 15 to 20 per cent emissions effect in Victoria alone.
It is the question of burning off. It is the management by the state governments. You could put it all to rest. You do not even have to have the whole structure you will have in place, this accounting system that no-one can get to the bottom of—what is in it and what is not and how you actually measure it. Why don’t you just get the state governments to do their jobs. That would be the real solution, if you were at all serious about it, instead of twisting the knife into Victorian industries, such as the aluminium industry, while they are trying to reduce their emissions. There is also the cement industry, the brick industry and all the small businesses. While they are trying to apply themselves to this impossible scheme, one bushfire just finishes it. What an absurdity. It adds to the absurdity and foolishness of the scheme. There is every chance it is going to get beaten yet.

Senator Barnett—We are not giving up.

Senator McGAURAN—No, we are not giving up. And we on this side do not like being looked down on. This is the Senate and you, Minister, are accountable. We ask you to contain yourself. You are not behind closed doors with Ian Macfarlane now. I do not know how you treated him, but you do not treat the Senate the same way. They are saying you attempted to treat him that way.

The TEMPORARY CHAIRMAN—Senator McGauran, I ask you to stick to the question.

Senator McGAURAN—And the question is what I have just highlighted, and so will the speakers to follow me: the absolute idiocy of this whole scheme, just on this amendment alone. No-one knows how to account it and that is the truth of it. We have had several questions from the Greens—they do not know. With every question that has been put since I have been here, and I have been here for several hours, the minister does not have a clue. It is all so general; it is all behind closed doors. It is foolishness at its zenith. I will conclude on this point: go down to Mr Brumby, the Premier, and tell him to do his job.

Senator BACK (Western Australia) (6.12 pm)—If I may I will give the chamber the figures that Senator McGauran referred to. We in Western Australia would regard, in bushfire circumstances, five to eight tonnes of fuel per hectare on the floor of the forest to be the upper limit that we would regard as safe to put personnel and equipment into a fire fighting circumstance. When my colleagues from the WA Bushfires Board went to Victoria earlier this year they were confronted with documented fuel loadings of 40 to 50 tonnes to the hectare. That is 10 times. And in some instances there was 140 tonnes to the hectare. From a duty of care point of view, to ever put personnel into a circumstance where they were trying to control fires at 150 tonnes or 50 tonnes to the hectare is absolutely criminal and it is equally bad to have communities residing where you have levels of fuel of that type.

My experience in the Kimberley region of Western Australia, the Pilbara and the centre of Australia into the Northern Territory is relevant to this discussion. It emphasises the impossibility of being able to measure these sorts of greenhouse and other gases that are emitted from fires. Every year in the Kimberley region an area the size of Tasmania is burnt in wildfires.

Until 1996, our managers in the Kimberley region had no capacity to even know where fires were, let alone to share information with station managers, Aboriginal community managers and other land managers. It was at that time that my manager, Peter Saint, combining knowledge from a career in naval intelligence and a knowledge of communications, started to use the twice-daily
Landsat satellite imagery available from the US military along with work from the CSIRO in Perth, Curtin University of Technology and the University of Western Australia so that we could get twelve-hourly plots on the presence of fires in the Kimberley region.

Why was this important? It was important because he could then plot them and communicate with land managers, pastoralists, Aboriginal land managers and conservation and land management managers. For the first time ever, we were able to get on top of some of these fires, but you must understand that they burnt out tens of thousands of hectares. No effort to put out the fires worked except getting around them with graders or moving them to a piece of breakaway country or to river country and then having them burn out. Unfortunately, not only have fires been an annual event but also the biodiversity has been destroyed. Native plant species have been destroyed and the annuals and perennials that come back up have been the result and the cause of this.

I have spoken in this place about the excellent program called the West Arnhem Land Fire Abatement Project which has been undertaken now for the last seven or eight years. It is coordinated by the Northern Territory bushfires organisation, the Northern Territory government and the West Arnhem Land fire group. In that project, early-season burning is undertaken in preference to late dry season fire tinder programs. The excellent result of that is that the Conoco-Philips company pays to the West Arnhem Land group through the Northern Territory government the figure of $1 million a year in consideration of 100,000 tonnes of greenhouse gas equivalents documented by CSIRO, Bushfire CIC and others to have been saved. That is in one small geographic area of West Arnhem Land. It is absolutely impossible to be able to measure this across the rest of our nation, but here is a start; here is a circumstance in which we can measure carbon dioxide, greenhouse gases, saved, for which an American oil company pays $1 million per year.

We had a lamentable situation in southeastern Australia last season and we are experiencing it again this season. In Western Australia, we would say that a minimum of five to seven per cent of the forest needs to be burnt annually to be able to get on top of and control wildfires in a mosaic pattern. There is nothing new about this. The Aborigines have been doing it for 30,000 years. We would not have the mediterranean, eucalypt-dominated forests that we have if the Aborigines had not been doing it for 30,000 years. In Western Australia, we say that that figure of five to seven per cent is an absolute minimum and it is defended strongly. Regrettably, the pressure that comes on every year against that project is criminal.

In Victoria, the equivalent figure is less than 0.5 of one per cent. I mentioned at the beginning of my presentation the fuel loadings in the forests in the Black Saturday fires in Victoria. Less than one-half of one per cent of those forests is being burnt. In New South Wales, the figures, which I quoted in this place the other day, are lamentably low. When he was the relevant minister, the current Premier of New South Wales, Nathan Rees, blocked 2,100 prescribed burning activities last year alone, and this year the number of hectares burnt I think is only 20,000 or 30,000 hectares. It is just not possible to measure it. The question was asked about the cause of fires—whether it is lightning, men, women or children. In Western Australia, we always say that, during our summers, the three main causes of bushfires and wildfires are men, women and children. I say to you again that it is impossible to measure the effect, because you cannot predict what the size of a fire will be.
Let me give you one example of a circumstance illustrating the benefit and the value of prescribed burning. In a fire east of Perth in a place called Karragullen in 2005, a fire was under way in typically hot Western Australian summer conditions with northerlies and nor'easterlies. The temperature was 42 to 45 degrees and humidity was down at about six or seven per cent. I mention humidity because it is critical. If humidity levels are 15 to 18 per cent or higher, you tend to find that the atmosphere gives moisture to plants. When that humidity gets below 15 per cent, plants yield up humidity to the atmosphere.

This was a 30,000 hectare fire heading straight for eastern suburbs of Perth—housing, schools, hospitals and communities. It was in territory that had not been burnt for some 12 to 14 years and it fortunately got into an area which had been burnt two years earlier. It was only when they got that fire in the forest that had been burnt two years earlier that they were able to control it, contain it and stop it. CSIRO documentation and modelling, validated afterwards, indicated that that fire would have extended to 100,000 hectares if it had not run into that area burnt by the fire some two years earlier. That is what the modelling showed. In that 100,000 hectares, there were at least three suburbs of our city with countless units of housing and possibly lives to be lost.

I conclude my comments with the fact that we are always going to have bushfires in Australia, we are always going to have uncontrolled wildfires, until we get into the situation of reducing fuel levels, not exclusively by burning, grazing, slashing but other technologies—proper land clearing. But I remind you that the 7 February fire alone put greenhouse gases into the atmosphere equivalent to one full year of industries' contribution to greenhouse gases. We cannot ignore it in the discussion of this particular legislation, however flawed or not flawed people believe it to be. We must consider wildfires. We must consider bushfires. We must consider mitigation. And we must, in some way, take that into account in terms of its measurement.

Senator WONG (South Australia—Minister for Climate Change and Water) (6.22 pm)—I want to respond to a couple of the things that have been raised. I think I have responded to Senator Milne previously. Senator McGauran has berated me for not responding. I have to say, I do not recall any question being put in his contribution. It may be that we missed it on this side of the chamber.

But in relation to Senator Back I want to make a couple of comments. I do not think anybody in this chamber is suggesting anything other than all of us, regardless of our political parties or level of government, want to try and minimise the danger of bushfires. I do not think that is a political proposition; that is a human proposition—everybody in this parliament believes that. I was very moved, Senator, by the emergency service workers who attended parliament. You would not normally think of them as green activists, but they decided to come to Parliament House and do their very long run to try and bring attention to the impact of climate change. I thought that was a really wonderful display of some of the best characteristics of Australians, actually—people who are not particularly loud, who are humble, simply saying, ‘This is what we think about what we are seeing and what we have seen, and we need you as political leaders to act.’ That was a very moving sight. I congratulate them for their work and for their campaign.

In relation to the legislation before the chamber, I am not sure what was being asked by Senator Barnett. Perhaps, again, I misunderstood what he was asking. He did make
some references such as, ‘Well, if this is all at 2012, isn’t it all up in the air?’ I thought I had explained that in a previous contribution, where I had explained that this was discussion of carbon accounting rules which are applied under the international framework, which we believe can be better constructed for a better environmental outcome; it can be more sensibly constructed. As I responded to Senator Joyce, we have taken on the views of the National Farmers Federation, and others, who do believe that farmers can be part of the solution on climate change, and have been supportive of some of the government’s moves in relation to the CPRS—something that I know the National Party does not like, but that is the reality of what is a significant organisation representing—

Senator Nash—Go and talk to farmers; you’ll get a different view!

Senator WONG—I’m not sure what that interjection was, but I am making the point—

Senator Joyce—Just refer to the tens of thousands of people who’ve contacted us and don’t want the CPRS.

Senator WONG—I wanted to make this point, because there is this strange disconnect among the people who say they are standing up for farmers, ignoring the effect on agriculture and on our land of climate change. I find it extraordinary that people who genuinely care about our land, and who come from rural and regional Australia, could so ignore the effects of climate change on agriculture and on Australia: up to 20 per cent more drought months over most of Australia in the next 20 years—in the next 20 years. That is a CSIRO figure. That is not some scientific conspiracy; it is Australia’s premier scientific organisation—up to 20 per cent more drought months in the next two decades, up to 40 per cent more drought months by 2070 in eastern Australia and up to 80 per cent more in south-western Australia.

Senator Joyce—in Greenland.

Senator WONG—in south-western Australia—up to 80 per cent more drought months in south-western Australia. And this is a prediction of the CSIRO and the Bureau of Meteorology, two organisations that people in regional and rural Australia have had a lot of confidence in. I will take Senator Joyce’s interjection, where he jokes, ‘In Greenland’. This is not about Greenland; this is about our country, our agriculture, our cities, our industries and our environment—and about bushfires.

Senator Back has left the chamber. I respect his very deep interest in the issues of bushfires. I make this point: we are also likely to see an increase in very extreme fire weather days. That is one of the effects of climate change that was documented again by the Bushfire CRC, the Bureau of Meteorology and the CSIRO in 2007, when they said that very extreme fire weather days now occur on average once every two to 11 years at most sites, by 2020 they may occur twice as often and by 2050 they may occur four to five times as often. And this is science that is two years old. In fact, most of the scientific evidence is that it is worsening far more quickly than anyone anticipated: increased risk of hail events over the south-east coast of Australia, an increase in the proportion of tropical cyclones. And ABARE figures estimate a 63 per cent reduction in exports of key commodities in the next 20 years. With the occurrence of worst-case climate change, assuming no effective adaptation and high population change, Australia could become a net importer of wheat as soon as 2015. Again, that is a report that I previously cited. Why is it that people who claim to represent rural and regional Australia can come into this place and try and avoid talking about
these impacts? How is it that people who are elected to this place can simply ignore these facts?

Sitting suspended from 6.30 pm to 7.30 pm

The TEMPORARY CHAIRMAN (Senator Mark Bishop)—The committee is considering the Carbon Pollution Reduction Scheme Bill 2009 [No. 2], as amended, and amendments (2) and (3) on sheet 5786 moved by Senator Milne. The question is that the amendments be agreed to.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (7.30 pm)—Minister, you would be aware of the research by Dr Christine Jones, peer reviewed by the University of New England, that clearly states that summer grasses sequestrate more carbon than dry sclerophyll forests. That being the case, in your carbon accounting system are you now going to bring about the amendments that incorporate a substantial increase in summer grasses so that, for instance, instead of having tree-clearing laws that prohibit the clearing of dry sclerophyll forests we will now go back to the scientifically correct process of encouraging the clearing of dry sclerophyll forests to incorporate more carbon in summer grasses?

Senator WONG (South Australia—Minister for Climate Change and Water) (7.31 pm)—This is one of the issues which were the subject of our negotiations with the opposition, and I want to make clear that we in this chamber entered into those negotiations in good faith, and we will honour the agreement that was made. We will continue to proceed—notwithstanding what is occurring outside this chamber—with the bills and the amendments that we negotiated with the opposition. We believe that this sort of lasting reform to the Australian economy requires leadership from across the parliament.

The issue that Senator Joyce has spoken to goes to one of the areas where we have put forward amendments as per agreement with the opposition. That would include enhancing or extending the number of sources which would be counted towards our international commitments, including, for example, avoided deforestation, the burning of agricultural residues and fertiliser use. In relation to broader issues, such as non-forest revegetation, vegetation management and agricultural soils, those matters do not yet count towards a nation’s international commitment to reduce emissions. We have said that we will establish a voluntary market mechanism with appropriate methodologies to enable landholders to enter the voluntary market. Obviously that will provide all of us, by learning through doing—not just the participants but also governments—with better information as to how these land management and other techniques can assist in the fight against climate change. The National Farmers Federation have emphasised that farmers do want to be, and should be, part of the solution when it comes to climate change.

I make the point that I am happy to take these questions, but as I recall we are actually debating amendments (2) and (3) on sheet 5786 from Senator Milne, I respectfully suggest, Chair, that these things have some flexibility but that Senator Joyce’s intervention has nothing whatsoever to do with the amendments moved by the Australian Greens.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (7.34 pm)—They are all interlinked, as you well know, Minister. They are all part of the plausibility or otherwise of this scheme. We have now found that so much of this scheme is completely implausible. The suggestion that somehow the only mechanism that is available to the Australian people to reduce carbon emissions is an omnipotent belief that,
from the Prime Minister’s office and your office, we can change the climate is obviously verging on the perverse. You have given great recommendations of peer-reviewed science, so we pose for you peer-reviewed science in the other direction. We note that there is now peer-reviewed science that clearly states that there is far more carbon sequestred through such things as summer grasses—such as buffel grass or Mitchell grass—than there is through dry sclerophyll forests. The government has also endorsed policies such as carbon sinks, which would replace a better form of carbon sequestration with a lesser form of carbon sequestration. Is the government now going to abide by the science and move towards a more effective form of carbon sequestration such as would be seen in such things as the establishment of summer grasses where there were formerly dry sclerophyll forests?

I keep hearing about the National Farmers Federation. We also are here to honour a commitment. We are here to honour a commitment to the Australian people that we in this chamber will review and amend legislation and represent the rights and aspirations of the people of our states and of our nation. The overwhelming aspirations of the people of our states and our nation have changed, and they have clearly stated to us that they now have moved excessively in their desire to deal with climate issues via a massive new tax of the Australian Labor Party. They have moved instead to more viable mechanisms that will continue to support our economy. The paucity in things such as modelling that has been delivered by the Labor Party has shown almost a contempt of the science in some areas and certainly a contempt of the updating of modelling to clearly spell out exactly where the nation is in its economic commitments that we also must carry.

The National Farmers Federation are a genuine and decent group of people, but they are not representatives at a political level in this chamber. This chamber includes representatives of the National Party. We acknowledge that we have had a continual dialogue with the Australian people, not just with farmers but also with small business people, pensioners and most certainly with working families, who are furious about the onerous aspects of this scheme. They will have money taken out of their pockets to be placed in Treasury’s pocket for no change to the global climatic position.

Throughout this committee process, the minister has avoided any direct scientific and decisive statement about what the effect of the Australian scheme will be on the climate. We have had soaring rhetoric and fear mongering about all of the calamities that will approach us if we do not abide by the fact that the only solution to any global climatic issue is an Australian Labor Party tax. That Labor Party tax has been put up as some sort of panacea, but when we drill down this panacea lacks all detail, lacks acumen and has a paucity of capacity in its modelling. It is an absolute fact that summer grasses sequester more carbon than dry sclerophyll forests. If the issue is about sequestering carbon then do you acknowledge that you should take the superior form of carbon sequestration through summer grasses or do you intend to remain with what is obviously an inferior way of sequestering carbon—that is, the Labor Party endorsed program of replacing summer grasses with such things as carbon sink forests in order to promote dry sclerophyll forests, which are an inherently inferior form of sequestering carbon?

Senator Wong (South Australia—Minister for Climate Change and Water) (7.39 pm)—Senator Joyce talks about perversities. What is perverse is the attempted takeover of the Liberal Party and the coalition by the extreme Right that we are witnessing. What is perverse is imposing upon
our children and our grandchildren an unacceptable risk—

Senator Boswell—Mr Temporary Chairman, on a point of order: that is offensive. There is no extreme Right represented here. There is no League of Rights. There are no extremists. It was the National Party that took the Right on and beat them, so the Minister should not ever accuse us of being right wing.

The TEMPORARY CHAIRMAN (Senator Mark Bishop)—There is no point of order.

Senator WONG—As I said, what is perverse are the extreme views that we are seeing here in this chamber. What is perverse is the unacceptable risk that this generation of right wing politicians are seeking to impose on future generations of Australians. What is perverse is the blatant and wilful disregard of the scientific evidence. Perhaps most perverse is the way in which Senator Joyce and others in this chamber will do and say anything to avoid action on climate change and have played procedural games and filibustered over the time that this debate has been on in this Senate, from back in June until now—simply demonstrating yet again that they are so extreme that, even when they believe there is a risk that the majority of this chamber will support action on climate change, they will not accept it. They will do anything in order to avoid taking action on climate change. I do believe that is perverse.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (7.41 pm)—What I think is perverse is that in answer to a direct question asked of you, a direct question that talks about the scientific evidence—that is, that summer grasses sequester more carbon than dry sclerophyll forests—you once more take the Labor Party approach of soaring rhetoric and calamity statements but completely avoid answering the question that was posed to you. In fact, the whole segment of this debate has been—

Senator Wong—Mr Temporary Chairman, on a point of order: I have answered the question. Senator Joyce simply does not like the answer. I gave the answer in my first reply.

The TEMPORARY CHAIRMAN—There is no point of order.

Senator JOYCE—The Labor Party have proceeded through this debate and every time they get put into a corner they appeal to that moral foreboding, they appeal to that genuine belief held by many people that it is right to do something, but they never answer the question. When we asked them how many parts per million this scheme will actually reduce carbon by, they refused to answer. The answer you get is about Greenland, ice caps, drought, fire and floods, but it is never a real answer. When we asked them a question about a simple scientific fact from the research of Dr Christine Jones from the University of New England, which clearly states that more carbon is sequestered in summer grasses than in dry sclerophyll forests, what is the answer we get? Do we get a decisive answer, do we get an honest answer or do we get a whole palaver of avoidance of this and that and soaring rhetoric?

We never get the answer from the Labor Party. When we asked questions about whether this modelling from 2008 has been updated to show the extent and depth of participation by the rest of the world, did we get an answer? No, we did not. Once more they just went back to soaring rhetoric and the allegation that we are deniers. Now we have the allegation that we are apparently part of the extreme right. People can pick this. These are not answers. This is avoidance and the avoidance has been picked by the Austra-
lian people. The avoidance has changed their sentiment.

The Labor Party’s inability to be decisive and answer questions is so apparent. It is glaringly apparent from the simple and honest questions that we ask, such as the one about how, if we are financing developing nations, we are going to be financing them with borrowed money. We have no money. We are in debt up to our eyeballs. We will be borrowing money from countries such as China to send back to China to help China develop, when we thought they were already doing a pretty good job at it. A form of verbal detritus is pitched at us when this chamber dares to ask questions.

Over a period of time our daring to ask those questions has brought about some impressive results and the Australian people are awake to this. You say you have answered the question about summer grasses. We know they will sequestrate more carbon than dry sclerophyll forests. Is that in the carbon accounting system that you are proposing for us? Is the Labor Party prepared to accept the science that, if the mechanism of this is the sequestration of carbon, we will go to the primary form of sequestration of carbon and leave behind the secondary form, or will you continue to obfuscate, avoid the issue and put it off to some indeterminate place in the future rather than answering the question?

Senator WONG (South Australia—Minister for Climate Change and Water) (7.46 pm)—Perhaps Senator Joyce did not understand me the first time. I explained to him that non-forest revegetation and vegetation management does have sequestration potential. It is not currently counted towards an international commitment under the Kyoto accounting rules. We have said we will promote a voluntary market offset regime that will enable landholders to take advantage of the voluntary market. We hope that through this process, through learning by doing, we can continue to press for all-encompassing or more broad-ranging accounting rules so that this nation and this nation’s farmers and other landholders can take advantage of the various sequestration opportunities which will be available into the future. I answered that the first time, Senator Joyce. You may not have understood it. You may not have liked it. But I did actually answer the question.

Senator XENOPHON (South Australia) (7.47 pm)—I would like to ask some general questions. I did not get a chance last night and I have not had a chance earlier today. I want to put a number of questions on notice for the minister so that they can be dealt with in due course by Treasury officials and officials of her department. Before I do that, I say that last night I asked a number of questions in relation to household assistance and the government responded to that earlier today. Rather than reading it out, I seek leave to have the document incorporated in Hansard. I am happy to provide copies to my colleagues.

Leave granted.

The document read as follows—

CPRS household assistance

Overview

The Government is committed to helping households with the impact the CPRS. It has designed an assistance package for low- and middle-income households that calibrates almost all support to the expected carbon price impact of the scheme.

The Government will modify the level of household assistance to reflect the lower carbon price estimate of $26 per tonne in 2012-13 (included in the 2009-10 MYEFO). The estimated 2012-13 carbon price forecast at MYEFO ($26) is lower than forecast at Budget ($29) due to the appreciation of the Australian dollar.

- This will reduce expected price increases for goods and services and lead to a smaller rise
in the overall cost of living impact of the CPRS.
This scaling results in the Government delivering on its commitment to support low- and middle-income households (at the lower carbon price) once the flexible carbon price commences from 2012-13.
Modifying the level of household assistance has also required some minor revisions to the structure of household assistance to ensure all low-income household continue to be fully assisted from 2012-13.

**Revision to the FTB combined supplement**
A special end-of-year supplement—the FTB combined supplement—is to be established for households receiving both Family Tax Benefit (FTB) Part A and Part B where the income of the primary earner exceeds $58,000 (but the combined income of a couple is less than the cut-out for FTB Part A).
The special end-of-year FTB combined supplement is designed to overcome the disadvantage that certain families with only one primary earner—on incomes over around $70,000 and receiving little or no benefit from the Low Income Tax Offset (LITO) increase—experience when compared to dual income families at the same income level where both earners could be receiving the LITO increase.
The special end-of-year FTB combined supplement shades in at a rate of 4 cents in the dollar until the maximum amount is reached.
- The supplement shades in on the adjusted taxable income of the primary earner above $58,000.
- The maximum rate is $240 per family for 2011-12 and $620 for 2012-13 and beyond.
These amounts are not indexed.
The special end-of-year FTB combined supplement ceases when the family is no longer eligible for FTB Part A (family incomes exceeding around $110,000, but this depends on the number and age of children in the family).
The special end-of-year FTB combined supplement is paid at the same time as the existing end-of-year supplement for FTB Part B at the end of the financial year.

The proposed package will still deliver the Government’s commitment to support low- and middle-income households (at the lower carbon price) once the Scheme moves to a flexible carbon price from 2012-13, and has the benefit of calibrating almost all industry and households support to the expected impacts of the actual carbon price.

**Senator Xenophon**—I have given copies to all colleagues of a document from Frontier Economics entitled ‘Fiscal effects of “revised offer” CPRS’ that I received today. I seek leave to table that document.
Leave granted.

**Senator Xenophon**—I wish to put a number of questions on notice. In relation to funding the package, my questions follow on from several asked last night by Senator Milne and are around the theme of how the proposed package will be paid for. Effectively, funding for household measures has been reduced by $5.76 billion to 2019-20 because of a projected lower carbon price due to an appreciated Australian dollar.
Firstly, how is performance of the Australian dollar over the next 10 years projected? Secondly, what data was used and what modelling methodology was carried out? Thirdly, given the volatility of the Australian dollar over the last decade, what confidence does the government have that its projections will prove reliable over the next decade? Fourthly, will the government continue to adjust household assistance in future when the exchange rate adjusts? Fifthly, will it increase assistance if the exchange rate falls?
Further, in the MYEFO the government originally revised its exchange rate assumption but did not reduce household assistance. This resulted in a budget deficit. Can the government confirm that it cannot fund increased assistance from this amount without further increasing the deficit from the MYEFO? Should the Australian dollar decline sharply at some point in coming years, what contingency plan does the government...
have in place? The government’s offer to the coalition is partly funded from a contingency reserve allocation for the CPRS. How much has been set aside from this fund and does it contradict the claim that the CPRS will be fully self-funded?

In relation to electricity prices and household assistance, can the government confirm that it expects retail electricity prices to rise by up to 12 per cent by 2012-13? In *Australia’s low pollution future* at page 189, it forecasts that electricity will rise by 17 to 24 per cent and gas by 11 to 15 per cent. In the media release of 25 November this year, the forecasts were between seven and 12 per cent for electricity increases and four to seven per cent for gas. Could I get some clarification in relation to that? Have I got it wrong? If there is a difference in comparing like for like, why is there that difference? If electricity price rises due to the CPRS are greater than 12 per cent, will the government guarantee that they will fully compensate families for these extra costs? If not, how will the compensation mechanism work and will it involve cutting compensation elsewhere?

In relation to small business, under the revised CPRS proposal it would seem that medium and large business enterprises as well as corporations with electricity usage in excess of 300 megawatt hours will all be financially supported by the government during their transition to the CPRS. I note the concerns of the Australian Chamber of Commerce and Industry in their media release of 25 November that:

… though … p18 of the Government announcement allocates $1.1 billion for “SME electricity price impacts”; the Prime Minister’s statement—appears to be in contrast, in that he—
says that this programme is for “medium to large manufacturing” and “mining businesses.” I should correct that. I think there is a contrast between what the Prime Minister said and what the Leader of the Opposition said in that this $1.1 billion compensation is for small to medium mining and manufacturing businesses. Could I get some clarification as to the extent of that package, who it would apply to and the circumstances it would apply to—the thresholds and the like and which businesses it would actually apply to?

I have been contacted by the Council of Small Business of Australia, who have expressed concern that it appears there is support provided for households and large businesses but there is no mention made of support for small business. My questions are: how much do small and medium enterprises currently spend on electricity each year and by how much does the government expect SME businesses’ electricity costs to rise as a consequence of the CPRS? What is the total value of compensation to businesses for higher electricity prices due to the CPRS? Will SMEs be compensated for their additional electricity costs and, if so, by how much?

I have a number of questions on white certificates, which I am moving an amendment in relation to. I am happy to put those questions on notice now or later. I am just trying to be helpful here to speed things up. Perhaps I could put those questions on notice now and get them out of the way. In terms of white certificates—

**Senator Wong**—Senator Xenophon—

The **TEMPORARY CHAIRMAN** *(Senator Mark Bishop)*—Order! Minister, did you want to respond?

**Senator WONG** (South Australia—Minister for Climate Change and Water) (7.53 pm)—Thank you for the courtesy, Senator Xenophon. I will take those questions on notice but I actually can answer some of them now and, if you could bear
with me, I would not mind responding just briefly. You asked about the parameter changes. The parameter changes were standard budget assumptions which were also standard MYEFO assumptions. We can provide you with what additional detail we are able, but they were standard budget assumptions used.

Second, I think your questions 4 and 5 related to the household assistance package and to what extent that would change. The government’s white paper commitment remains. We are committed to providing the assistance that was described in the white paper. The package that we have negotiated with the opposition does that. It includes assistance equal to 120 per cent of the overall cost increase for low-income Australians and a very substantial amount of assistance to middle-income Australia. We have said we will review the adequacy of that assistance every year in the budget context. In other words, that would enable the government to consider whether or not the carbon price impact was higher than previously anticipated and adjust upwards the household assistance to take that into account. We are very clear about that. This is not a one-off; this is ongoing assistance, because the government have a very clear principle that we do not believe low-income Australia should be asked to bear too much of the cost of action on climate change. We do not believe low-income Australia should bear the brunt of action and we are committed to providing low-income Australia and middle-income Australia with assistance. The largest single part, in terms of expenditure, of the scheme goes to households.

You asked why the MYEFO figures adjusted the revenue source but did not adjust the household compensation. The first is as a result of the MYEFO assumptions to which you referred earlier—in other words, the assumption changed from a $29 carbon price to a $26 carbon price. That automatically flowed through the revenue assumptions. There needed to be a government decision to alter the dollar figure of the household assistance. That did not occur until after MYEFO and that is now reflected in the revised figures which have been put forward. What I would say in relation to that is that the reduction in the carbon price in fact has meant that the cost impost on Australians has reduced in terms of the forward assumptions, in terms of the years ahead; therefore, we have adjusted the household assistance package to reflect more accurately the actual cost impact of the carbon price.

You asked also about modelling assumptions about increases to electricity prices. I think in one of your questions you in fact conflated two years worth, but I will look at that on notice. You asked about the difference between Australia’s low pollution future—the Treasury modelling—and more recent figures about the impact over the first two years of the scheme. I just remind you that the Australia’s low pollution future Treasury modelling was undertaken prior to the decision by the government to have a fixed price for the first year. Clearly, a lower fixed price for the first year meant a lower carbon price than had been anticipated under the Treasury modelling.

You asked about the assistance for small and medium enterprises. This is outlined in the offer document. It is $1.1 billion over a number of years and a transitional electricity cost assistance program. It is a transitional measure, not an ongoing measure, and will apply for two years. It is going to be targeted to corporations in the manufacturing and mining sectors. The reason the government is assisting corporations is obviously that there are some difficulties—as a lawyer you would know this—in the Commonwealth legislation in relation to non-corporate entities. The minimum threshold was 300 megawatt hours
per year, and the distribution of that transitional assistance was agreed as up to 50 per cent of the projected increase in retail electricity prices in 2012-13 and, subject to available funds, 25 per cent of the projected increase in electricity prices in 2013-14.

In relation to the proposition COSBOA put, I make the point that we established under our original scheme—and it is retained in the scheme that is before the chamber—the $2.75 billion Climate Change Action Fund. There is a stream in that which is open to small and medium enterprises—and others, but primarily to those businesses—which do not receive free permits through the other transitional programs of assistance. That is for things such as assistance to invest in energy efficiency measures. What we want is the incentive for people to become more energy efficient, and we are willing to allocate revenue through this program to fund those sorts of grants.

That is a broad overview of some of the issues raised in your questions. I am advised that the quantum I gave you for the Climate Change Action Fund has been adjusted under the offer because some aspects were utilised for, I think, the food processing and some contribution to the electricity component that I just spoke about.

In relation to households, I again emphasise that it has been an absolute priority for this government to support low-income and middle-income Australians through the transition as we move to a low-pollution future and a lower carbon economy. We think that all should make their fair contribution, and it is very important that we support Australian households through this process. We have retained that as a key priority, and the percentages and the commitments outlined in the white paper have been maintained in the package that is before the chamber.

Senator XENOPHON (South Australia) (8.01 pm)—I thank the minister for her response and I note that some questions will be taken on notice. The minister said, I think, that the difference in the percentage prices in the projected electricity price rises was due to the cap of $10 in 2011. I think the assumption that was made was that there was an assumed $26 price for carbon in 2012. I just want to clarify whether I have got my figures wrong in relation to that, and I would appreciate it if the minister could just clarify that particular point—and, again, I am happy for it to be taken on notice.

Senator WONG (South Australia—Minister for Climate Change and Water) (8.02 pm)—I think I would like to look at your questions so that it will be clear to me what you are referencing. The $26 carbon price assumption to which you were referring is, I think, a 2013 assumption. That is my recollection, Senator.

Senator XENOPHON (South Australia) (8.02 pm)—I would like to put some other questions on notice, although some of them are less technical. Maybe when we get to those particular issues that might be more appropriate. I understand a number of other senators have questions to ask. I would like to put on notice the whole issue of white certificates and whether they are being considered in the context of maximising the abatement and the effects in terms of maximising the benefits of any scheme. White certificate schemes are common in Europe and are already in some Australian states. While a RET ensures that Australia raises domestic abatement by setting a minimum standard, the introduction of commercial and domestic efficiency measures takes these savings even further through positive incentives such as white certificates—and I note that Senator Milne has been campaigning for this for a very long time. Could the minister indicate why the government has not adopted a na-
tional white certificate scheme to complement any cuts due to an emissions trading scheme and why the government seems to be arguing—and I am sure the minister will correct me if I am wrong—that energy efficiency and emissions reductions seem to be separate things rather than two sides of the same emissions reductions coin? I will leave it at that at this stage, and I am sure we can have a further discussion about white certificates later in this debate.

Senator Milne interjecting—

Senator Wong (South Australia—Minister for Climate Change and Water) (8.04 pm)—Sorry, Senator Milne; I will respond very quickly to Senator Xenophon, who has been waiting for some time—and I do not think he wants to keep getting up and down. I would make a couple of points. There have been a range of energy efficiency measures already implemented by the government. An example of that is the rollout of insulation, which is a simple but extraordinarily important policy mechanism in terms of reducing energy use. There is also the national energy efficiency strategy which has been endorsed by COAG. But we know that we need to do more.

We think not so much that it is two sides of the same coin as that we need a whole range of policies to reduce a nation’s contribution to climate change. One of them—and we think a central one—is that you have to have a price on carbon. The reason for that is that it is a way of making clear the costs of climate change throughout our economy. Currently those costs are invisible, so it is cheap to pollute. We need to make the costs of climate change clear, and that is what a price on carbon does—because we, of course, know that the costs are always there.

As part of the changes the government have proposed—and at the request and lobbying of various environmental stakeholders—we have given a commitment to develop a new energy efficiency mechanism next year. We have given a commitment to establish a prime ministerial task group on energy efficiency. That will advise on the most economically and environmentally effective energy efficiency mechanisms that could be considered by the government to complement both the CPRS and the renewable energy target.

On the white certificates issue, I would just make the point that the International Energy Agency have suggested in the discussions I have had with them that there may be other, and potentially more effective, ways of achieving energy efficiency outcomes. That is one prescription. It is possible this task group may recommend that, but there may well be other leading-edge mechanisms to increase energy efficiency, and we are keen as a government to do more work on that front.

The Temporary Chairman (Senator Hurley)—Senator Nash, before we proceed, I will point out that we are on Australian Greens amendments (2) and (3) on sheet 5786, moved by Senator Milne.

Senator Nash (New South Wales) (8.06 pm)—Indeed, we are on those amendments. As it is a discussion about increasing the targets, it does link, I think, directly to the impacts that the scheme is going to have. It also relates to a series of questions that I was asking the minister last night but, unfortunately, the time of the evening precluded us from continuing. I was asking the minister yesterday evening: by how much will the Australian scheme reduce global carbon emissions? I think we were at the point, Minister, at which you were discussing a range of potential options for other countries to be part of this scheme. It was, however, very clearly a question about how much, if no other countries came on board and Australia embarked
on this scheme, it would actually reduce those global emissions.

I think this is quite important. Australian people are very keen to know. We have been extraordinarily inundated—and I think that is probably an understatement today, particularly for the National Party, although I know other colleagues have been inundated as well—by emails and phone calls from people who have extraordinarily serious concerns about the introduction of this scheme. One of the questions that seems to keep coming up, time and time again, is: if we are the only ones embarking upon this scheme, what difference will it actually make to global emissions? Given that so many people out in communities right around this country are very concerned about this, perhaps, Minister, we could return to that conversation from last night and you could give us an answer?

Senator WONG (South Australia—Minister for Climate Change and Water) (8.08 pm)—I am happy to give an answer. I gave the answer last night. I gave the answer just a short while ago to your colleague Senator Joyce. It is the same question that the National Party has been asking over and over again. It has been asked and answered on a number of occasions in this chamber. As I explained to you and Senator Joyce last night, the actual percentage of reductions that this scheme will achieve will depend on where we set our targets—that will determine how much of a reduction Australia will achieve in the 10 years and then beyond. We put our targets on the table a long time ago. Five to 15 per cent was put on the table in December and then, in May of this year, we added to that and said that, if the world was prepared to make an ambitious global agreement, we would be prepared to go to a 25 per cent reduction on 2000 levels. So that has been asked and answered and before the dinner break I gave Senator Joyce figures on the number of millions of tonnes of carbon that would not go into the atmosphere if this legislation was passed. I can read them to you again, if you wish.

You continue, if I may say, Senator, to come in here and assert an untruth. You keep asserting that no-one else is acting and that is untrue. I took you through that last night and again today and I do not understand, other than for the reason of trying to delay, why it is that you keep putting that proposition. It is not a reasonable proposition. It is a reasonable proposition to say that other people are not doing as much as you want. That is a legitimate position to put. It is not legitimate, nor is it true, to say no-one else is acting. I do not know why it is that you and Senator Joyce continue to come in here and put something on the record in this chamber which you have been clearly advised, and I presume you know, is not correct.

Senator MILNE (Tasmania) (8.11 pm)—I rise to speak to the amendment which I moved earlier. To remind the Senate, this is the Australian Greens amendment relating to national emission reduction targets. This would delete the government’s targets and put in, instead:

to take action directed towards meeting Australia’s target of reducing net greenhouse gas emissions to at least 25% to 40% below 1990 levels by 2020.

The reason that this is so critical to the Greens is that it goes to the absolute heart of the environmental integrity of the Carbon Pollution Reduction Scheme and the government’s effort.

It has been known for a long time that there are two issues to be looked at. One is the overall global reduction target that has to be achieved to deliver a safe climate and the second is the burden-sharing arrangement between countries which would allow for that target to be met. It was an accepted reality in Bali in 2007, and in fact for years be-
fore that but it was clearly in the Bali road map, that, if the world was to avoid a temperature rise of more than two degrees, then developed countries like Australia had to reduce their emissions by between 25 and 40 per cent by 2020. That was so that developing countries could develop without our blowing the global carbon budget. So it was based on equity, saying developed countries had to make a bigger effort to reduce their emissions.

This was consistent with the Kyoto protocol, in which it was clearly set out as a matter of principle that developed countries reduce their emissions first and then developing countries would come on board later with legally binding commitments once the developed world had demonstrated that they had achieved theirs. It has been a source of contention with, and frustration for, developing countries that the developed world has failed to do what it said it would do when the Kyoto protocol was first signed and later ratified.

I would like to start by asking the minister about the government’s targets. I know that they are political targets, but they are not scientific targets. This is where the government and the Greens are in complete disagreement—over trying to sell a five to 25 per cent reduction by 2020, for a developed country like Australia, as scientifically credible in the context of developed countries having to make a greater effort so that developing countries have some headroom.

I would like to ask the minister: what is your understanding about what a global stabilisation of 450 parts per million CO2e would do in terms of the two degrees? What is the level of risk, if the world did agree to 450 parts per million CO2e, that we would exceed two degrees? I will come to whether two degrees is safe or not in a minute. What is the level of risk involved in exceeding two degrees at 450 parts per million CO2e stabilisation?

Senator WONG (South Australia—Minister for Climate Change and Water) (8.15 pm)—My recollection of the way in which the 450 parts per million scenario—‘scenario’ might not be the right word—of the IPCC consideration was expressed was that it had around a 50 per cent chance of limiting warming to no more than two degrees. Secondly, we do agree with the proposition that developed countries should act, and should act first—and as a group that is what we are seeking to be part of. The 25 per cent to 40 per cent target that the senator talks about was as a group. There was not an indication that every country had to target 40 or 25 per cent—it was for developed countries as a whole.

I have a number of points more. The government’s view is that our targets are both credible and ambitious. We also believe that if you set a target you should be able to achieve it. We do not believe this is only about slogans and rhetoric. This is sometimes hard—as demonstrated by how much opposition there is by those who do not want action on climate change—and there is sometimes hard economic and environmental policy required to achieve it. These are very significant reductions, particularly when you consider where we are coming from. Australia is, as the senator knows, a very high emitter. We are one of the highest—if not the highest—per capita emitters in the world. That is not an excuse; it does tell us something about the scale of the challenge. We are a carbon-intensive economy and we have to do a lot of work in order to reduce emissions.

I make the point, as an example, that our conditional 25 per cent offer is a 32 percentage point reduction from our existing Kyoto commitment. In other words, we are saying that we will reduce by up to 32 percentage
points what we have committed to do as a nation, under Kyoto. That is a very significant reduction. If you compare that, for example, to the European Union, you find that the top end of their target is a 22 percentage point reduction off their Kyoto target. Japan’s is a 19 percentage point reduction off their Kyoto target. The United Kingdom’s is a 21 percentage point reduction off their Kyoto commitment.

What that demonstrates is that we are saying to the rest of the world, ‘From where we are now we will do more than almost any other developed country in the timeframe.’ What the Greens want is to go even further. We say that a 25 per cent target is both ambitious and credible and would constitute a strong contribution to a 450 PPM agreement.

There is a lot of political focus on the 2020 target and I keep saying that we must remember this: this is not about a single goal and a single milestone; this is about a path. The year 2020 is one of the points we pass—and we have to go past it. It is nowhere near enough, out to 2050, when you look at what the world will need to do. We know that. So what we are having a disagreement about here is: how fast can this country transition? That is what this is about. How fast can we make the change that is needed? Our view is that 25 per cent as the top-end target is a responsible position to adopt. I understand that is not Senator Milne’s position, but I would make the point that in terms of per capita emissions—again, I am simply talking about how much work we have to do—our target implies that between 1990 and 2020 there will be almost a halving of the carbon footprint of every single Australian. That is a pretty significant change.

Senator MILNE (Tasmania) (8.20 pm)—What the minister has just said is about the politics of what she thinks is achievable. The fact is that the atmosphere does not really care. We are not talking here about what is politically achievable but about what the science—the chemistry and physics—deliver for us: what the earth can bear. I could not agree more than that what we are doing out to 2020 is so lax that after that it will be such a radical change that there will be massive dislocation if you are to get to net carbon zero—or, on a more conservative estimate, 95 per cent—by 2050, which is way beyond what the government wants.

The differences we have are with the assumption that we have time to do that and the failure to recognise that there are scientific tipping points. Those scientific tipping points are not going to adjust themselves to the fact that Australia—or the US—is not prepared to go any further. The reality is we have a carbon budget, and this is where the targets actually start to kick in and to have some real explanation. Only yesterday The Copenhagen diagnosis was released, in which 26 leading scientists tell us that, on the science, virtually every one of the IPCC’s worst-case scenarios had either been achieved or actually gone beyond. That is pretty terrifying. I saw a tiny piece in the news today saying that a whole lot of icebergs have carved off the West Antarctic Ice Sheet and are now about 250 miles south of New Zealand. They are a hazard to shipping, not to mention anybody in a smaller craft who might be in those waters.

The facts are there, whether you look at temperature, at the accelerated melting of icesheets, glaciers and icecaps or at the rapid Arctic sea-ice decline. Scientists are now saying the likelihood of an ice-free Arctic summer is very real—some people say as early as 2013 and others say 2025 or 2030. Either way, it is years ahead of what people anticipated previously. The sea-level predictions were revised only this week. Where the IPCC had made quite conservative predictions, The Copenhagen diagnosis says the
sea-level rise is more likely to be in the vicinity of half a metre to two metres by 2100.

The point that they are making quite clearly is that, if global warming is to be limited to a maximum of two degrees above pre-industrial levels, global emissions need to peak between 2015 and 2020 and then decline rapidly. The IPCC had said they needed to peak by 2015 and then come down; that has now been revised to 2015 to 2020. When you say to the scientists: ‘Why have you revised that? You said a few years ago global emissions had to peak by 2015 and then come down—why are you now changing that to 2020?’ they say: ‘Because we’ve already passed that deadline. We’ve already passed that tipping point.’ I say, ‘How can we have already passed it?’ They have made a political judgement. Everybody here is in the business of making political judgements.

What is very clear is that 450 parts per million CO2e was thought to keep global temperature below two degrees, which was thought to be a safe level for the climate. I ask the minister: do you now concede that, on all the science out there, everything that has come in since the IPCC, 450 parts per million gives us an even less than 50 per cent chance of avoiding exceeding two degrees? I actually think two degrees is way too generous, and I will get to that in a minute. Minister, do you accept that 450 parts per million gives us a less than 50 per cent chance of avoiding a higher than two-degree global temperature and therefore catastrophic climate change?

Senator WONG (South Australia—Minister for Climate Change and Water) (8.25 pm)—First, I disagree with the accusation or the criticism that these are ‘political’ targets. These are targets that we are setting as we seek to introduce a scheme, a law, that for the first time will reduce Australia’s contribution to climate change. My view is that the science is telling us that things are worsening faster than predicted, and what that says to me is we need to act now. So, Senator, whilst I understand that this is your and your party’s position and you will put these arguments in this amendment, for us this is not a debate about theory; this is a government seeking to put into practice, to effect action. That is why we want this legislation passed.

The fact that your party has chosen to vote against action on climate change is quite extraordinary. To see Senators Brown and Fielding sitting on the same side of the chamber to stop any action on climate change is quite extraordinary, because what you are saying is: ‘If the number is not as high as we want, we’d rather do nothing. We’d rather allow this nation’s contribution to climate change to increase.’ We fundamentally disagree on this. We believe we need to start taking action. Part of the reason we need to act, and why I do not think focus on 2020 should blind us to the other challenges, is that we know we have to go so much further and that, the longer we delay, the higher the costs will be and the harder it will be. The logic that says, ‘Because the target’s not high enough we don’t want to start acting now,’ when what you are doing is in fact making it harder for us to do anything and harder for us to go further, is a very strange logic, if I may say.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (8.28 pm)—I am going to make a very daunting prediction after Senator Wong’s contribution. On these amendments of Senator Milne, which would bring Australia into line with the aim of a 25 to 40 per cent reduction in greenhouse gas emissions over 1990 levels by 2020—that is what the Intergovernmental Panel on Climate Change and Australia’s leading climate change scientists say we should be aiming at—we will see Senator
Wong, Senator Fielding and all of the National Party voting on the same side of the chamber. It is easy to make a throwaway political line about seeing Senator Brown and Senator Fielding on one side, but I suspect you are about to find yourself voting on their side on this motion, Senator Wong. That is because this is not a formula for getting underway constructive movement towards a 40 per cent reduction in greenhouse gases by 2020; it is a blocker.

You will be aware of the legal advice we have released—and I have had no comeback on that from the government—coming from Brian Walters, senior counsel in Melbourne, and Matthew Baird, a barrister in Sydney. It says that this legislation does not allow us, or a future government, to move on to 25 per cent to 40 per cent by 2020 without risking a massive compensation claim from the big polluters—who are already set to get up to $24 billion, including the $5 billion transferred out of households under the package that Senator Wong and Prime Minister Rudd have negotiated with the Turnbull opposition in the last few days.

But back to Senator Milne’s very responsible, and science based, amendment which is now before the chamber. That is where we should be going. To quote the Prime Minister, if we were to be accepting our existential position and aiming to save our children and our grandchildren from catastrophic climate change, that is where we need to be going. It is not the government’s five per cent, which has failure written into it and which will, for example, lose the Great Barrier Reef this century, but it is the targets brought forward in this amendment by Senator Milne—the 25 per cent to 40 per cent—that we have to achieve as a minimum.

I have before me the document Senator Milne was referring to, The Copenhagen diagnosis, which was released this week by the University of New South Wales and the Climate Change Research Centre headed by Professor Matthew England. Amongst other things it says this:

New ice-core records confirm the importance of greenhouse gasses for past temperatures on Earth, and show that CO2 levels are higher now than they have ever been during the last 800,000 years. Let me explain that. Since 1750, the start of the Industrial Revolution, we have seen industrial activity and the burning of fossil fuels and forests putting us in a situation where the atmosphere is stuffed with more greenhouse gases threatening the planet than throughout all that period during which humanity came to secure its foothold on the planet. It had the ability through agriculture to be sedentary, to go on to discover the wheel and great artworks—which are part of cultures right around the planet—and then through the scientific age to give us the extraordinary wherewithal we have now.

Suddenly all that is at risk because we cannot take action commensurate with what the scientists tell us is urgently needed to recover an atmospheric level of greenhouse gases which will take us from the lip of the chasm of catastrophic climate change. The target in this legislation, negotiated and agreed upon between the coalition and the government, manifestly does not even go close to doing that; it is a failure. That is why Senator Milne’s motion to amend the legislation regarding the critical matter of targets is before the Senate chamber. We accept this amendment is not going to be given a Senate majority imprimatur here, but I refer back to Senator Milne’s second reading speech: do not let anybody in this chamber in future say they did not know.

The Copenhagen diagnosis—which is available to everybody via newspapers in this country and it was on the air during the last few days—says that the threat of climate
change is not receding but accelerating. All the signs, the scientists are working out, as against the sceptics’ witchcraft, are not getting better but are accelerating in the wrong direction. The Greens proposal for a 25 per cent to 40 per cent target is then seen as possibly being at the lower end of the range which is going to save us from catastrophic climate change. Everybody in here knows the literature. Everybody takes the responsibility for voting against this amendment if they do. I inveigle everybody to vote for it.

We are in a very critical period of human history and wealthier countries like Australia have to take stock. My colleagues in this chamber from the National Party were saying just a moment ago, ‘What percentage difference is it going to make if Australia takes action now?’ My answer to them is, ‘What percentage difference does it make if your inaction leads to the further destruction of the Murray-Darling Basin as predicted?’ Senator Wong gave this prediction to the chamber earlier today: there would be 90 per cent reduction in the Murray-Darling Basin’s food producing capability through failed climate action change. In terms of the world food production that is much less than one per cent. The National Party’s theory is that it does not matter because it is not really very much. This logic that the National Party brings forward abandons the farmers of the Murray-Darling Basin—

Senator Nash—Madam Temporary Chairman, on a point of order: I think Senator Brown is misrepresenting us. We have never made that claim about the one per cent.

The TEMPORARY CHAIRMAN (Senator Hurley)—There is no point of order, Senator Nash.

Senator BOB BROWN—They have frequently asked what is Australia’s contribution to global atmospheric pollution. It has been frequently argued, by prominent spokespeople, from the sceptics in the National Party and the coalition generally, that we should not act before other countries do because it would be such a tiny effect that it will not change materially what happens in the atmosphere. I am using the same mad logic involved in saying, ‘Well, what difference does it make if you have a 90 per cent reduction in the productivity of the Murray-Darling Basin because we do not act first and take a leadership role in this huge common human problem of climate change.’ I urge the people who think that way to think again.

We in this nation are amongst the world’s greatest per capita polluters of the atmosphere. If you take into account export coal—and the National Party is a prodigious supporter of accelerating the export of coal to be burnt on this planet to rapidly increase greenhouse gas emissions—then the Australian contributions are double what is actually counted in terms of its domestic output. But there you go. I say again, as Senator Milne said: we are all aware of the fact that this amendment is the most crucial amendment, because it would get us back on track. It is a centrepoint to the Greens presentation, which backs the science and the responsible calls from the best thinkers on the planet, that, at their behest, we take this action in this democratic system, and if we cannot do it who on earth is going to do so.

Senator NASH (New South Wales) (8.38 pm)—If I could return to the question I asked the minister before. Perhaps I did not make myself clear enough or perhaps the minister is a little bit tired at the end of a long week. I never said, ‘that no-one else was acting around the world,’ which the minister seemed to be trying to attribute to me. I never at any stage said that. But I do thank her for giving us a very clear indication last night of those countries that were currently contributing. I have never actually indicated that I thought that no-one else was acting.
My question was: if no-one else did act from this point on, apart from Australia, what would the reduction be? I am sorry if I did not make myself clear, Minister, but I was trying to ask that very clear question.

I do take the minister’s point. She did give some answers to Senator Joyce. Maybe they were not quite clear enough for me to understand and I would then suggest that perhaps a lot of the listeners to this particular exchange probably could not understand them either. But I do not believe that the minister actually responded in terms of parts per million. Also, I do take the minister’s point: she said that there was a range of targets. I would think that commonsense would then say that, related to that, there would then potentially be a range of reduction levels. So perhaps the minister could reply to that in parts per million terms, because this is very important. It is important because one of the key questions that comes back to us—and, Minister, it comes as well from people who are trying to very clearly understand this—is that, if Australia is the only one from here on in who will be on the playing field, if you like, in the absence of anybody else coming on board what is the actual reduction going to be. I am trying to be very clear here. Could we have a parts per million response—

Senator Cameron—It’s all about Barnaby.

Senator NASH—I must be really getting under your skin, Senator Cameron. I seem to be the only one you pick on over here. I am actually feeling quite flattered, Senator Cameron.

The TEMPORARY CHAIRMAN (Senator Hurley)—Senator Nash, would you ignore the interjections.

Senator NASH—I apologise Madame Temporary Chairman. Perhaps if the minister could respond very simply. I do acknowledge that I do not have the level of understanding that many others have about this. Could I have just a bit of a commonsense answer to the question of the range of reduction levels that accompany that range of targets, as a parts per million explanation.

Senator WONG (South Australia—Minister for Climate Change and Water) (8.41 pm)—I have answered that question I think now on four or five occasions.

Senator Nash—No you have not, Minister.

Senator WONG—I have. I think that any reasonable person listening would know that you and others are simply asking the same set of questions over and over again, because you do not want to transact the business of the bill.

Senator Nash—Can’t you answer it?

Senator WONG—I can answer it, and I have. Senator Milne has moved an amendment. I do not agree with the amendment and, may I respectfully suggest, the chamber might want to vote on that amendment. I have responded on a number of occasions now to both you and your colleague Senator Joyce. I think anyone listening will know that you are simply trying to avoid voting on aspects of this legislation. I was in this chamber from 7.30 last night until 11.00 pm and we have been here since about 4 o’clock and we have done two amendments in that time. It is quite clear what game is being played by your party here, and I think it is disappointing, because you should have the courage of your convictions and vote.

Senator Nash—I rise on a point of order. I ask the minister to withdraw that. There is no game being played here on this side of the chamber by the National Party. We are simply trying to get a straight answer to a straight question.
The TEMPORARY CHAIRMAN—There is no point of order. If the minister has finished her answer I call Senator Williams.

Senator WILLIAMS (New South Wales) (8.43 pm)—Minister, could I perhaps put some of the figures to you, being a former bookmaker’s clerk and being familiar with a few figures. I want to make a comment about Senator Bob Brown’s comments about the science and so on. As I said in my speech to the Senate this week—

Senator Cameron—That was a cracker.

The TEMPORARY CHAIRMAN—Senator Cameron, Senator Williams has the call.

Senator WILLIAMS—Thank you Madame Temporary Chairman. Interjecting across the chamber is rude and it is time Senator Cameron realised that.

I make that point that Professor Latif, a German scientist who is very well respected by the Intergovernmental Panel on Climate Change, Senator Bob Brown, said in September that the globe has not been warming since 2003 and in fact it has been cooling, and he expects that it will cool for another 10 or 20 years. Those here promoting the climate change scare campaign obviously do not recognise what Professor Latif has said, yet he is a well respected scientist in Germany who the IPCC have paid a lot of attention to. But, when he said this, those who are saying we had doomed to death in the near future fail to acknowledge the scientist’s remarks, and I find that amazing.

I take Minister Wong to a point about carbon dioxide levels—parts per million in the atmosphere. I am going to give the Minister some simple figures. We talk about 380 parts per million of CO2—and I recognise that, on the basis of ice samples, that has risen from 280 parts per million since the year 1750. Australia produces 1.4 per cent of the world’s greenhouse gases. If the minister’s emissions trading scheme is put in place, we are going to reduce Australia’s level by five per cent come the year 2020. That is the target, at a cost in the billions and billions of dollars.

I paint the picture of the rest of the world’s emissions remaining exactly the same from now until year 2020. We know that China will increase, we know that India will increase and we know that America might take some action and reduce its emissions a bit. We know what might happen; we do not know what will definitely happen. But let us assume that the rest of the world’s emissions remain exactly the same and that Australia, now producing 1.4 per cent of the world greenhouse gases, reduces those by five per cent. That would mean that Australia’s emissions were 1.33 per cent of the world’s greenhouse gases. So from 380 parts per million you would simply deduct 0.07 of one per cent, because we would come down from 1.4 per cent to 1.33 per cent of the world’s greenhouse gases. That would reduce the carbon dioxide levels in the atmosphere from 380 parts per million to 379.75 parts per million. That is the fact of it, assuming that the rest of the world stayed the same. In nine years, the cost would be $120 billion or $200 billion depending on the price of carbon and the value of the Australian dollar. We would bring carbon dioxide in the atmosphere right down from 380 parts per million to 379.75 parts per million, assuming that the rest of the world stayed exactly the same. To me, that is farcical.

My concern about this whole plan is the risk of shutting down industries in Australia and sending those industries overseas. I have a question about the emissions-intensive trade-exposed industries—I will talk about the cement industry in particular—and perhaps Minister Faulkner might be able to answer it for me. Under the proposal, we would see a 94.5 per cent discount given to the ce-
ment industry, but by 2014-15 that would be reduced to 91 per cent. When we produce 10 million tonnes of cement in Australia, we produce 8 million tonnes of greenhouse gases. So looking at 2015 on the basis of 10 per cent of 8 million, we can see that 800,000 tonnes of greenhouse gases would be taxed at $25 a tonne, so that would be $20 million in taxes on the cement industry. So each year after 2014-15, the Australian cement industry would face a tax of $20 million.

We have only got 14 factories left. We had 15—Cement Australia closed its Rockhampton factory recently and the 1,870 jobs are under threat. Because of that $20 million cost to the cement industry each year after 2014-15, assuming $25 a tonne for carbon, those 14 factories in Australia in places like Kandos in the seat of Parkes, where my colleague Mark Coulton has done so much work, would be in real trouble.

China produce one billion tonnes of cement per year, and when they produce one tonne of cement they produce 1.1 tonnes of greenhouse gases where we produce 0.8 of a tonne. We would see that industry move to China, where those 10 million tonnes of cement would produce 11 million tonnes of greenhouse gases as opposed to our 8 million tonnes in Australia currently. We would lose our industry, lose our jobs and put an extra 3 million tonnes of greenhouse gases into the atmosphere.

Surely the minister must agree that the discounts provided to these emissions-intensive trade-exposed industries are simply not be enough and that they will fold up and move overseas where there is the threat that more greenhouse gases would be produced. What action will the government take to see that those industries do survive, because the cement industry cannot cop a $20 million tax per year?

**Senator McGauran** (Victoria) (8.49 pm)—I am provoked to rise on this issue because, like Minister Wong and my colleagues here, I want to see the Carbon Pollution Reduction Scheme Bill 2009 [No. 2] dealt with as quickly as possible, but there are many questions to be asked on the biggest issue to go through the parliament. I was going to say ‘the biggest issue to go through the parliament for a long time’, but I do not think there has ever been a bigger issue.

Senator Bob Brown is right: it is a key issue and a key amendment—very much so. Senator Milne is correct, but we come from the other side. Senator Milne was doing all right, and she has done since this debate began. She has presented her case rationally and calmly, but the leader of the Greens keeps coming in and interjecting all the time with extremism. He has gone now, which is probably a good thing for the whole chamber and the debate. The extremism that he injected into this debate has to be challenged. He called the views on climate change of anyone who challenges his view and the science that he is relying on ‘witchcraft’, didn’t he? Yes, he did! Of course, he never talks about natural climate change. I have never even heard it mentioned—even from the other side, ironically.

**Senator Boswell**—You never hear anything from the other side!

**Senator McGauran**—Senator Boswell makes another good point. Senator Cameron is back from saving the world overseas with the EU. He has had a chance to jump up. While Senator Cameron was away, only three of his colleagues spoke in the second reading debate. I think I even gave Senator Cameron credit that, when he came back from overseas, he would be the first to jump up and speak on this issue, the first one to defend the government. But I have not heard
from Senator Cameron for days. I wonder if he still has jet lag.

Senator Cameron interjecting—

Senator Hurley—Senator McGauran, we are discussing amendments (2) and (3).

Senator McGauran—Yes. The point is that the intolerance of the Leader of the Greens has to be challenged when he mentions the ‘witchcraft’ of those who come into this chamber with other science. I want to say to you that we base our views on credible science. I must say, regrettably, the minister even encouraged the debate that yes, the world’s man-made climatic change is changing more rapidly than even she thought, and the scientists, the credible science and the IPCC—

Senator Ludlam—IPCC.

Senator McGauran—Yes; it is the foundation of your claims. You then bring in a few other nutty scientists on top of that, but that is the basis of your claims. You would have to admit that this is an organisation that many scientists have now broken loose from. They are now claiming they have been verbally in that report—hundreds of them, in fact. There are now claims that the material they used is in fact a cover-up. But, all right, you can base your scientific views on that, but then you bring in the sea-level issue. That is the one you threw in as the most immediate icon. You have lost the Antarctic as an icon, because that is no longer melting. That has been found. Our own Curtin University in Western Australia found that. That is a scientific fact. It is undisputed: the Antarctic now is not melting. How ironic. So you have fished around for another icon, and it is now that the sea levels are rising. We had a House of Representatives report, produced not by scientists but by a group of parliamentarians, with a government majority—

Senator Boswell—Mal Washer, and he’s a doctor!

Senator McGauran—Mal Washer was on it? A Liberal?

Senator Boswell—He was the deputy chair.

Senator McGauran—Righto, that’s not a very good interjection! Anyway, it was a government majority report. What would you expect them to find? Of course, it got newspaper headlines. But what would you expect a House of Representatives, government majority report to find, other than that the sea levels are drastically rising? I have it in my office. I thought I might read it, but I will not.

I also read that the Rees government, those knaves from New South Wales, is now claiming sea-level rises. If ever there was a good excuse for a tax, it sure sounds like it when the Rees government jumps on the bandwagon of sea-level rises. They base their new tax, or their claims, on the fact that coastal waters would ‘rise 40 centimetres on 1990 levels by 2050’—they are not going to last that long, but anyway—‘with potentially disastrous effects’. And I know that the Prime Minister backed up that claim at the Lowy Institute. The Rees Labor government claimed there were some 700,000 houses in danger. The Prime Minister gave credence to that in a speech he made, saying that that was risking $150 billion dollars.

But there is another scientific group. There is a scientific group called the Bureau of Meteorology, which dispute that claim. The Bureau of Meteorology dispute the claim outright, saying the average yearly increase of 1.9 millimetres is what they have recorded since 1991. This is consistent with historical analysis showing that throughout the 20th century there was a modest rise in global sea levels of about 20 centimetres, or 1.7 millimetres per year on average. So the Bureau of Meteorology, with their measurements, their claims and their science, are
saying that there is no surge in sea levels at all, and they do not predict that there will be any.

**Senator Cameron interjecting—**

**Senator McGauran**—That is creditable science. You might not agree with it, but we are coming in with creditable science. But, more than that, the sea-level argument is the new icon that the extremists are using. I will refer to very creditable science, from Nils-Axel Morner—he is from Stockholm, so it is one of those names. He was responding to that stunt pulled by the President of the Maldives—it was quite a good one; it got international press—where the cabinet were sitting in the sea waters to show the world what would happen if the sea levels were to rise as they are predicted to rise. This is the world’s leading authority on sea levels. There is a scientist for everything, I have to admit, but here we have the world’s leading authority on sea levels. That is undisputed. He is from Stockholm University. He is the past president of the International Union for Quaternary Research commission on sea level changes and coastal evolution. He is highly decorated, highly respected. In the words of a scientist he says there is ‘no rational basis’ for their claim. In layman’s terms: absolute rubbish. He goes on to give some proper facts:

1. In the last 2000 years, sea level has oscillated with 5 peaks reaching 0.6 to 1.2 m above the present sea level.
2. From 1790 to 1970 sea level was about 20 cm higher than today
3. In the 1970s, sea level fell by about 20 cm to its present level
4. Sea level has remained stable for the last 30 years, implying that there are no traces of any alarming on-going sea level rise.

Fact (5) was that the notion presented by the President of the Maldives was absolute rubbish. Well, he put it a little more politely than that, in scientific terms. All I am saying is that we are coming in with Professor Morner, who is creditable. That is the science we are relying on. But it is not good enough for the Leader of the Greens. He calls it ‘witchcraft’ if anyone comes in with a different point of view. It has to be challenged—and, when it is challenged, they bristle, they interject. I say to the Greens, particularly the more reasonable two who are here, that you ought to start looking at the science—

**Senator Boswell**—That’s the right wing of the Greens!

**Senator McGauran**—That is the right wing of the Greens, who are in the chamber at the moment. Having given that background, which it was necessary for the minister to hear, here is my question, finally. To what extent are you factoring in natural climate change? All we hear about is man-made climate change. Whatever element it is, you tell us: what is the element of natural climate change and how are you accounting for it in this scheme?

**The Temporary Chairman (Senator Hurley)**—Before I call the minister, I will remind senators in the chamber that we are dealing with Greens amendments (2) and (3) on sheet 5786. The debate seems to have strayed beyond that.

**Senator Faulkner** (New South Wales—Minister for Defence) (9.00 pm)—Thank you, Madam Temporary Chair. It is a pleasure to be involved, however briefly, in this important debate. Well, perhaps it is not a pleasure, but I am sure that Senator Wong is finding it a pleasure that she did not have to listen to that most recent tirade from Senator McGauran.

I was asked some questions by Senator Williams, who, unlike Senator McGauran, is not a reject from the National Party; he has actually stuck with the National Party. He did ask some sensible questions, which, as
Senator Boswell would be the first to acknowledge, is most unusual from any serving senator from the National Party. He asked me about impacts on the cement industry, and I think the serious question that he asked actually does warrant a response from me. I can say this to Senator Williams—who, even though he asked me a question, will have to read the response to his question in the Hansard, because he is no longer with us. He was actually driven from the chamber by Senator McGauran's recent contribution. I can say to Senator Williams on the cement question that the government has listened to the views of all stakeholders very closely—including, I must say, the views of the cement industry. It has done that in developing and finalising the CPRS. The activity definition for the production of clinker has been approved for the purposes of data collection. A formal assessment of the status of this activity may now be conducted on the basis of this activity definition.

I can also assure the committee that the government has carefully drafted this activity definition in the context of the policy parameters and the principles established in the white paper. I can also assure the committee that Senator Wong has taken advice from not only her department but also the expert advisory committee to provide assurance that both the process and the decisions are fair and reasonable in the context of the white paper policy positions. I do hope that Senator Boswell, as the senior member of the National Party in the chamber, will take the responsibility of passing through to Senator Williams my response to the question he asked me.

I then come to the contribution of Senator McGauran—last and certainly least of the contributions that I have heard. It appeared to be some sort of mixture of prejudice, extremism, conspiracy theories, voodoo unscience and patent nonsense, and—I am trying to be fair here—it was just plain nutty. I listened carefully and I thought of all the expert scientific views that I have seen and read over the years from the Intergovernmental Panel on Climate Change, from the literally thousands of scientists who have contributed to the scientific underpinning that has informed debates and discussions on the issue of climate change for well over a decade, and I compared that with the nonsense that I have just heard from Senator McGauran, who I really do think should go and take a Bex and have a good lie-down. Honestly, Senator McGauran, you concluded your rabid contribution by asking a question about whether the IPCC takes into account the issue of natural climate change. My understanding has been consistently—and I will try and check with the officials beside me in the advisers box—that that is one of the considerations that the panel takes into account. I am overwhelmed by the number of nodding officials beside me who have been able to confirm that what I have just said is correct. Senator, I hope that assists you—

Senator McGauran—It's good to get an answer.

Senator Faulkner—I sincerely hope it assists your thought processes and, because I am a generous fellow at this hour of the night, I am not going to give you a few other suggestions which would also have a beneficial impact on your thought processes. To Senator Williams, who has now returned to the chamber, I have asked Senator Boswell to take the responsibility of passing on to you my response to your question, which I have acknowledged was a far more serious one than the incomprehensible claptrap that we heard from Senator McGauran.

Senator Milne (Tasmania) (9.07 pm)—I rise to take us back to some serious discussion of the targets. I would point out to Senator McGauran that just two days ago new
research was released showing that the Antarctic’s eastern ice sheet, long thought to be unaffected by climate change, is melting 10 per cent faster than it can produce ice. The water coming in under the west Antarctica is actually warmer by about one degree, so it is actually melting the base of the ice shelf. It is very clear that what scientists first thought is wrong, and this is completely consistent with what I was saying earlier about the science showing that global warming is proceeding at a far greater rate than the scientists or the IPCC predicted.

It is a tragedy that we are actually in the midst of a global emergency, yet the carry-on in here is as if this is some sort of joke and we are in an amusement centre. We are actually debating the policy that will be a matter of life or death for people right around the world not in 10 years time but right now. It may interest Senator McGauran to know that in the Carteret Islands there are already islands that have disappeared. People have had to move already. The leader of the Tuvalu delegation to the United Nations COP meeting in Nairobi in 2006 asked, ‘Who will take my people?’ We have just had a mention of the Maldives, which has exactly the same problem. In Tuvalu it is frightening. If you were to look at a photograph of that island, you would realise how terrifying it would be to live there. Imagine what a rise in the sea level is going to do. Those countries already have salt water incursion into their fresh water lenses. They no longer have fresh water and they can no longer grow crops because of that salt water incursion. In Bangladesh we have people living in fear that when the tide comes in every night they will be unable to withstand it, they will lose everything they have, including their lives. As I indicated earlier, there are a billion people in the four great river valleys of Asia. The ice in the glaciers is melting so rapidly that there is a fear they will have no fresh water for six months of the year.

Senator McGauran asked about the tipping points and I have asked the scientists about those. They say that the first tipping point we are likely to breach is the Arctic sea ice. There are predictions that the Arctic will be free of summer ice by 2013 to 2025. Nobody knows the impact that is going to have on thermohaline circulation, the ocean’s conveyor belt, because the last time the Arctic was ice free, the continents were not in the same position they are in now, so we simply do not know what that means. That is not to mention the impact on thermal expansions of the ocean due to the loss of summer Arctic sea ice.

So the first tipping point is the Arctic sea ice. The second tipping point is ocean acidification. Four hundred and fifty parts per million is the tipping point for ocean acidification. The CRC in Hobart has made it perfectly clear that at 450 parts per million you are going to see acidification, and it will be worse at higher latitudes where the carbon dioxide is absorbed faster. What you are going to find is that 10 per cent of the Arctic Ocean will be corrosively acidic by 2018. We are already seeing that the shells of microscopic creatures are thinner now than they were in pre-industrial times. We will reach a point at which they can no longer form those shells and that means the collapse of the marine food chain, which in turn means the collapse of the oceans and the coral reefs that millions of people around the world depend on for their protein.

Let me come to the coral reefs. In this very building only a week ago we had Australia’s leading scientists on the Great Barrier Reef saying that acidification is the enemy of the reefs and that they are already under threat from regular occurrences of bleaching. If you add acidification to that, you are going
to lose the great coral reefs of the world, including the Great Barrier Reef. Many coral reef scientists will tell you off the record that they already think it is too late for the world’s coral reefs. They say at the very least you need a global reduction of 25 per cent in greenhouse gas emissions by 2020 to give the reefs a 50 per cent chance.

I want to make the point to the minister that it is patently untrue to say that the Greens do not want to do anything. She has accused other people in the chamber of misrepresentation, but I have to say that is a gross misrepresentation. I cannot tell you how many times we have moved in here to save the great carbon stores, Australia’s primary forests, and that has been rejected by both the government and the coalition.

Senator Boswell—Not the Nationals?

Senator MILNE—including the National Party, of course. Sorry, I should have named you particularly. I also note that I have moved in here endless times for a higher renewable energy target, for a gross feed-in tariff, for a national energy efficiency target and for higher standards on just about everything, including vehicle fuel efficiency. I cannot tell you the number of initiatives I have moved in the last several years that go directly to the issues not only of a reduction in greenhouse gas emissions but also of driving the transformation to the low-carbon, zero-carbon economy. So let us not have that nonsense.

The point of difference between the government and the Greens on this is that the Greens totally adhere to the science which says that two degrees can no longer be regarded as a safe level for the climate—in fact, we are already seeing dangerous climate change with far less warming than that—that 450 parts per million would not give you a 50 per cent chance of avoiding the two degrees limit and that we need to get it down. We need to be on a trajectory to 350 parts per million. Graham Pearman says that. He is one of Australia’s leading scientists. In fact, you would be hard pressed to find a credible scientist in Australia who would not tell you that getting to 350 is far safer and gives us a better chance of avoiding catastrophic climate change than 450. The scientists are very clear about what is necessary and that is where they got the 25 to 40 per cent from. I agree with the minister that it was meant to be an average of what annex 1 countries would do in cutting their emissions by 2020. What does the minister think the average annex 1 country cut should be in the global treaty in Copenhagen? What should the average be for annex 1 countries—somewhere between 25 and 40? Should it be based on the latest science and on the principle of burden sharing between developing and developed countries?

Senator WONG (South Australia—Minister for Climate Change and Water) (9.16 pm)—I see Senator Macdonald rising to speak. If his contribution is not on this amendment, given how long we have been discussing it, I wonder if he would allow this amendment to be voted on. I am happy to take his question after that. I ask him to consider that. We have been discussing this Greens amendment for a long time, though somewhat tangentially, and there will be a vote on it. I can indicate to him that after that, if he has other questions, I would be happy to respond to them.

Senator Milne, perhaps the best way of outlining Australia’s position would be to refer to the conditions we have put on our 25 per cent conditional target. We place those with a very clear eye to looking at what would enable global action capable of stabilising CO2 equivalent concentrations at 450 ppm or lower. In this, we talked about advanced economy reductions in aggregate of at least 25 per cent below 1990 levels by
2020, a clear global trajectory where the sum of all economies’ commitments was consistent with 450 ppm or lower and a nominated early deadline year for peak global emissions not later than 2020. And there are a range of other issues associated with comprehensive coverage and financial resources and so forth. That is the government’s policy. That is the position. I have not answered the average question because that is not the way the government have approached it. We have approached it in terms of aggregate and a global trajectory.

Senator MILNE (Tasmania) (9.18 pm)—The average for annex 1 countries is a critical question, because it cannot be 25. If it is, it is saying there is no carbon budget left for developing countries to develop. That is what that is saying and that, clearly, is not possible. If you are going to meet—

Senator WONG (South Australia—Minister for Climate Change and Water) (9.19 pm)—I said ‘at least’; I did not give you an average figure. If we are going to have a debate, could we at least have it on what I said. I said I was not nominating an average. I said ‘at least’.

Senator MILNE (Tasmania) (9.19 pm)—That was the point. I said the minister did not give an annex 1 country average. The point that I am making is that if you put in Australia’s targets for annex 1 countries—5 to 25—then you are guaranteeing exceeding 450 parts per million and exceeding two degrees. I want to know when we are going to get some honesty about the targets and what the science says. We have the Prime Minister and the minister saying to the people of Australia: ‘The Great Barrier Reef is in trouble. The Murray-Darling is in trouble. Sea level rise is a problem.’ I totally agree with all those things. But what is being proposed is not action adequate to prevent those outcomes. If the annex 1 countries around the world lock in five to 25, that will breach that figure. They will deliver the very outcomes we do not want. That is why it is completely wrong to say: ‘The perfect is the enemy of the good. Start somewhere.’ It should be, in fact, making the necessary the enemy of the expedient.

The critical fact here is that we have to save the climate. We cannot go into an overshoot scenario, which is what is being implied by what the government are saying with its target range. It is implying that there is some sort of linear response—that you can go out to 2020 and then you can get on a trajectory. It does not recognise that, unless you get the cuts within the time frame and within the tipping points, you are going to be beyond the tipping points and after that there is no return. That is the thing. That is what I worry about while lying awake at night. Once the Arctic Sea ice is gone there is no return. Once you have ocean acidification there is no return. No amount of seawalls are going to alter anything. We are already losing species. It is predicted that a third of all species are on a trajectory to extinction by 2050. We are losing them as we speak if we look around the country.

Senator McGauran—How much of that is natural climate change?

Senator MILNE—The issue here, Senator McGauran, is that you are not going to have creatures like polar bears living in the wild by 2025. You will have a few sad creatures in zoos and breeding programs, but they will not be in the wild.

More particularly, if you think you have a concern now about refugees, you had better think again about climate refugees. There are 100 million people in the Coral Triangle alone who are vulnerable to displacement because of sea level rise if we do not make it. When I say ‘if we do not make it’ I mean if we cross the tipping points. We have to stay
within a safe climate. That is why I talk about this being about the laws of physics and chemistry. It is not about what we think we can do in terms of the economy or in terms of politics, or what they are doing to us in the coal electorates, or what we think we can get away with, or how much people will accept and so on. It is exactly as Winston Churchill said at the beginning of the Second World War: ‘It is not enough to say we are doing our best.’ We have to do what it takes to achieve the outcome. It is no use saying, ‘We’ll turn up on a Wednesday and do this much and go home.’ You have to do what is necessary. That is the whole issue here.

You cannot just say we will start something and gradually increase it. That is like saying to a cancer patient: ‘We’ll give you aspirin for the next six months and then after that we’ll consider how we might ratchet up the treatment.’ By that time the person will be dead. Equally, if you give them the wrong treatment they will die. We must recognise that we need to go onto the same footing we would be on if we were fighting a war. That is how serious the global emergency is and why this amendment is so critical. To those people who say, ‘You’ve got to start somewhere,’ I say, ‘We’ve been trying to start somewhere for years.’ Let’s save the forests, let’s get the renewable energy target, let’s get the energy efficiency target, let’s pass a feed-in tariff, let’s have vehicle fuel efficiency standards, let’s get our public transport rolled out—let’s do all those things. We have been trying to do all of those things for years and continue to do all of those things, but let’s face facts about what is necessary.

What I am so despondent about, standing here tonight, is that President Obama has now come out with the same level of effort as Australia. He has said that the US will make a three to four per cent cut below 1990 levels. The Prime Minister says Australia will go to five per cent below 2000 levels, which is the equivalent of four per cent below 1990. They are the only unequivocal ambitions on the table, with a very conditional 25 per cent. I have never believed that Australia will agree to 25 per cent, because it is so conditional that the rest of the world will not agree to it, but also because compensation to the coal-fired generators is $6 billion to $7 billion, and that was calculated on a five per cent cut. We have not been told what the figures would be for a 15 per cent cut or a 25 per cent cut. We will get to that later in the bill, and I give the minister notice that I want to know how high the compensation to the generators will go if we go from a five per cent cut to a 15 per cent cut. I think it is in the interests of everyone to know that.

You glibly turn around and say, ‘You’ve got to start somewhere.’ The Greens have been trying to start somewhere on climate change for more than 20 years. I acknowledge that Senator Faulkner, who was in here earlier making a response, as the environment minister took a proposition to the Labor cabinet to address climate change and put a price on carbon. I acknowledge that foresight. History will show that he was right and that his colleagues let Australia down. I heard the minister also say, ‘You’ve got to realise that this effort is equivalent to that of other countries because of our Kyoto target.’ I remind the Senate that the Greens did not support the ridiculous celebration in Australia when the former minister, Robert Hill, came home, having exhausted the rest of the world into agreeing to give Australia an eight per cent increase on its 1990 levels when everybody else had accepted a cut. As a result it is even harder for us now than it was then because we failed to be ambitious at the time. There is a message in that: if we fail to be ambitious now, in 2020 the cost of acting will be so much greater.

As Sir Nicholas Stern said in his report, and as we have seen from the McKinsey re-
port and any number of analyses, the earlier you act, the deeper the cuts and the faster the change, the cheaper it is. The lower the ambition, the greater the cost over time. So I want to inject some reality here as to the seriousness of the debate we are having. The worst-case scenario is to lock in failure, to lock in a level of ambition that cannot be changed. The legal advice we have is that the government’s targets of somewhere between five and 25 per cent set the national goal, the gateways and the annual caps. If Australia increased its ambition in the future—let us say there were some enlightened government down the track that decided to increase the national target to 40 per cent, where it should be—then under the Carbon Pollution Reduction Scheme there would be no additional effort required from the energy producers and large emitters. They are insulated from further effort. The effort would have to come from elsewhere in the economy.

That is why the coal industry are so happy with this outcome—because in the future they cannot be put under greater pressure than now. This is the best that they could hope for. And why do I say that? Surely no parliament can stop a future parliament from acting. Well, yes, they can, by locking in compensation provisions that are so great that they would allow those companies to sue. If a government tried to change the gateways and the annual cap beyond that which was consistent with a five to 25 per cent cut, those companies would sue, because they would have made forward contracts, they would have hedged prices, they would have done all sorts of things and they would have made investments in the wrong industries—investments in new coal-fired power stations waiting to go in New South Wales and Queensland once they get the certainty of these weak targets and the lock-in on the compensation provisions. That is why going slowly with low ambition first sends all the wrong signals. It is not right on the science and it is not right on the economics.

On the science, it is absolutely critical that we go with the targets that give us a chance of avoiding those tipping points. Already, as I indicated, there are parts of the Great Barrier Reef that are dying. We are going to lose that reef unless we act in a way that is consistent with the possibility of saving it. It is no use giving it an Aspro; we need to actually give it the treatment that is required—and that is deep cuts and deep cuts fast. That is why the Greens take the action we do. That is why we are arguing for the 25 per cent to 40 per cent, which everybody recognised was necessary for annex 1 countries like Australia. It was recognised in 2007, and it is recognised now that it needs to be at the 40 per cent end of that range as an average for annex 1 countries.

I put this to the Australian government: if we say we will not do more than 25 per cent regardless of what the average of annex 1 countries might decide, which other countries should do more so that we can do less? I am really interested to know where we should point the finger. Which other countries should do more so that Australia can do less? If we want an average level of low ambition for annex 1 countries, we had better be honest with the developing world and tell them that we do not believe they have a right to get out of poverty and to develop. They are the big picture questions that fall out of the science. I would like the government to tell me which scientists tell them—can they name any?—that a five per cent to 25 per cent target adopted by annex 1 countries by 2020 is enough to avoid even a 50 per cent chance in relation to exceeding two degrees.

Honourable senators interjecting—

The TEMPORARY CHAIRMAN (Senator Mark Bishop)—Order!
Senator Wong—I was asked a question, Chair.

The TEMPORARY CHAIRMAN—I did not hear a question. Senator Macdonald rose, and I call Senator Macdonald.

Senator IAN MACDONALD (Queensland) (9.32 pm)—Mr Temporary Chairman, I appreciate your fairness. There was a 19-minute discussion—a speech which we have heard previously—and a suggestion of a question right at the end. We are actually trying to deal with this legislation very sensibly. We have a lot of amendments, but we are not going to be assisted if the Greens political party keep making 15-minute speeches to pursue things that they have said previously—and we are all aware of how the Greens operate on this basis.

I do have some questions for either the mover of the amendments or the minister, and I am happy to have either respond. Senator Milne talked about the Great Barrier Reef—which she often does. I always respond by saying that I live up off the reef and I know people who make their living out of it. It is a very, very important icon for Australia’s tourism industry and therefore jobs. It is something that everyone wants to protect. Senator Milne quotes scientists—as does Senator Wong—in relation to the Great Barrier Reef. As both of them would know, not all of the scientists most closely involved with the reef share the same pessimism. They do have a pessimism about the reef, but it is not so much in relation to climate change as it is about water quality and other impacts on the Great Barrier Reef. Were we able to fix the water quality and the run-off into the Great Barrier Reef lagoon—if we addressed those man-made difficulties for the Great Barrier Reef—we would give the reef, so I am told by serious scientists who work daily with the reef, a chance of properly adapting to a climate which has been changing, as I said in my speech in the second reading debate, for over 100 million years now.

I suspect that nobody is actually a climate change sceptic—although we are often accused of that by both the minister and Senator Milne. The climate is clearly changing. I do not think anyone can deny that. Whether it is man made, as I always say, I do not know; I am not a scientist. If you take the top 20,000 scientists in the world, they come down fifty-fifty. But I am always of the view that you take out risk insurance—and, if everyone else is going to do it, by all means Australia should do it. That has always been my position. I have never resiled from that.

But there is a question I want to put to either the mover of the amendments or the minister. As I understand it, Australia produces less than 1.4 per cent of the world’s greenhouse gas emissions. My understanding is that if this legislation is passed as it is— and I say this by way of a question—then Australia’s emissions would drop from 1.4 per cent of the world’s greenhouse gas emissions to 1.2 per cent or thereabouts. If Senator Milne’s amendments are agreed to and it goes up to, say, 40 per cent, I would assume that Australia’s greenhouse gas emissions would drop from 1.4 per cent of the world’s greenhouse gas emissions to about one per cent. Correct me if I am wrong. I ask that by way of a question.

I was also going to raise a matter which I think Senator Milne also raised. The American legislature has not legislated for any greenhouse gas target at this stage and is unlikely to, certainly before March and perhaps not even after that. There is no greenhouse legislation in the United States. President Obama, as I understand the American system of government, is unable to make the law. He has to say what his target is, or he has to say what he hopes to achieve, in the hope that Congress might approve, but he is
not a one-man band in the United States. I heard it reported this morning that he was going to Copenhagen with a target, as I recall, of five per cent of 1995 levels, which was pointed out to be something like 3½ to four per cent of 1990 levels.

I heard Senator Milne’s throw-off at former Senator Robert Hill, who did a fabulous job at Kyoto. Senator Milne, as is her left wing bent, criticises all the glorification and partying that took place when they came home from Kyoto with the deal. Of course, when a subsequent government put a bit of ink on some paper and signed the protocol, Senator Milne was one of those out there applauding Mr Rudd for signing off on Senator Hill’s work. It is always that hypocrisy of the Greens that gets to me—attack Senator Hill for getting the Kyoto agreement but applaud the Labor Party when they simply sign off on what Senator Hill did.

I have been diverted from my question. Are those figures correct? The real question I want to ask, and I have asked Senator Wong this in estimates and in questions without notice—I have asked and asked and can never get a response—is what impact will Australia reducing its greenhouse gas emissions by 0.2 per cent have on the Great Barrier Reef? Assume that America, China, India and Russia do nothing, and there is no suggestion at this stage that they are going to. President Obama is going to breeze in there for half a day. You can understand what he thinks is likely to happen in Copenhagen—not very much. But making that assumption, my question is: what will Australia legislating for a 0.2 per cent reduction do to help the Great Barrier Reef? How will it save it? Can someone explain that to me?

I am with the minister if China, India, Russia, the United States, Colombia and Brazil do it. If they reduce their emissions by between five and 20 per cent, then perhaps it might be meaningful and by all means Australia should be in there—perhaps even edging it up a bit. We have got to be in there, but we should not do it in advance of anyone else for no benefit to the environment. In fact, it will be to the detriment of the environment because you will export jobs and industry overseas to a regime that has a less restrictive carbon emission regime than Australia does. So you make the environment worse, you destroy jobs of working families, you destroy industries, you destroy the Australian lifestyle—

Senator Cameron—More scare campaigns. It is all you are good for—scare campaigns.

Senator IAN MACDONALD—Thank you for your interjection. It is not terribly helpful. We are seriously trying to get through these amendments and that sort of interjection does not help. I know, Senator Cameron, you were on a couple of Senate committees. I could hear from your—

Senator Wong—Mr Temporary Chair, on a point of order: I wonder if Senator Macdonald could consider whether he is intentionally misleading the Senate when he says the coalition are trying to seriously get through these amendments. It has been quite clear, for the two nights we have been doing this, that there is a filibuster on. They are delaying tactics. It is quite clear.

The TEMPORARY CHAIRMAN (Senator Mark Bishop)—There is no point of order.

Senator IAN MACDONALD—Thank you, Mr Temporary Chairman, for protecting me from these vicious interjections from the other side of the chamber. They frighten me and distract me from my thought. I might have to start again, but I will not because I seriously want to get through these amendments. These are serious questions which, Senator Wong, I have asked you time and
time again. Please give me an answer. Will a 0.2 per cent reduction from Australia cure the Barrier Reef? If not, Minister, why this mad rush to ram this through at 20 to 10 on a Thursday night? We are going to sit all day tomorrow and all tomorrow night and then I am not sure what we are doing. Are we sitting Saturday and Sunday and Monday to get this legislation through before the minister and the Prime Minister swan off in a carbon-polluting aeroplane to Copenhagen in a couple of weeks time?

Please tell me how a 0.2 per cent reduction is going to save the Barrier Reef. Please assure me that China, the United States—the big emitters—Russia, India, Columbia, South Africa—our competitors in coal—and Indonesia are also going to sign a binding agreement which will give us a chance. If, however, we are doing it in advance of the rest of the world and we are one of the few countries doing it, why are we destroying our economy, our jobs and our way of life for a meaningless suggestion which will make the emissions worse?

Senator Cameron—I thought you were trying to be serious. You are just a sceptic. That is all you are.

Senator IAN MACDONALD—I am not a sceptic. I believe the climate is changing. I pointed out earlier—and perhaps Senator Cameron did not hear—that in my city of Townsville, where my office is, 1,200 jobs are at risk. They are the ones whose interests you should be looking after. You are supposedly a union organiser.

Do you know what the competition is now? They are getting the nickel ore from the Philippines where, some years ago, they put a refinery in mothballs. They can take the mothballs off and instead of exporting the ore from the Philippines to Townsville and creating 1,200 jobs for your members—you are supposed to be looking after those 1,200 working families—we can have a situation where those jobs are at threat of being exported offshore to the Philippines. There is a mothballed refinery in the Philippines where they can just drive the ore down the road and put it into the refinery. They do not have too many restrictions on emissions there; they do in Townsville.

Senator Cameron interjecting—

Senator IAN MACDONALD—And so you would send 1,200 of your supposed members—the people you are supposed to be looking after—

Senator Cameron—You are so irresponsible.

Senator IAN MACDONALD—Do you know why people leave the unions in droves? You are supposed to be looking after them and there is a potential to export 1,200 jobs overseas. I have been distracted—

Senator Bob Brown—I rise on a point of order. I think this is a serious matter, and it would not hurt for Senator Macdonald to be reminded that he should speak to you, Temporary Chairman, not across the chamber. And he should be speaking to the amendment before the chamber, not about mothballs.

The TEMPORARY CHAIRMAN—There is no point of order, Senator Brown.

Senator Bob Brown interjecting—

Senator IAN MACDONALD—The only mothballs in this chamber are in the interjector’s head, I think. But they are not doing much of a job because the moths are still flying around! I do apologise for being distracted by that vicious interjection from the other side, and by spurious points of order by the leader of the Australian Greens—but then what would you expect? I seriously want those questions that I have put answered by the minister. Or I am happy for the mover of the amendment to answer them. I desperately
want to know. I have been asking now for about 12 months. The minister will not give me an answer. Please, tell me. Who knows, you might get me to vote for you, Senator Wong, if you can explain that to me and show me that those—

Senator Cameron—Has Malcolm got your vote?

Senator IAN MACDONALD—How could I possibly concentrate and get my questions out when I keep getting attacked by some rabble over the other side?

The TEMPORARY CHAIRMAN—Order!

Senator IAN MACDONALD—Convince me that Australia going it alone in reducing world greenhouse gas emissions by 0.2 per cent will fix the Great Barrier Reef and I might well change my view on this.

Senator Wong (South Australia—Minister for Climate Change and Water) (9.48 pm)—First, the senator continues to put on the record in this chamber something which is untrue—and that is, that Australia is going it alone. That is not true. He has not been here for some time, and the facts may not be something he wishes to look at, but I have laid out in this chamber on a number of occasions the actions which are being taken by nations such as the European Union, Japan, the United States, Brazil, China, India and Indonesia.

Senator Ian Macdonald interjecting—

Senator McGauran—They are just pious statements.

Senator Wong—Would you like to me read the figures again, Senator? Did you have difficulty understanding them the first time?

Senator Ian Macdonald—They are just ambitions.

Senator Wong—No, these are targets. That is the first point. The second point is very important: to save the Great Barrier Reef we have to take action on climate change. We need global action if we are going to take action on climate change. We cannot get global action if Australia is not prepared to do our part. So the proposition that is behind some of what is being put by Senator Macdonald is that he does not want Australia to do its fair part.

Senator Ian Macdonald—I do. When everybody else does, we will.

The TEMPORARY CHAIRMAN—Order!

Senator Wong—That only needs to be said for—frankly—the silliness behind it to be demonstrated. I have answered the question on a number of occasions. Senator Macdonald may not like the answer, and that is because no answer will satisfy him because he does not want to take action on climate change. I again make the point: we cannot get global action on climate change unless Australia is prepared to do its part.

What we are proposing to this chamber as a government, negotiated with the opposition, is a scheme—a plan—that is about doing our part to confront a threat that we know is enormous for our country, for our children and for our grandchildren. That is responsible. I do not often quote Liberal politicians but I do want to bring to the chamber’s attention some words which have recently been spoken:

Now I think we all recognise that most Australians expect their political leaders and their political parties to take effective action on climate change. This is about the future of our planet and the future of our children and their children. It is one of the great challenges of our time. Now I know there are many people, including many people who are supporters of my own party, who have doubts about the science and grave reservations about it ... But as Margaret Thatcher said, right back nearly 20 years ago in 1990, this is about risk management ... the fact is we have to
take a prudent approach to this. Saying that we are not going to do anything about climate change is irresponsible, and no credible, responsible political party can have a 'no action on climate change' policy. It is as simple as that.

Those were words that Mr Turnbull tonight articulated. I have to say that they were very fine words. They were words with which I agree.

I know that there are senators in here who want to ensure that this debate is prolonged. I do not think any Australian listening to this debate would have any debate about that, but as a matter of courtesy—at least to the people who send us here to make decisions and to vote—I ask that we vote on the question put by Senator Milne, which has been before the chair for some hours now.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (9.52 pm)—I just want to ask a very straightforward question, seeing that Senator Evans is in here. Mr Albanese has said on Sky tonight and in a number of other places that if this is not completed by 3.45 tomorrow it is all off. Can you please explain to me exactly what that means, Minister?

The TEMPORARY CHAIRMAN (Senator Mark Bishop) —Further speakers?

Senator Joyce interjecting—

The TEMPORARY CHAIRMAN—No, excuse me, Senator Joyce. I have called Senator Xenophon.

Senator Joyce—[resume your seat.]

Senator Joyce interjecting—

The TEMPORARY CHAIRMAN—Order! Senator Joyce, resume your seat. Senator Joyce asked a question. No response was forthcoming. I asked for further speakers. Senator Xenophon was the first person I saw rise. I called Senator Xenophon. Senator Xenophon has the call.

Senator XENOPHON (South Australia) (9.53 pm)—In less than two minutes can I speak to the amendments. My position is to support the Greens amendments. I agree that we need to treat this as a serious issue. I agree that this is an issue of risk management. I urge my colleagues and my friends who say that they have doubts about the science to think of this in terms of risk management—there is no plan B, no planet B, if you are wrong and the scientists are right. That is why it is important that we have effective action. My difference with the government is that I do not think the targets are anywhere near high enough and I believe the scheme design is fundamentally flawed. I think there is a better way forward in terms of a scheme that is much more economically responsible and it is important that we avoid those tipping points that Senator Milne has mention, from which there is no return.

The reports of the World Meteorological Organisation, WMO, of just three days ago indicate that concentrations of greenhouse gases are at their highest levels ever recorded. There is a debate about anthropogenic climate change, but the issue is that there are so many credible scientists and peer reviewed articles saying that there is anthropogenic climate change that it would be an act of monumental folly not to consider that in formulating effective policy.

Finally, the minister made reference to Mr Turnbull’s speech and Margaret Thatcher saying 20 years ago that you need prudent action. I agree. ‘Prudent’ does not mean ‘cautious’; being prudent means doing what needs to be done to deal with the problem—in this case, to absolutely minimise the risks inherent in anthropogenic climate change in terms of the scientific evidence. That is why I support this amendment.

Senator BOSWELL (Queensland) (9.55 pm)—I have been waiting for a long time to
get the call, but it has been interesting to listen to many aspects of this debate. Senator Milne has presented her case well. You listen to it and then you think about some of the things she said. Senator Milne is very supportive of a gross feed-in tariff and renewable energy. You might think, ‘Well, that’s wonderful,’ until all of a sudden you get a call from the sugar industry, who spent $300 million to put cogen in all their refineries, saying, ‘We’re losing $10 million a year.’

Senator Cameron—What about the sugar mills? They’re supporting this.

Senator BOSWELL—They are losing $10 million a year. Senator Wong, because people are putting photovoltaic cells on their roofs, pushing the price of RECs down. The RECs have to work out at around $50 a REC, and the REC price has collapsed to around $23 or $24, resulting in a loss of about $10 million per group of sugar mills.

Senator Cameron—That’s not the evidence they gave at the Senate inquiry.

Senator BOSWELL—So, when you think of all the changes that they are agreeing to prescribe and then you actually put those changes into practice, they are not practical.

Senator Cameron interjecting—

Senator BOSWELL—You have never worried about the people who are going to lose their jobs in the sugar mills, Senator Cameron. You have forgotten those people.

The TEMPORARY CHAIRMAN (Senator Moore)—Senator Cameron, would you please cease yelling across the chamber?

Senator BOSWELL—Thank you for your protection, Madam Temporary Chairman. You might think: ‘Renewable energy: what a wonderful thing. Look at all those windmills out there pumping out electricity’—when the wind happens to blow. But, in real terms, these people are losing money because you designed a scheme—a much simpler scheme than the ETS—and it has been a dud. Those are people that have actually taken you at your word. I will tell you this, Senator Wong. When the sugar industry came to me and said, ‘We want to get into this renewable energy,’ I said: ‘Don’t touch it with a 40-foot barge pole. Walk away from it. You’re going to get caught.’ They said, ‘No, Senator Boswell, you promised us. We have invested money on the promise of the Nationals, Greens and Labor.’ I said: ‘All right. My word’s my word. I’ll vote for the thing.’ And what happened? I was perfectly right. It has been a huge dud that is going to send some of these people into huge debt.

That is what you get when you take on board Senator Milne’s schemes. They are not practical. You can generate electricity with a squirrel running around in a cage, but it is not going to be terribly practical or give out a lot of power. Senator Milne seems to think: ‘We’ll up this a bit. We’ll go for a gross feed-in tariff.’ That means everyone who puts any power into the grid gets paid for it. You might think, ‘Wonderful, that’ll produce more renewable energy’—except that some poor small business people down there with half-a-dozen fridges or a couple of welders are paying the $50 or $20 rent, or whatever the rent is. It is subsidised. So no-one is winning out of this. Let us be practical on this.

This is probably the difference between this side of parliament and the Greens: the Greens are wonderful dreamers. They dream up all these wonderful things that are going to save the world. They do not worry about whether anyone else is going to be involved in it; it does not really matter to them. They want a target. The Greens never chase a majority vote. They are very happy with a 10 per cent vote. They say, ‘Drop the 90 per cent of the people, do not be practical, just go and get the zealots, the extreme greens,
and we will get the five or six seats in the Senate, the conservation groups will hand out how to vote cards, we will get the preferences and we will control the Labor Party. A very simple equation! You would think that Senator Cameron would be in there backing the 1,200 people who are going to lose their jobs. Look at Yabulu today—

Senator Cameron interjecting—

Senator BOSWELL—Where are the unions? Where is Doug Cameron? I have got some interesting polling here. This is done by the Australian Chamber of Commerce and Industry, a credible group—certainly more credible than the Business Council of Australia or the industry groups who back two, four or any number of horses in a race. They backed a dud. Let us have a look at that polling. I would have thought it was the business groups that were against the ETS. No, I am wrong. I thought the small business people would be against the ETS. Yes, many businesses are against it, but who does the chamber believe is the greatest hater of the ETS? Of Australians who say that we should delay an ETS, 58 per cent are blue-collar workers. It gets as high as about 65 per cent in Queensland because of those who believe they are going to lose their jobs. Do not hold me to that figure, but if you want to look it up on your computer, Senator Cameron, you will find it under the chamber of commerce.

Opposition senators interjecting—

Senator BOSWELL—My other friends over here in the Liberal Party have actually done some work. I am not going to get diverted by your interjections.

Senator Cameron interjecting—

Senator BOSWELL—I have told you and you can look it up on your computer. I know you are skilled at this because you always get your riding instructions from the computer in Senate committees. I am a bit like Senator Macdonald; I am a practical person. I will pay my share of the rent when everyone else does. I am not sure whether climate change is real or if it is imagined. I cannot get any direction from the scientists. Half of them say one thing and half of them say another thing. I have lived on the water all my life. I live on a riverside property at Wynnum and I can tell you this: I observe the weather because I have been sailing all my life. Every morning I get up, look at the tide and where it has been, and I cannot see any noticeable change. If the tide was going to go up or the sea was going to rise I would have observed it.

We get all of these catastrophic predictions. A couple of weeks ago the Australian did an article based on tide charts and tide predictors. The change in tides is very minimal—0.05 per cent of a millimetre. I cannot see where the tide is rising, but Senator
Milne assures me that it is. I always thought water found its own level. I have sailed on Moreton Bay and the Brisbane River since I was 12 and I cannot see the tide coming in. Neither can the Australian and neither can the people who chart the tides and the sea flow. Yes, it moves a bit—it moves up and it moves down—but apparently everywhere else in the world the tide moves up. It does not move up where I come from. I look at these things and I observe them—and I am a practical person. I have run my own business; I am a practical person. If you listen to Senator Milne, the world is coming to an end, we are all going to drown and I have to sell my riverside property. I am sorry, Senator Milne, but I do not accept that.

Here in Australia—and we are talking about whether or not the fire disasters are natural—the Australian Federal Police are already talking about remote satellite sensing and surveillance to enforce emissions trading. Yet will those same standards on climate change be enforced overseas by developing countries that spend Australia’s dollars? Senator Milne and I have been spectacularly unsuccessful trying to find out what it is going to cost the Australian people to fund the underdeveloped countries. But at least if we are going to pin our people down on fires—whether they are caused by lighting strikes, or are man-made or however they come about—by putting in surveillances, how are we going to know what caused the fires in some of the counties that we give a financial leg up to and how much CO2 is going to go into the air? This is another practical implication. We are putting all this sensing gear in and no-one knows what anyone else is going to do. Is the rest of the world going to follow this? Is the rest of the world going to do all these things or are we just going to pour money into overseas countries and not get a return for it?

When you can explain all these things, Senator Wong, you might get some of the people to back you. But you have been spectacularly unsuccessful in convincing the Australian population that they are going to get value for their buck. I think most of the Australian people would be practical: ‘If the rest of the world is going to do this, yes, put me down for my share.’ But no-one is prepared to carry the debt for the rest of the world. You would say: ‘Yes, the rest of the world has done things. China has given us a target and India has given us a target.’ They have given you a press release—that is what they have given you. You have taken it up lock, stock and barrel. When I see some legislation put down or some commitment to write legislation then I will say that you have achieved something. All you have achieved is getting a press release from China and India. President Obama is going to make minimal cuts. But I talked to them over there and they said there was no chance of getting this up. Next year is an election year and they will not put it up. There is a lot of opposition to it. You are going out there trying to lead the rest of the world. We are not convinced that you are going to achieve anything and therefore we are pretty worried about it.

Senator McGAURAN (Victoria) (10.10 pm)—My colleague and Senator Macdonald also are right in saying that you just have not come to grips with it. You have not given a full and proper answer to it and yet it is the crux of the whole debate. When you do I suspect that we will be able to move on. We probably will not agree with you but we do request that you give us a full and proper answer to this: Australia’s emissions are 1.4 per cent of world emissions and this scheme at its best—if it works or even if it gets up—will have the effect of a 0.2 per cent reduction in that 1.4 per cent. So we will then be emitting 1.2 per cent. I think Senator Mac-
donald added that if the Greens amendment just happens to get up by chance, it may reduce it down to 1.0 per cent of emissions. But we are dealing with the government’s target. We will reduce emissions by 0.2 per cent. If that is the case and the rest of the world is not signed up to and active in an agreement, what is the environmental purpose? We say that it is meaningless, and it is meaningless. It will not save the Great Barrier Reef. With a world agreement, as Senator Boswell put so well, we will all sign up and we will pay our rent. But until then, what is the environmental meaning behind it? It is meaningless.

You came in and started quoting that the United States had put down a target, Japan had put down a target and China had put down a target. You cannot fool us. You are across the debate with great detail, but we are across the debate too. We on this side have conviction. Do not doubt our conviction on this issue. That is just a debating point. You are starting to make debating points now, not real effective answers. I cannot even imagine you gave that answer with great conviction. The United States has put out a press release, to put it in its most simplistic form. It is an ambitious target; it is nothing more than that. Their senate at the moment is not willing to pass a scheme—far from it. It has gone into the ether. Let me tell you about China. I do not know if they have set themselves a target but they, and Japan, have said that they are going to look at reducing emissions by using alternative energies and fuels. And guess which one they are going to lean on the most? Nuclear power. There is a boom in the nuclear industry coming from a lot of these countries to lower their emissions. China has told us that they will increase their nuclear energy sources as a way of effectively reducing emissions. That is their idea. They have not got a scheme like this that penalises every one of their industries and I doubt if they ever will. We have dealt with China today—I know it is a sensitive issue with you.

Japan is the same. They are going to rely more and more on alternative energies and fuels, and that is a very good idea. That is why this side of the house supported the alternative fuel bill when it came through. We do believe in solar energy. We brought in the solar panel rebates, which you abolished—you halved and cut through them. It is a failing industry now. We set that industry up—solar panels on houses. Wind power—if you like it; I do not have much time for it—is another alternative energy source. We ought to be debating nuclear energy quite frankly. You are too frightened to. You have not got the sense or the political courage to put that on the table as every other country has. But I can tell you that there is a boom in the nuclear industry coming, but not in Australia. Every other country is now going to lurch towards nuclear power more than they already are, or they will introduce it, because that is the best way to reduce your emissions. It is clean, it is effective and it is cheap.

The EU scheme is often held up as the model. It is said that the EU has an emissions trading scheme. What a lot of rubbish—it is dormant! It does not really trade; it does not trade at all. Typically for the Europeans, I should add, they have set up a scheme but it is not working. It is not a real scheme; it is typically token. Why would France be interested? It is typically token. It is dormant. They are not trading, but if they are trading it is ineffective trading and it is certainly not lowering their emissions. So the European scheme is not a model at all. I think Australia must be the first country ever to want to pass a scheme at all.

I know those on the other side do not believe in business and the effect that all of this is going to have on business. We are not just
standing here making that up; it is true. If this scheme passes it will have a devastating effect on our economy, on businesses. I have brought into this chamber my concerns, on which I will have more to say later, about the Victorian aluminium industry, the state’s biggest exporter. We have heard from Senator Macdonald about the nickel industry in Northern Queensland. Every senator on this side has brought in representations from their state about the effect on business. The reason we have done that is jobs. If there is no business, there will be no jobs for blue-collar workers. Senator Boswell was right: the blue-collar workers are turning on this. When you explain the system to them, that their jobs are at stake, they really do get worried. We are not just making this up; this is tested fact.

Where are the unions defending these jobs? Where are the unions pointing out to the government the effect that this will have on workers’ jobs? Where are they when the Minerals Council of Australia have found that 66,000 jobs will be lost, foregone forever? Rio Tinto have said that thousands of jobs will be lost. Xstrata Coal have said that between 5,000 and 10,000 jobs will be lost. In my state of Victoria at Alcoa’s Portland and Geelong plants 1,800 jobs are at risk. At the refinery in Altona, 350 jobs are at risk. BlueScope OneSteel have had a lot to say—they are talking about the jobs of 12,000 workers. These are not middle-management jobs and they are not executive jobs; these are workers’ jobs.

Just on 12 months ago there was a by-election in Gippsland, which includes the Latrobe Valley, the brown coal centre of Victoria and the source of its energy. The Latrobe Valley is typically a Labor area; there is no question about it. The National and Liberal parties ran candidates on this issue at this by-election over 12 months ago when the counterscience was not really out there, when climate change extremism was at its peak and when, if you dared question it, you would be burnt at the stake. If you look at the booth results from the Gippsland by-election when this issue was run—

Senator Wong—On a point of order. Madam Temporary Chair: the point of order is relevance. We are now having a discussion on an amendment which I think has been before the chair for at least a couple of hours and Senator McGauran is talking about booth results. I see Senator Minchin, the former Leader Of the Opposition in the Senate, coming over to talk to Senator McGauran. For the leadership of the Liberal Party in this place to have allowed this sort of behaviour on this bill for this long is quite extraordinary.

The TEMPORARY CHAIRMAN (Senator Moore)—Minister, the point of order is relevance. I think this is a very wide-ranging discussion. It has been ranging widely throughout the evening. Senator McGauran, I draw your attention to the amendment we are discussing.

Senator McGauran—In full cooperation with the minister, the question is: given the meaningless environmental effect that this scheme will have and the thousands of jobs that we are told will be lost, why does the minister not wait until the rest of the world is on board?

The TEMPORARY CHAIRMAN (Senator Moore)—The question is that Greens amendments (2) and (3) on sheet 5786 be agreed to.

Question put.

The committee divided. [10.24 pm]

(The Temporary Chairman—Senator C Moore)
But I want to say briefly that, as my colleagues know, I commissioned, jointly with the coalition, modelling by Frontier Economics in terms of an alternative approach to an appropriate carbon pricing scheme. I have sought advice from Frontier Economics about having a higher target of 20 per cent. The advice I have received from Frontier is that whilst I have not undertaken modelling in respect of that—I cannot afford to undertake any more modelling; my pockets are not that deep—it is certainly feasible to have a higher target if you combine it with a number of other measures, such as a white certificate scheme in terms of energy abatement. If you moderate the cost of electricity increases, you will not need as much compensation, and I am sure I will have an opportunity later in this debate to discuss further the whole issue of Frontier and an intensity based approach.

I think it is important, in the context of this particular motion, that a higher target is possible. I think it is the appropriate thing to do in terms of risk management. I acknowledge that in increasing the reduction target there would be a reduction in carbon revenue to the government, but if the primary objective is to reduce emissions, not to raise revenue, then I think that is an appropriate trade-off. You will not need as much compensation if you adopt an intensity based scheme for the electricity sector. The likely loss to government revenue by increasing the target to 20 per cent by 2020 as a minimum would be around $2.4 billion a year, based on some calculations that have been provided to me. Again I acknowledge that there has not been modelling; I just do not have those resources.

I think there is also significant potential to abate emissions through a range of energy efficiency initiatives, the renewable energy target and white certificate schemes, and I think that having a higher target will actually drive investment and drive supplementary...
emissions reduction strategy. In the one minute and 30 seconds that I have left to articulate that, I commend this amendment to honourable senators. I indicate that I do not intend to divide in relation to this, but I will be dividing on my alternative fallback amendment—for the simple reason that that was modelled for the coalition and me. I thought that there was some support amongst coalition members for that alternative target of 10 per cent, although my preference is to support the 20 per cent target.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.32 pm)—We have a great deal of sympathy for what Senator Xenophon is doing here, because it is raising the minimum target to at least 20 per cent from the prescription for failure of five per cent, which is in the legislation that the Rudd government has before us. However, we set our targets at a minimum of 25 per cent; we expect it ought to have been 40 per cent. After an exhaustive look at it, to go below that is really to drift away from where the global scientific nous is—the Intergovernmental Panel on Climate Change—and the dire need for us to act on climate change immediately to achieve a target of between 25 and 40 per cent. Senator Xenophon—through you, Madam Chair—we really appreciate this motion and the consequent one. While we will not be supporting them, they are a vast improvement on what the government has brought before us tonight.

We are seeing here tonight a historic debate in terms of national politics. Never before in Australian history has there been such tumult and such division in any major political entity over the issue of the environment, and we are seeing it playing out in this parliament as this Senate debate takes place. We are seeing a schism in the coalition which is going to echo down the years. We have not seen such division—

Senator Joyce—Madam Chair, I rise on a point of order. Is this speaking to the amendment?

The TEMPORARY CHAIRMAN (Senator Moore)—Senator Joyce, as I said before, this debate has ranged very widely over the last couple of hours and will continue to do so. I just draw your attention, Senator Brown, to the amendment to which you are speaking.

Senator BOB BROWN—Yes, I thank Senator Joyce for that, and I will come to him shortly. The whole point here is a debate about what the settings should be in terms of Australia’s contribution and whether Australia should take a leadership role or any role at all. The Nationals have contended that we should be doing nothing until China, India and other countries around the world act. They are followers and the Greens are leaders.

Let me go back to why we are dealing with a spectrum of targets here tonight and why the Greens have set ourselves a 25 to 40 per cent target. While we have sympathy for it, we are not going to support Senator Xenophon’s very thoughtful amendment, consequent on the one just lost which Senator Milne brought before the Senate.

There is a deep division amongst the coalition parties—which were just recently the government and then, one would have thought, the potential government of this nation. They are now divided right down the middle on the issue of climate change, and I do not believe that there is going to be any healing of that division in the years ahead. The speech by the Leader of the Opposition, Malcolm Turnbull, tonight showed that he understands where the world is going. He is in tune with thinking people right across this country. He understands that there is need for action on climate change, and he has staked his leadership on it. As a result there has
been a rebellion, and that rebellion comes out of a deep scepticism which is itself fuelled by fear of taking action and confronting the vested interests, who are the polluting industries who do not want to see any of these targets reached but who have had their hand out for massive compensation. They have got $16 billion through the government legislation and, through the coalition negotiations, another $8 billion or $9 billion on top of that. Were the target to be lifted to 15 per cent under this legislation, there would potentially be another $7 billion or $8 billion on top of that.

When you look at where the coalition is on this, it is dog's breakfast. It has no idea of what it is doing. In fact, for a good period when we resumed after dinner there were no Liberals in the chamber at all. I have never seen that before. The Nationals were Her Majesty's opposition in the Senate as the party tried to sort out how it is going to stick together when it has no consensus on what to do about climate change. We are in a rapidly changing world where we are confronted with problems the like of which we have never seen before, and at the forefront of those is climate change. As Senator Milne laid out earlier, we are confronted with a deep crisis for all of humanity and the capital based party, the coalition, is fractured because it cannot get its head around that or know how to act on it.

The Labor Party, which is caught in the same bind, has offered $16 billion in compensation and then, after negotiating with the opposition, has taken $5 billion off households and put that into further compensation to the big polluters, as if rewarding the big polluters is going to be an answer to climate change. If the rest of the world does that then we are going to see a massive transfer of wealth across to the very problem—that is, the polluting industries starving the solution, which is energy efficiency, renewable energy, reforestation and the other carbon take-up alternatives that we need to go to rapidly.

Let us have no doubt that we are seeing an earthquake in Australian politics due to climate change. We are seeing a massive split in the conservative party, which has had cohesion since the middle of last century. We are seeing a party riven because it was not prepared for an environmental challenge of this magnitude, and we are seeing a party which does not—

Senator Joyce—Madam Temporary Chair, on a point of order: I am absolutely certain now that this has got nothing to do with Senator Xenophon's amendment. If it is relevant in any way at all, you will be able to show me which part of his statement is relevant to Senator Xenophon's amendment.

The TEMPORARY CHAIRMAN—I do not believe that is a point of order. I think the debate is ranging very widely and Senator Brown will bring his comments to the point.

Senator BOB BROWN—Let me illustrate: Senator Joyce is going to oppose this amendment.

Senator Hanson-Young—Illustrate how irrelevant Senator Joyce is.

Senator Joyce—So are you.

Senator BOB BROWN—But for the exact opposite reasons, Senator Joyce. He is interjecting now because he is joining this debate and recognising its relevance. Senator Joyce wants no action at all because what is happening here is a transfer of wealth across to the coal industries and Senator Joyce represents a coal based party. It is backing the coal industry and it wants billions more put into infrastructure to export coal to burn in the rest of the world, threatening—

Senator Joyce—Madam Temporary Chair, on a point of order: that is definitely misleading. The National Party is not a coal based party.
Senator Bob Brown—The National Party is the ‘coal’ in the word ‘coalition’. Ask the people of Gunnedah, the people of the Darling Downs, or the people in coastal Queensland who are confronted with this coal based party. It has lost direction. It does not know where it is going. Senator Joyce and his colleagues have been talking about the Greens on 10 per cent. We have overtaken the National Party in terms of voting base and there is one party in this chamber at the moment that knows where it is going on this issue. We have made that very clear. The Greens are steering straight through this because we are based in global scientific nous and knowledge and responsibility. We are absolutely sure of where we are going on this. When Senator Xenophon brings forward a noble amendment like this—

Senator Joyce—Damned with faint praise.

Senator Bob Brown—Let me say this to the interjecting Senator Joyce: if we had constructive amendments from the National Party, like those from Senator Xenophon, we would have something to discuss. You know what we have got? In the last hour we have seen amendments from the coalition, which made an agreement with the government the day before yesterday on the suite of legislation that we are now debating. Here is one faction of the coalition rushing in new amendments. Suddenly the agreement is splitting all over the place. So we have got four or five senators from the coalition bringing in new amendments. The coalition does not know where it is. It is riven and fractured and splitting in all directions. If they think a leadership change tomorrow or Monday is going to fix this, they are mightily mistaken.

Senator Barnett—Madam Temporary Chair, a point of order on the issue of relevance: Senator Brown has for 10 minutes now spent most of his time talking about the coalition and the coalition’s position, which has nothing to do with Senator Xenophon’s amendment. I would just ask you to draw the attention of Senator Brown to the issue of relevance and get him to address the actual amendment before the chair.

The Temporary Chairman—Thank you, Senator Barnett. My ruling is that there is no point of order. As I have said, there is a wide range in this discussion, but I once again draw Senator Brown’s attention to the amendment before the chair.

Senator Bob Brown—We are talking about 20 per cent and it is pertinent that Senator Barnett got up and drew our attention to it. The amendment I am speaking of is one moved by Senators Cormann, Cash, Back, Eggleston and Adams. Apparently they have sheared off from the coalition. Senator Barnett is still there, so far as we know. We will wait and see what happens when this amendment comes up but, with the way the coalition is, I could not predict from him being there tonight that he is going to be there tomorrow. There have been more coalition members in the corridors tonight than there have been in the chamber. Talk about climate change—there is one thing moving faster than climate change in this parliament and it is the consideration of the coalition. We are seeing a different prescription every hour of the day.

It is very important that we understand what is happening here. Climate change is deeply changing the politics of Australia. I predict a very different future for this coalition, who were in office for all those years in the last half century. On the issues of how deeply we should be attacking this problem—such as what is contained in the very
amendment before us—it is difficult for the Greens to say, ‘Yes, we’ll put the limit at 25, but we’re going to call it a negative on 20 per cent.’ We have thought deeply about that. That has been discussed at great length in our party room. We have had the advice from a whole range of scientific and economic experts on this. But, when it comes to the coalition, it does not know how it is going to handle a climate emergency because it has always based its policies on capital and money.

What the Greens are putting forward through our amendments is a prescription for a healthy economy into the future—a la Sir Nicholas Stern, former World Bank chief economist and advisor to the Blair government, who came to Australia and made it very clear that those economies which move in the green direction are going to be the healthiest economies in the world in the decades to come. Here are the Greens advocating economic health and wellbeing into the future, as the coalition—which once held a banner on that—fractures and does not know where it is going. I thank Senator Xenophon for this amendment. It is a difficult one, Senator Xenophon. We are not going to support it, but we congratulate you for putting that alternative before the chamber. We will be very interested to see which components of the opposition, if any, give it support. The Greens will be united on this. I could not guess where the coalition will be voting.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (10.47 pm)—For the last 15 minutes, the Greens have given us an expose on everything but Senator Xenophon’s amendment. It is a difficult one, Senator Xenophon. We are not going to support it, but we congratulate you for putting that alternative before the chamber. We will be very interested to see which components of the opposition, if any, give it support. The Greens will be united on this. I could not guess where the coalition will be voting.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (10.47 pm)—For the last 15 minutes, the Greens have given us an expose on everything but Senator Xenophon’s amendment. But that is not unusual for the Greens. That is the way they work. They are here for the fantastic but not for the details. The Greens are the party that supported the Labor Party that supported Traveston Dam. By supporting the Labor Party, they supported the construction of Traveston Dam. Yet, later on, we find them floating around in kayaks on the Mary River. It does not matter; it just matters what time of day they will have a different position on it.

Senator Hanson-Young—Madam Temporary Chair, I rise on a point of order. I point out the amendment and relevance of the comments.

The TEMPORARY CHAIRMAN (Senator Moore)—I continue my position. The debate is ranging very widely.

Senator Hanson-Young—I have not heard the words ‘climate change’, ‘ETS’ or ‘CPRS’ yet.

The TEMPORARY CHAIRMAN—I am sure that Senator Joyce will be getting to those words very quickly, won’t you, Senator Joyce?

Senator JOYCE—I certainly will.

Senator Hanson-Young—I cannot understand why—

The TEMPORARY CHAIRMAN—Senator Hanson-Young, I have ruled that there is no point of order. I call Senator Joyce.

Senator JOYCE—The Greens have a position for every moment of the day. They are either in kayaks or supporting the Labor Party in building Traveston Dam; then they come in here and try to be relevant and authentic.

A great deal of work has gone into Senator Xenophon’s amendment. In relation to part 12, clause 167, page 207, after line 10, after subclause (1) where the amendment inserts subclauses, we have queries concerning:

… free Australian emissions units … in accordance with the program ...

And we have queries in relation to subclause (1H) and ‘10 months’. These are issues that we think need further investigation. On ‘five per cent and 15 per cent’ and ‘at least 20 per cent’, it would be dangerous to go to this
detail without further investigation. The same applies to subclause (1A) and ‘at least 10 per cent’.

Although these gestures appear to be noble, the National Party have concerns about the extent to which they take us. Senator Xenophon’s position is far more relevant and approachable than what the Australian Labor Party have put forward, which is a complete and utter disaster for our economy. I commend Senator Xenophon for the work he has put into this. The National Party will not support it. We will not spend the whole night damning him with faint praise, which is what the Greens just did before they got to the crucial part: that they are not going to support it. Senator Xenophon, thank you very much for the work you have done on this, but the National Party will not be supporting it. As for the Greens, they are totally off with the fairies.

Senator Barnett (Tasmania) (10.51 pm)—I have a question for Senator Xenophon and/or the minister. I cannot see the merit of proceeding with this type of legislation before us prior to Copenhagen and prior to legislation in place from our major trading partners. If this amendment is passed and the bill is passed, locking us into at least 20 per cent—based on the amendment before us—what are the consequences for Australia, hypothetically, if another target is locked in in the US under the Waxman-Markey bill? What are the consequences if China and India do not act in a consistent or largely consistent manner? Surely Australia will suffer a competitive disadvantage, whether it be in agriculture, manufacturing or any of our export industries? These are the questions I ask. I will not be long. I just want to ask those questions and see if there is an answer to say, ‘Yes, we can guarantee that Australian industry, Australian jobs and Australian families will not be put at a disadvantage as a result of locking that amendment into this legislation.’ I guess you can say the same with respect to the government’s bill.

So I ask that question. I am not sure if I will get an answer, but I think it is a fair question. I know Senator Xenophon has put a lot of work into this, and I do appreciate that and the amendment before us. Can you provide a guarantee that Australian families, Australian small business and Australian workers will not be disadvantaged as a result of locking in this amendment, this legislation, prior to Copenhagen, prior to the US legislation, prior to China, India and our other major trading partners locking in like legislation? That is the question I have. I stand to be convinced.

Senator Xenophon (South Australia) (10.53 pm)—I thank Senator Barnett for his question. Perhaps a better way of putting it in terms of what can be guaranteed is to talk about people being worse off. How much worse off will we be if we reach a tipping point when it comes to climate change? How much worse off will we be if there are 1.4 billion climate change refugees by 2050—according to the IPCC?

Senator Hanson-Young—They don’t like that question.

Senator Xenophon—Senator Hanson-Young interjected then, but I think it is important—

Senator Joyce—She does it all the time.

Senator Xenophon—As does Senator Joyce. I think it is important. I think it was quite revealing that during Senate estimates Senator Heffernan—one of your senators—made that very point with respect to customs and border security.

Senator Barnett—I was there.

Senator Xenophon—You were there, of course. I think it is fair to say that Senator Heffernan, as he often does, was looking at the big picture in terms of the potential catas-
trophe we face. This is about risk management. Whether you want to take that quote from Mr Turnbull or Margaret Thatcher, you can take your pick. But it is important to think about what the consequences will be if we do not act decisively in relation to this. It is a question of fundamental risk management and avoiding a tipping point. In relation to the matters that Senator Barnett raised, these higher targets are predicated on having an intensity based level with respect to the electricity, which, on the basis of the Frontier modelling, I believe is a much more effective way of achieving these targets. I will be moving amendments on the whole issue of an intensity based scheme later on.

I am very mindful of sticking to the point, to be as strictly relevant as possible so that these matters can be dealt with expeditiously, but I would urge Senator Barnett to consider the bigger picture of what the impact will be. If you are going to manage the risk then you should manage the risk on the basis of lower costs to the economy whilst you maximise the environmental benefits. I appreciate that the government disagrees with me on the Frontier approach, but that is my motivation for moving this amendment and it should be considered in the context of the other amendments with respect to having an intensity based scheme.

Senator BARNETT (Tasmania) (10.56 pm)—I thank Senator Xenophon for his response. Can I also thank and congratulate him for his contribution via the Frontier modelling that he in part commissioned with some of his own funds. That is appreciated. I think it has helped inform the debate.

That is one of the key points. Your response has helped inform the debate. You referred to the big picture, and 1.5 million climate refugees is the view that was put. But you referred to risk management, which is exactly the point. Yesterday I supported the motion put in this Senate that, yes, we should have scrutiny, we should have a review. Why not use the risk management principle that has been espoused by Mr Turnbull, Mrs Thatcher and indeed others, including senators in this place, to have the scrutiny of a review? I am not an expert. I do not know whether that figure of 1.5 million refugees is exact. I do not know whether the figures you have put before us are absolutely accurate. That is why the legislation before us and the amendment before us need property scrutiny. The idea of having further review and scrutiny, perhaps before a Senate committee, has great merit. That is why I supported it yesterday and I hope that in due course we will have an opportunity to provide further support for such a review to, as you put it, Senator Xenophon, ensure risk management takes place and proper scrutiny occurs.

Senator BACK (Western Australia) (10.58 pm)—It is disappointing that Senator Brown spent his time reflecting on the political climate in which we find ourselves when he really should have been addressing himself to the amendment put by Senator Xenophon, particularly when he is never going to be faced with being in government and will never face the responsibility—


Senator BACK—I am sorry; I did not hear the interjection.

The TEMPORARY CHAIRMAN (Senator Moore)—Senator Back, please ignore any interjections across the chamber.

Senator BACK—Thank you, Madam Chair. I have developed an admiration for the minister. I think she is a person of intelligence and seriousness and I think she has addressed herself over time with a high degree of diligence. But this brings me to the whole question of risk. Senator Xenophon just mentioned the question of 20 per cent or
five per cent—whatever the percentage is—and it is a shame that Senator Brown is not here, because it might have helped him to comprehend why there is such spirited discussion. I say to the minister, through you, Madam Chair, that as someone new to this chamber and from a background of business and government for 30 years, one of the greatest concerns I have—and I am not being political here—is that I see not one person from your side of the chamber questioning the validity of this.

Progress reported.

Sitting suspended from 11.00 pm to 9.30 am

Friday, 27 November 2009

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

The CHAIRMAN—the committee is considering the Carbon Pollution Reduction Scheme Bill 2009 [No. 2], as amended, and amendment (1) on sheet 5912 moved by Senator Xenophon.

Senator XENOPHON (South Australia) (9.31 am)—Mr Chairman, last night Senator Barnett asked a number of questions, and I will be brief. I do not want anyone in this place to accuse me of filibustering, because I just want to get down to the pointy end of—

Honourable senators interjecting—

Senator Wong—You’re not the culprit. I don’t think you’re the culprit.

Senator XENOPHON—Well, if I was not interrupted, I could get on with things more quickly. Senator Barnett made a point, saying why don’t we wait until Copenhagen? My point has always been that we need to design an emissions trading scheme that is right for this country, one that shows leadership for the region in particular. I do not think we can lecture the Indonesians and Malaysians about deforestation unless we are doing the right thing here. It is important that we design our own scheme. Copenhagen is about targets; it is not about the actual design, the nuts and bolts of a scheme. That is why it is important that we should move before Copenhagen. That has been my position, and I agree with the government in that respect.

But this amendment is about an alternative scheme. I know Senator Brown does not agree with a 20 per cent target, that it should be 25 per cent. I supported the Greens in relation to 25 per cent. Twenty per cent is a figure that I have reached after getting advice from Frontier Economics and also looking at it as a springboard. I would appeal to my colleagues in the Greens and to other senators that it is much better to have a springboard of 20 per cent for targets rather than a minimum of only five per cent. I think we can do this, I think we can go for deeper targets.

I have indicated that I do not intend to divide in relation to this amendment. I do intend to divide in relation to the other amendment. In any event, it seems that this amendment, given what has been said, is a bit like me, it is friendless. But I think it is important. You can have an alternative scheme, one that can deliver deeper cuts with greater economic efficiency and that is better for the environment and much better for the economy.

Senator BARNETT (Tasmania) (9.33 am)—Senator Xenophon kindly answered, from his perspective, my question—that is, why proceed in advance of Copenhagen and why lock ourselves into this legislation with a target of at least 20 per cent. He outlined his views accordingly. My concern was: why do this in advance of our major trading nations and why do it in advance of the US, for example? I have only just read this morning
the front page of today’s Australian regarding the US target. I am advised, based on the Australian article, that the US target equivalent to ours is the equivalent to 12 per cent. If that is the case, surely there are significant consequences for Australia if we lock ourselves into a 20 per cent target.

That is the concern that I and many others have about wanting to rush ahead of Copenhagen and rush ahead of the US legislation, and the legislation of like countries, until a position is locked in regarding China, India and our other major trading nations. You must put forward the case for change, and I have not seen that adequately demonstrated in this bill. There are issues of timing and the design of the bill. I just want to put on record, as I did last night, my thanks to Senator Xenophon for his work, his contribution, particularly on the Frontier Economics report, and for his efforts in making a case for change. I have not been convinced, and I know others have not been convinced, about the case for change, particularly with the revelation overnight of the US target, equivalent to 12 per cent.

Senator FIELDING (Victoria—Leader of the Family First Party) (9.35 am)—Here we are talking about trying to increase the emissions reduction target before we know what the rest of the world is actually doing. I think that is reckless. Clearly, as part of this whole debate about targets, I still have an issue with setting any targets before we know what the rest of the world is doing and before Copenhagen. For that reason I will not be supporting this amendment. I know that it has been a free and wide-ranging debate—it was last night and it will probably continue today—but I am hoping that the chamber will change its view with regard to holding off the final vote on this legislation until after a Senate inquiry. That was something I put forward, through a motion, only a couple of days ago in this chamber, which basically said that the third reading vote should not occur until after Copenhagen. That would mean us coming back in February for a final vote.

I make it clear that I certainly will not be supporting increased targets. I think it is reckless to even consider that. For anyone to be putting forward even higher targets before we know what the rest of the world is doing is absolutely ludicrous and crazy. It makes no sense whatsoever. There is no problem in letting other experts have their say on the changes that it, seems, the coalition and the government have reached agreement on. Experts outside of here should have more of a say and express a view on these changes. We should wait until Copenhagen; that is the right thing to do. We can look at the multibillion-dollar changes that, it seems, the coalition and the government have reached agreement on. We can also, at the same time, through the inquiry, look at what comes out of Copenhagen and at what the rest of the world will commit to, because our competitive position in Australia will decrease if we commit to targets before we know what the rest of the world is actually doing.

Costs of doing business in Australia will go up and for no environmental benefit whatsoever. That is why I am saying it is economically reckless. I said the other day that I think the coalition are in danger of losing any economic credibility that they have left if they allow this vote to go through and that any talk about higher targets, before we even know what the rest of the world is doing, is outrageous and crazy. It makes no sense at all. I will not be supporting this amendment. I am hopeful that there will be an opportunity to have a motion back before this chamber, holding off any final vote on the Carbon Pollution Reduction Scheme until next year, after Copenhagen.
Senator WONG (South Australia—Minister for Climate Change and Water) (9.39 am)—I rise first to indicate to Senator Xenophon that the government will not be supporting this amendment, which I am sure comes as no surprise. The government has made clear for almost a year now what its targets are. They have been informed by discussion and consultation with both business and environment groups and the community more broadly. We think the range that we have on the table is the sensible one. I make the point that this target range is a bipartisan position. I also make the point that this is legislation which has gone through an exhaustive consultation process.

I want to make some response to Senator Barnett’s contribution. He asserted that we were rushing this. There is no danger of that. There is no danger of anybody in the Australian community seriously suggesting that the parliament is rushing this. We have now been debating the Carbon Pollution Reduction Scheme for some 22 hours and six minutes. We have had about 9¾ hours in the committee debate and we have done three amendments. That parliamentary consideration is on the back of this legislation having been out in draft form since March; draft legislation having gone to a Senate committee for consideration; the substantive bills subsequently being introduced in the budget period and having gone through Senate committee processes; this legislation having been before the chamber in June, when the Liberal Party and the National Party filibustered and played procedural games to delay a vote; and, the vote being delayed, consideration being delayed, till August, when they finally had the courage at least to vote it down, at least to take a position. Now in this Senate fortnight and this week we see the same tactics again.

For those who say, ‘Why shouldn’t we wait?’ I would make this point: do they really believe that Senator Minchin or Senator Joyce will change their mind after Copenhagen? Do they really believe that the Leader of the Opposition in the Senate, who has sought to bring down a Liberal leader because he did not want to accept the majority position of the shadow cabinet and the Liberal Party room, will change his mind? Does anybody really believe that anything will change for these senators after Copenhagen? Senator Minchin has described climate change as a ‘left-wing conspiracy’ and this action on climate change as an ‘abomination’. Does anybody honestly believe that someone with those views, and the people who follow him, who have been prepared to divide their own party and who have sought to destroy their own leader because they did not want to accept majority support, will change their views? They will not. The argument about delay and the actions of those who hold some extreme views in the Senate on this issue to try to avoid dealing with this legislation have to be understood as nothing more than the same old tactics that have been employed for over a decade in order to avoid this nation taking action on climate change.

Senator XENOPHON (South Australia) (9.43 am)—I will be very brief. I want to make this point to Senator Fielding. I take issue with saying it would be crazy and outrageous to go for a higher target. I will tell you what I think would be crazy, Mr Chair. We cannot ignore the overwhelming science that says something needs to be done. I know that Senator Fielding and others have different views on that, but from a risk management point of view you cannot ignore the preponderance of the science that says something needs to be done. If you do not take action, if you say, ‘We’ll rely on those scientists that say anthropogenic climate change is not real,’ then you are risking the planet. It is simply too dangerous not to take action. That would be crazy. I appeal to those who are
conservatives in the best sense of the word, which is about conserving and being cautious. The cautious approach is to actually have a good risk management approach to deal with this. If we do not, the consequences of climate change will be catastrophic, and by the time we see those changes it will be too late to do anything about them. That is the policy paradox here, the Lord Anthony Giddens paradox: by the time you see all the changes it will be too late.

Last night I think Senator Milne referred to Tuvalu. I was lucky enough to go to Tuvalu 12 years ago, before I was in politics. I do not know how I got there, but I was there on a holiday. I think I was the only tourist in the country for the four days I was there. Back then there was concern about rising sea levels amongst the locals that I spoke to. But since that time, in 12 years, the water has gone brackish. They cannot use their water. There are real problems in terms of agriculture and sustainability on that island nation, which is bearing the brunt of climate change. Tuvalu is kind of like the canary in the coalmine when it comes to climate change. That is why I think we owe it to the Tuvalus of this world—to countries like the Maldives and Kiribati. Those low-lying countries are the ones bearing the brunt of this, as is Sub-Saharan Africa. Recently Tim Costello from World Vision told me of his discussions with the Prime Minister of Ethiopia, who said that they are desperate for funds for adaptation and for mitigation because they are bearing the brunt of it right here and now. So I think it is crazy if we do not act decisively.

Senator IAN MACDONALD (Queensland) (9.46 am)—I do agree that we need to move on with this bill. Just to clarify with Senator Xenophon, we are dealing with amendment (1) on 5912. As I understand the position—correct me if I am wrong—the government has proposed between five and 15 per cent. That is something the Liberal Party was inclined to support. You are proposing between five and at least 20 per cent and the Greens are proposing between five and 25 per cent. Perhaps you could briefly explain that. I am very keen to get onto Senator Xenophon’s amendments in other areas. If this is a mathematical arrangement on whether it is five to 15, five to 20 or five to something else, that should be resolved relatively quickly. I would have thought.

Senator XENOPHON (South Australia) (9.47 am)—I am also keen to have a vote on this particular amendment, which seems to be completely friendless in this chamber. Senator Milne can articulate her amendment much better than I ever could. The Greens amendment was to have a minimum 25 per cent target, up to 40 per cent. Mine is to have a minimum 20 per cent target. The government and, it seems, the Liberal Party would have a minimum of five per cent.

Senator RYAN (Victoria) (9.48 am)—An issue that I am particularly concerned with is relevant to this amendment but it also covers some other issues. I would like to flag those with the minister, as I understand either she may have the answer or she may have to obtain it. The major bill here creates a personal property right in the Australian emissions unit and in the registered Kyoto unit. I was interested in particular in the creation of a personal property right as it is termed in the bill and its implications for future amendment to this bill with respect to section 51(xxxi) of the Constitution and the requirement for compensation on just terms for the acquisition of property. I am interested in that with respect to the general provisions of the bill and the ability to amend it, but it is raised in relation to this amendment because, as I understand the bill, these units and permits can be banked. I was wondering if the minister had an answer to a query about that as well as the fact that a future change in the target may increase or decrease the value of
those permits, and whether or not the government had sought any advice on its implications for the constitutional test for the acquisition of property on just terms.

Senator WONG (South Australia—Minister for Climate Change and Water) (9.49 am)—There has been some media reporting regarding some legal propositions in relation to whether or not the fact that permits are property rights has any effect in terms of providing a basis for compensation claims. I want to be clear that the government does not believe that the structure and framework of this legislation would give a basis for compensation claims. The government believes that the argument that stricter targets would give a basis for compensation claims is not correct. In our view this advice is based on a misconception that the CPRS creates rights to pollute which would have to be withdrawn if stricter targets are adopted in the future. In fact, tightening of the targets does not involve any buyback or withdrawal of existing rights. There is no acquisition of property which would provide a basis for just terms compensation under the Constitution. In actuality, the likelihood, if you apply reasonably basic market principles, is that a deeper target would reduce the supply of permits in a finite domestic market which would, in effect, be more likely to have the opposite effect, which is to increase the value of the permit.

Senator Ryan (Victoria) (9.50 am)—That answers one half, and I appreciate the minister’s answer. What I would also be particularly interested in is the creation of a personal property right and whether or not a repeal of the bill and a repeal of the CPRS at some future point would trigger such a compensation claim. I understand the point the minister made that an increase in the target would likely increase the value of the permit, so an increase in its value would not necessarily trigger an acquisition of property issue.

But I was wondering if the minister had an answer to the question as to whether this bill effectively binds a future parliament to the extent that the parliament can only acquire property on just terms and whether, if the bill was repealed, such a repeal would require compensation or buyback or other similar mechanism to bring about the end of the scheme or the end of such permits.

Senator WONG (South Australia—Minister for Climate Change and Water) (9.52 am)—I am surprised at the question, I have to say. Is the Liberal Party seriously considering a position where the bill got through that they would repeal it? That is an interesting proposition, that someone would believe that if the parliament does support this legislation they should consider repealing it after an election or subsequently. I was not aware that was something that even the Liberal Party at the moment would be contemplating, Senator.

Our view, and we have been clear about this, is that this is lasting structural reform. That is why we have worked very hard to get agreement with your leadership team, because our view is that these sorts of wide-ranging changes to the Australian economy do require leadership and agreement from more than simply the government. We have worked very hard to get bipartisan support for this legislation. We are not minded to look at this as only a one- or two-year proposition. The very nature of the mechanism that is before the parliament is that it is a long-term scheme to substantially change the way the Australian economy works so that we reduce our contribution to climate change. And the responsible way of thinking about it is to understand this is not a short-term reform, it is a long term reform. That is why the government has worked so hard not only to get agreement from the opposition but also to work through the design of what is, I acknowledge, a complex scheme. It is why we
have worked so hard to consult with business groups and individual firms as well as NGOs and the community on the design of the scheme.

Senator RYAN (Victoria) (9.54 am)—I asked my first question and appreciated the answer. I am particularly disappointed with the second answer because you have resorted to playing the man rather than the ball. It is a different question and I think it is inappropriate, upon being asked a question like this, to commence your answer by assigning a false motive to the question. I am making no such proposition, as you asserted in the first part of your answer, about future actions; however, I do believe it is irresponsible not to ask the question. There are many actions of this parliament over the last century and a bit where a government or the parliament of the day thought things were particularly wise that did not subsequently stand the test of time. We had a pattern of industrial protection for 80 years. That was quite consensus based across this parliament, but after about 70 years we realised as a country that it was holding us back.

So I ask again, not necessarily to assign a motive to the question: does the government have any advice or are you aware of any advice? Do you have a view on whether or not the passage of this bill this week or next week is going to mean that a future parliament seeking to repeal this bill and this scheme? Would it mean that the Commonwealth of Australia is liable for compensation claims as per section 51(xxxi) of the Constitution?

Senator WONG (South Australia—Minister for Climate Change and Water) (9.56 am)—First, I do not know that you can accuse me of playing the man—but anyway. Second, I think you suggested that I have ambitions about this legislation lasting for a long time. I was simply asserting a matter of fact: the nature of this reform is a long-lasting reform if it is going to work. The answer to the question of the consequences if a future parliament chose to repeal it is that that would depend on how that parliament chose to deal with it. I do not think it would be possible—and I think you are a lawyer as well, though maybe not—to be prescriptive at this point about what might flow from a hypothetical action of a future parliament without us knowing what the nature of that action was. That is not obfuscating; that is a pretty accurate assessment of what the situation is.

You also asked if we are attempting to bind a future parliament. The future parliament can never be bound. The parliament is always the master of its own destiny and a future parliament can, if it chooses to, pass laws on a range of issues that differ from the laws which are before us today. I think all of us know that. There is nothing that makes this legislation so out of the ordinary that you could say it would somehow transgress the principle that we cannot bind a future parliament. In relation to the compensation argument, if a future parliament were to determine to repeal or to do something different about this legislation, what would flow from that would depend on the circumstances of how it chose to do that.

I make the point—and I think it is a reasonable point—about what will happen if we
think that in some years down the track we need to look at aspects of the scheme. We have built in a range of appropriate review mechanisms, with agreement with your shadow minister, that enable the practical operation of the scheme to be monitored to ensure it has sufficient certainty and also the capacity to respond or to look at any issues which may arise that may not be considered today. We have built those mechanisms in, and I have to pay tribute to your shadow minister. I think that that aspect of the legislation in particular is probably the better for the negotiations which were engaged in over the review processes.

Senator RYAN (Victoria) (9.59 am)—I will be brief. Minister, I hasten to add that I actually referred to effectively binding a future parliament through the requirement for compensation. I am aware of the fact that the parliament cannot bind the future, but is the government in possession of advice with respect to the impact of the repeal of this scheme? If this bill were to be passed today, Monday or Tuesday and then if in five years time the bill were to be repealed—because some agreement, technological achievement or otherwise made the bill not required or maybe even not effective—is the government in possession of advice with respect to the implications of a straight-out repeal of this scheme? If this bill were to be passed today, Monday or Tuesday and then if in five years time the bill were to be repealed—because some agreement, technological achievement or otherwise made the bill not required or maybe even not effective—is the government in possession of advice with respect to the implications of a straight-out repeal of this scheme and whether that may trigger just terms compensation for the acquisition of property, which this bill creates in Australian emission units and registered Kyoto units?

Senator MILNE (Tasmania) (10.01 am)—I just want to follow up this matter a little and it will save following it up later in the debate. As the minister would be aware and the Senate would be aware, the Greens sought legal advice from a leading senior counsel and another barrister in Sydney in relation to this matter, because ours is unlike any other scheme anywhere in the world except New Zealand—and we know that the New Zealand scheme is based on the Australian scheme. Elsewhere, they did not create the permits as property rights—here, they are. That is a fundamental difference.

Secondly, in the European scheme and other schemes around the world, there is a get-out-of-jail clause, if you like, which in those schemes says that, if new information comes to the minister relating to certain matters including the science, the minister can change the targets without compensation and so on. So there is a get-out-of-jail clause in there which basically says that the minister can change this.

The Australian scheme does not have that provision and the Australian scheme creates property rights. The question we put to the lawyers was: if the targets were increased beyond the five to 25 limits set out in the objects of the act, if that translated to the gateways and if the gateways were more stringent than those set out in the CPRS as it stands, would that mean compensation for people who had made their decisions based on the gateways in the act? The legal advice said, yes, because they will have made their decisions based on that. So, whilst it is true that the government can set a much higher target, it would be expected that other sectors of the economy would be required to meet that target, not the sectors covered by the CPRS, because the legal obligation under the CPRS is to stay within the gateways that have been set in the CPRS. This is the issue here.
The minister said earlier stricter targets would not require compensation. That is true to the extent that it would not require compensation if you did not tighten the caps in the scheme and the gateways but actually required other sectors of the economy to meet the higher target. The question I am asking the minister is: if the government wanted to set targets that were more stringent than allowed for by the gateways as set out in this legislation, can the government rule out that compensation might be necessary, or would be necessary?

On this issue of buying back banked permits, this scheme allows for unlimited banking. So upfront, if I were Rio Tinto or somebody else, I could buy a whole lot of cheap permits on the international market if RED goes through—and let us assume that it does. I make a judgment that in 10 years time the carbon price is going to be much higher than it is now. Let us assume that I make that judgement and go out into the international market and buy a whole lot of cheap permits, which I bank, because this scheme allows for unlimited banking.

Then the government comes along in the future and says, ‘Sorry, we’re going to tighten the cap so much that we’re going to have to compulsorily acquire some of your banked permits.’ Under the Constitution, according to our legal advice, you can only compulsorily acquire property—and, as I said before, this is the only scheme in which these permits are declared property rights—on fair and just terms. Therefore, our legal advice says that, if the government strengthened the gateways and the caps in the scheme beyond the five to 25 per cent as set down, there would be a strong case for these companies to argue for compensation for the banked permits that were bought back and compensation on the basis that they entered into forward contracts on a whole range of things based on the five to 25 per cent and the gateways that are assumed in that.

This is a critical issue for the Greens, and that is why we have argued very strongly when people have said to us, ‘Just pass this, start with it and then strengthen it later,’ that you will not be able to strengthen the provisions of the CPRS later. You can strengthen the target, but who is going to bear the cost of strengthening that target? It is not going to be the companies covered under the CPRS. The big emitters, the coal fired generators, are mothballed out until 2020 and everybody else will bear the cost of a higher target if a government does decide to go with a higher target. That is why it will not be changed. The effort required from the big generators, from the coal fired power stations, is virtually locked in and it cannot be changed because no government, neither Liberal nor Labor, is going to incur the multibillion-dollar compensation costs that will be claimed through the courts.

There is no doubt that that will happen, and the lawyers will have been working on this already. That is why they are happy to go with this scheme and its property rights. There has never been any explanation to the parliament as to why these permits are property rights in Australia when they are not anywhere else. It is naive in the extreme to think that you can strengthen those gateways corresponding to a higher target in the future. That is our legal advice. We have made that legal advice available—and I am happy to make it available to the coalition and so on—and the government has not satisfactorily come back and explained. So, Minister, I am really keen to know: if a higher target were adopted and you strengthened the gateways corresponding to that higher target, are you going to tell the Senate unequivocally that no compensation would be necessary or payable and that there would not be any need to buy back banked permits?
Senator WONG (South Australia—Minister for Climate Change and Water) (10.08 am)—I have already said that we believe that the legal advice that you have received is based on a misconception. We do not believe that there is an acquisition of property to provide a basis for just terms compensation under the Constitution. I think the first proposition that needs to be understood here is that there is a factual basis from which you are proceeding which is incorrect, and that is that the government would have to buy back permits. That is not what would be required. You are assuming that is what would be required. In fact, the way in which the scheme contemplates a reduction in caps is by simply issuing fewer permits. If you proceed on the basis that you understand there is a discretionary decision, a policy decision, within the statutory framework before the chamber as to how many units you issue, then you do not even get into the world that you are postulating, which is purchasing permits back.

You made some comments about banking. I also make the point that if people do choose to bank there is a pretty reasonable environmental outcome from that, in that that means deeper reductions earlier because you are not using your permit earlier. So it is not the negative proposition that you seem to imply. Our view is that the advice that you have outlined is not correct. I have outlined to Senator Ryan our view that we do not believe that the tightening of targets involves buybacks or the withdrawal of existing rights. You asked, for example, about the gateways. The analogy would be if government changed a grant program or a tax law and somebody sought compensation because of that. The gateways are arranged out in front. Five-year caps are set. Each year there is another year of caps, which go through by regulation. The parliament would consider that. It is a discretionary decision. We have made clear that the reason for the gateways is to give some flexibility, as well as constraining the level of uncertainty which is required to encourage businesses to invest in lower carbon projects.

You also made the point about Kyoto permits. For most purposes—not all, but most—under the scheme Kyoto units are not personal property under the legislation. We have made Australian units personal property. International units—Kyoto or subsequent—would be subject to the international regime. So I again make the point that the proposition you are putting assumes a mechanism to reduce or tighten the cap that is not required.

Senator MILNE (Tasmania) (10.12 am)—Thank you, Minister, for that, but I think you have misunderstood me. I am saying that the current gateways are set within a five to 25 per cent target. Let us assume that, for the sake of argument, the target was changed to somewhere between 25 and 40 per cent. Let us say you establish the national target now as 30 per cent. If the 30 per cent is to be achieved with the CPRS, you will need to change the gateways to represent a target beyond the five to 25 per cent. Certainly I understand that you can change your gateways and your individual year caps within your five to 25 per cent expectation, but if you change your national target to beyond the five to 25 range in the legislation, are you saying that your gateways can be changed to be more stringent than those that would have been anticipated with a maximum of 25 per cent? My understanding is that everybody is expecting that the gateways cannot be changed to reflect a greater effort than 25 per cent.

Senator WONG (South Australia—Minister for Climate Change and Water) (10.13 am)—Senator, I think we are conflating a couple of issues here. Your proposition
is a proposition against the government’s target—that is, the targets that we have announced. We had a long discussion last night about it. The government has a very clear view about its targets. I think I have answered the issue of your legal advice. Obviously, if there were changes to any aspect of the scheme in relation to targets that would be a decision of parliament. There is a discretion within the legislation about what targets will be—caps et cetera. In order to be clear with the community about the range we are seeking, we have put in a range of conditional targets. I know that your party disagrees with them, but those are the targets that the government has put in place.

I will go back to what I said earlier: we do not believe that tightening of national targets will require buyback or withdrawal of existing rights. Let us also remember that there is a differentiation between the years of firm caps and the gateways where, in terms of the gateways there is, obviously, a wider range. But if your question to me is, ‘Is the government putting forward a scheme that alters its target range?’ it is not. So whether or not there is a legal issue is really beside the point. The policy and political issue is that these are the government’s targets, your party disagrees with them, but those are the targets that the government has put in place.

Senator MILNE (Tasmania) (10.15 am)—I absolutely agree that there is a total difference of opinion on targets, and I am not arguing that. We have had that argument. The Greens believe the target should be higher. Senator Xenophon believes the target should be higher and nobody else does. That has been determined by the parliament. The question I am putting to you is the one of compensation—that is a critical issue. Let us forget the banking for a minute and go to the notional view here, because there are people who argue that if you tighten the targets in future, then this will have an impact on the compensation provisions. My point is this: the gateways that you are proposing are within the five to 25 per cent target. If you change the gateways, which reflect a level of effort greater than five to 25 per cent, will you not be up for compensation from the big polluters who have made their decisions within the five to 25 range? That is the key issue here.

I am saying that yes, you can increase—a future government is not bound, and can increase a national target. But if that increase in the national target is then reflected in the gateways requiring caps within them to get beyond a 25 per cent effort it affects the companies which have made decisions. You have been arguing that this is about business certainty and giving them gateways so that they know what their investment range is. I am trying to elicit a response from the government about the fact that if you change those gateways so that they reflect a greater effort than five to 25, are you not going to be up for compensation for those people who have made investment decisions based on the caps as they currently stand at five to 25?

Senator WONG (South Australia—Minister for Climate Change and Water) (10.17 am)—I again say that our view is that is highly unlikely. One of the important things about legal advice is to think about the factual circumstances. I do not accept the hypothetical, but let us say that I did accept it, and some future parliament chose to go for a deeper reduction—say, by 2023 or something. Who would take that case? People holding permits would, in fact, have a more valuable instrument. You would anticipate—this is the point I made to Senator Ryan—that in a market, if you just apply the laws of supply and demand, you are reducing supply and you are likely to actually increase the value. Even if I entered the hypothetical
world, which we do not accept, I find it hard
to discern what the factual scenario is
whereby you could actually argue a compen-
sation argument.

Senator RYAN (Victoria) (10.19 am)—I
just want to clarify a point you made in an
earlier answer to Senator Milne. Correct me
if I am wrong, but I thought I heard you say
that a Kyoto unit is not personal property. I
am happy to have that clarified on section
116B of the bill, which is entitled:
A registered Kyoto unit is personal property for
certain purposes.

Senator WONG (South Australia—
Minister for Climate Change and Water)
(10.19 am)—I think that what I said was ‘in
most purposes’, Senator Ryan. My recollec-
tion is, and I am being advised here for cer-
tain in fact—and if you had it in front of you,
you would know the answer to your own
question—it says:
A registered Kyoto unit is personal property for
certain purposes
The certain purposes are in subclause (2) of
that clause—bankruptcy—and chapter 5 of
the Corporations Law, which from recollec-
tion is the insolvency provisions—intestacy,
wills, deceased estates and other prescribed
purposes.

Senator RYAN (Victoria) (10.20 am)—I
want to clarify whether the government is of
the view that the prescribing of those certain
purposes does not have any potential impli-
cations if they were to be acquired by the
government. I want to clarify this point and I
think it is a reasonable question because I
understand they are written differently in the
bill and a number of us, as you would imag-
ine, are particularly concerned about this
provision.

Senator WONG (South Australia—
Minister for Climate Change and Water)
(10.20 am)—With respect, Senator Ryan,
you are doing a far better job than Senator
McGauran and Senator Joyce yesterday in
taking up a lot of time. I would suggest you
are doing precisely the same thing. That is
fine. We will continue to answer questions.
You are chasing every rabbit down every
burrow. Just to be clear, you are asking me
whether or not a provision in legislation
which says that the executive, through the
parliament, can prescribe by regulation—that
is, after scrutiny by both houses—a circum-
stance in which other than bankruptcy, insol-
vency and so forth we would regard Kyoto
units as personal property. You are asking me
whether or not that might give rise in some
circumstances to an argument for compensa-
tion. Am I clear about that? Is that actually
the argument you are putting to me?

Senator RYAN (Victoria) (10.21 am)—
Minister, I am conscious they are written
differently in the bill. Good faith seems to be
the term of the week, but it is not something
that I feel a great deal of at the moment, be-
cause if I have taken up half an hour of the
Senate’s time on this particular issue I do not
think that is illegitimate. What I was asking
was that you differentiated in your answer to
me earlier between the prescribing of the
sections of the personal property with respect
to the Kyoto emissions unit as opposed to the
Australian emissions unit. You have not an-
swered, or provided any detail, as to whether
or not the government has taken advice on
the issue of what would occur with the repeal
of the bill. Quite frankly, I reject the asser-
tion that this is in any way some sort of fili-
buster.

Senator Wong—No-one believes you.

Senator RYAN—I think I have asked
most of my questions here in well under five
minutes, and they have been questions rather
than speeches. If you want me to start mak-
ing speeches I can do that as well, but what I
was asking was a genuine question: does the
government differentiate between these two
permits? They are written differently with respect to the way personal property is defined or for certain purposes. This will be my last question: with respect to the potential repeal of this bill what advice have you taken on whether or not that would trigger claims for compensation of property on just terms? Accuse me of what you will in your answer.

Senator WONG (South Australia—Minister for Climate Change and Water) (10.23 am)—I am not accusing you of anything, Senator. I would not be too sensitive. I am making the observation that your party, which I think everybody in Australian knows is in meltdown over the fact that many of you in this chamber do not agree with the decision of your shadow cabinet and party room, has resolved to deal with that by coming into this chamber and taking up as much time as possible. If that is what you want to do there is nothing I can do to stop it, but I do not think we should pretend in this place that anybody around this chamber believes that you and your colleagues are doing anything different.

I think I have answered your question on four occasions now. We believe compensation on just terms risks to be highly unlikely. I have answered your question about repeal, and in relation to the provision of the bill to which you referred I made the point, when I was responding in fact to Senator Milne about her discussion on red units and making the distinction between Kyoto permits and Australian permits, that I was simply making reference to the personal property provisions to which you referred being very clearly in specific circumstances—and yes, there is the capacity by regulation for those purposes to be added to. That is sensible, and as somebody who has exercised some diligence in the work that you do you would know that is a very normal provision in a bill. Quite often you would have various specific propositions and then a general proposition which enables the executive, through the parliament, to add to those specific circumstances. This is no different.

Senator MILNE (Tasmania) (10.24 am)—I totally accept that the minister’s response to me was a hypothetical response and not indicative of what the government may or may not do—in fact will not do, as she has said—so I will make that even clearer. But let me follow through the hypothetical. What I heard the minister say was, if a future government through the parliament decided to lift the level of ambition of the target—let us take it out to 20, 30 or 40 per cent or whatever they want to lift it too—that could translate through to a more stringent scheme, with the gateways being changed and the caps being stronger, but that would not lead to compensation provisions because the value of the permits would be increased in that circumstance. We are already paying compensation under this scheme, as it stands, for loss of asset value to the coal fired generators. That asset value compensation has no basis in principle other than that it is a political deal, in my view. Nevertheless, we are already paying compensation to them for loss of asset value. Is it not true that, if in Queensland, New South Wales and WA people now go ahead and build new coal fired power stations, refurbish old ones or recommission decommissioned ones—on the basis of a five to 25 per cent target and on the basis of the gateways as they are set—and if you increase the stringency of those gateways as a result of a higher target, you would then not be up for compensation for loss of asset value? The more stringent target then would do what a scheme was always meant to do in the first place: transform people out of coal fired power and into a more sustainable form of energy—in our view, renewables. So I just want a clarification that a more stringent target could translate through
to more stringent gateways without compensation for loss of asset value.

Senator WONG (South Australia—Minister for Climate Change and Water) (10.27 am)—Firstly, and we can probably spend a bit of time on this, I again say we do not believe there is an acquisition of property involved—and really everything then flows from that proposition. So you and I, in terms of our understanding of this position, are starting from a very different position. Secondly, as to the hypothetical world, I would again make the point—and whether it is an emissions-intensive trade-exposed company or the electricity sector—we are providing assistance in terms of permits, not dollars. So the factual scenario I outlined earlier, where generally you would assume a deeper emissions reduction means a high carbon price, applies to that as well. They are obviously finite and these are transitional assistances, and I accept your party is not supportive of the government scheme in this regard. Going back to the ‘factual hypothetical’, it is the case that, if you are effectively increasing the price of permits by having a deeper target at any point, the transitional assistance for the coal fired power stations that you describe is delivered as permits, not as cash. That change would flow through to their assistance as well, so it is hard to see in that factual circumstance what is the acquisition of property that is postulated.

Senator XENOPHON (South Australia) (10.29 am)—To raise this whole issue of property rights, and I appreciate the minister’s responses, can I put something briefly to her in relation to this, that there may not be property rights before the introduction of permits. Once these bills receive royal assent, wouldn’t it be the case that generators and retailers would then enter into contracts—hedging contracts, short-, medium- and long-term contracts—in terms of electricity prices? While that may not create a property right as such under the scheme, there would be significant commercial considerations in the context of that. What if someone sought to change the scheme down the track? I appreciate that the minister has always been upfront in relation to her position on this, but I cannot say the same about some in the Liberal Party, who have said to me that, if this scheme goes through, ‘We can always change it later; we can go down another path, such as the Frontier path or whatever other path.’ With respect to those who have put that to me, that is a bit disingenuous, because once those hedging contracts are in place, you simply cannot unscramble the egg. Can the minister confirm that there could arguably be the rights of a cause of action or that at least, if this bill is passed in its current form—or, indeed, in any form—hedging contracts by themselves would create some rights or would at least have very significant commercial considerations between generators and retailers, and any subsequent change to the scheme would have to factor in those huge commercial decisions, worth tens of millions if not hundreds of millions of dollars, in terms of hedging contracts that have been locked in?

Senator FIELDING (Victoria—Leader of the Family First Party) (10.31 am)—While the minister prepares to respond: this question is important. The reason for it is that, once you lock into a scheme, and it is the wrong scheme, it cannot be righted. This is the reason I will continue to say that there is no way that we should be agreeing to any target or system before we know what the rest of the world is doing. I will reinforce it again: it
was coalition policy, and it still is, to wait until Copenhagen. Any senator in the opposition can make sure that that policy is adhered to. Forget about some other requirements and that deals have been done; the principal policy for the opposition was to wait until Copenhagen. That is what they went to the Australian public with. That is what the Australian public bought. That is why I will continue to reinforce that the opposition will lose all economic credibility if they have this system in place before Copenhagen. Therefore, as I moved the other day, this should be brought back in February for a final vote then, after we know what the others are looking at doing.

Senator WONG (South Australia—Minister for Climate Change and Water) (10.33 am)—I am not sure which of those contributions to address. I am not sure that I have not already dealt with the issues that Senator Fielding has put forward. In relation to Senator Xenophon’s proposition, I come back to this: whether or not that aspect of the Constitution is applicable, at first base, requires a consideration of whether there is in fact an acquisition of property. The scenario that Senator Xenophon referred to was not a change in legislation that overrode a contract. It would be a change in policy/legislation that affected a contract. The analogy might be a contract that Senator Xenophon might have on the basis that there is a government grant program, or a contract that Senator Xenophon and I have which assumes a certain level of tax rate. If a government chose to change the grant program or the tax rate, that is not an overriding of our contract such that there would be an acquisition of property. So I think this debate is proceeding on the basis of assumptions which I suggest are not correct.

Senator XENOPHON (South Australia) (10.35 am)—I appreciate the minister’s candour, and I have never suggested otherwise. In my dealings with her she has always been completely honourable and straightforward. But the point I am trying to make is this: if you go down a path where we have a scheme, let us say it is this scheme, that is passed, then generators and retailers will enter into hedging contracts. As sure as night follows day, that will happen. Once they enter into those contractual arrangements, they are locked in. If the scheme is changed—some in the Liberal Party have suggested that they might well change the scheme at the next election or at some other time in the future—and that affects the price of electricity by virtue of any changes to the scheme design, then that will surely have very significant commercial implications. Maybe not quite at the level of property rights, which Senator Milne has been referring to, but nevertheless it will have very significant commercial considerations. All hell will break loose from those who say that the scheme has changed and the value of contracts they have entered into are worthless or worth less. One party to the bargain will miss out significantly. And, if we are talking about the long-term hedging contracts in the electricity industry, that will be a significant amount of money. I cannot say it any higher than that, but that is my concern.

Senator MILNE (Tasmania) (10.36 am)—Following on from Senator Xenophon and in the context of the discussion we have been having here, I want to go back to the proposition that, yes, the coal fired generators are getting compensation by way of permits. They are being given those permits for 10 years. Five years into that, let us assume, the legislation changes and the target is much higher. Are they going to be satisfied with the permits that they have for that 10-year period, because the compensation that is being given by way of permits reflects the loss of asset value? If the asset value loss is
then greater, how is that going to lead to them not wanting more compensation?

The second and probably even more significant argument in terms of economic considerations is this: if you own an aluminium plant and refurbish your plant in some way or another in the context of an expectation of a five to 25 per cent target and the gateways that are there, you will make certain investment decisions. And the same if you are an electricity generator: you might make a decision to invest in a peaking gas plant. If, however, you had known that the targets were going to be higher, the gateways were going to be higher, you might have made a different investment decision—you might have gone for a baseload plant or you might have gone to invest in something else. So the point that Senator Xenophon is making, and that I am trying to make here, is that the business community directly impacted by either the generation of or the retailing and the consumption of energy are going to make investment decisions right now. That is the whole purpose of what you have said this legislation is about—to give those people certainty into the future. They have been given five to 25. Twenty-five is the absolute target. The change of the gateways can only reflect the five to 25. Now it is being proposed that, if the target changes, the gateways can change to reflect that and that will not lead to compensation claims.

I find it beyond belief, given the way the rent seekers have been around here and the success that they have had in getting massive compensation for asset value loss and for everything else, that they would not be back here with compensation claims on the basis that they made an investment decision on which they were promised certainty and now that certain environment for them has changed. I would like to know that the government does have legal advice, even though it will not release it to us, to say that, if somebody invested in an upgrade or a change to their plant or in a new coal fired generator on the basis of this scheme, there will be no compensation payable by a future government.

Senator WONG (South Australia—Minister for Climate Change and Water) (10.40 am)—I again say—and I have said this quite a number of times—that we do not believe tightening the caps or gateways gives rise to a right for compensation under the Constitution.

Second, in relation to the electricity sector—and Senator Xenophon articulated in more detail his proposition, but essentially it is the same proposition—there is a distinction between legislation that might override a contract, where you could argue there was an acquisition of property, and a change in policy or legislation that affects a contract. The latter occurs regularly. It is occurring now by the introduction of the scheme.

Senator Xenophon—And compensation?

Senator WONG—Senator Xenophon rightly asks me about compensation. This probably goes to Senator Milne’s question when she asked if the electricity sector would be satisfied with it. I cannot answer that. I can say obviously that we put forward assistance. A great many people and firms in the electricity sector have been very public about the fact that they would like more. We have made a policy judgment about that. That is not really the issue before the chamber. The issue is the questions from senators about what constitutes an acquisition of property. I have given the government’s answer on that. We do not believe a tightening of capital gateways gives rise to the basis for an action for compensation under the Constitution.

With regard to a number of things that Senator Milne said, I want to remind the chamber that we are not providing assistance...
to the electricity sector in terms of a payment 10 years ahead. The assistance will be provided annually. There are requirements in the legislation and in the arrangements agreed with the opposition as to what would need to occur for them to receive it, but it is on an annual basis, not as a lump sum payment for five years or 10 years—which is one of the differences between this scheme and the earlier versions of the EU scheme.

Senator MILNE (Tasmania) (10.43 am)—I just want to clarify something and then I will leave it at that because we probably have a fundamental difference of opinion. Let’s just assume that next March, after Copenhagen, we set gateways of five to 15 in 2020. Let’s assume that two or three years later we change the gateways to reflect a 15 to 25 target. If that were to occur, would anyone who invested in new technology that became uncompetitive with those new gateways have to be compensated? I understand from you that no, they would not. If that is the case, why are we compensating them now?

Senator WONG (South Australia—Minister for Climate Change and Water) (10.44 am)—Senator Milne, that is a non sequitur. I respect your party’s position that you do not wish us to compensate the coal fired power generators. We take the view, as the government, that it is important to secure reliability of Australia’s electricity supply. We do not believe the policy proposition here is to compensate all asset value. Putting that aside, you are jumping from one proposition to another in a way, with respect, that does not follow. I think I have answered your questions about what legal consequences flow, but to then say, ‘Why are you assisting them now?’ really is not a logical sequence.

Whilst I disagree with your position, I accept your party’s position is that you do not wish any assistance, or very much assistance, to flow to the electricity sector. That is not the government’s view, nor do we think that the demands of particular energy companies for full compensation of any impact on their asset value are a reasonable proposition. The public policy question for government and, I suggest, for the parliament is: what is required to ensure that we maintain the reliability and security of Australia’s electricity supply through this transition period? That has been the government’s focus. I have dealt with your questions about what we believe the consequences are of tightening caps and gateways and I have also responded to Senator Xenophon about what we believe the legal effect of changes in policy affecting contracts is.

Senator BARNETT (Tasmania) (10.45 am)—On this occasion I certainly concur with Senators Milne and Xenophon and, indeed, Senator Fielding and express concern with respect to the questions regarding sovereignty and sovereign risk. I do not often concur with Senator Milne, but in this regard I am delighted to hear Senator Milne talk about the importance of sovereign risk. In Tasmania it has been a big issue over many years. I remember the Green-Labor accord in 1989 to 1992 and I do recall that, as a result of legislative change, compensation was paid. I think Huon Forest Products in the Huon received several million dollars as a result of that company not being able to access its forest resources. I know it is different, but the concept and the principle are the same.

Senator Wong is acting in good faith as the minister to say that her view is that compensation will not be required to be paid, but I would like to see the evidence. I would like to see the legal advice from the Solicitor-General or your other legal advice to confirm that. I think it was Senator Xenophon who asked for the legal advice—I would like to see it. This has serious consequences.
minister talked about the importance of reliability and security of contracts—I totally agree—and again in good faith she shared that. I appreciate that, but we are talking about a regime which is going to change and affect the way business is done in the multi-billions of dollars. This is about the rights of business, small, medium or large, to their contracts and to access compensation if the rules are changed. If the rules change, surely there are consequences and I would like to know why on earth compensation should not be paid if the rules do change. If at all possible, I would like to see a copy of the legal advice or, if that is not possible, a copy of the evidence or papers from the department which would confirm the views that the minister is putting that compensation is not going to be required in due course.

Senator WONG (South Australia—Minister for Climate Change and Water) (10.48 am)—Senator Barnett, it is regrettable that you have not been in the chamber for the last hour and more that we have discussed this issue—because we have traversed it. I actually was not having a go at you, Senator.

Senator Barnett—Mr Chairman, I rise on a point of order. The minister has misrepresented my position. I have been listening carefully over the last hour, Minister, on the television to your views and to the contributions of other senators. You have misrepresented my position and I would ask you to withdraw.

The CHAIRMAN—Order! Senator Barnett, there is no point of order.

Senator WONG—I am sorry, Senator Macdonald, but I am afraid you do not look as fresh as a daisy—I will take the interjection! I think I have put on the record the government’s view on numerous occasions now on this issue.

Senator Ian Macdonald—You haven’t, actually.

Senator WONG—I have, Senator. You have also not been in the chamber, Senator Macdonald. I am sure you have more difficult things to deal with in terms of what is occurring in your party, but that is okay.

The CHAIRMAN—Order! Let’s return to the question.

Senator WONG—I have placed on the record a number of times and I will say again that the government does not believe that the tightening of caps or gateways would give rise to an acquisition of property so as to provide a basis for justifiable compensation under the Constitution.

Senator Barnett interjecting—

Senator WONG—That is what the minister with carriage of this legislation is putting onto Hansard, Senator, as the government’s view.

Senator Barnett—A guarantee or belief?

Senator WONG—That is the government’s view and I have now done that maybe eight or nine times.

Senator Barnett—On what basis?

Senator WONG—that is the government’s view. Others may wish to continue to press this point, but we are currently—although he is on the phone—discussing Senator Xenophon’s amendment (1) on sheet 5912 in relation to targets. We have not yet progressed that amendment particularly far.

Senator MILNE (Tasmania) (10.50 am)—I note the minister did not think it was a logical conclusion. I thought what I had put
to the Senate was extremely logical. If there is to be no compensation payable in future for tightening caps and gateways beyond the five to 25 per cent target which is in the legislation, then I do not understand why we would be compensating those companies now, because the whole argument for compensation is for loss of asset value, for greater costs, for many of those things—in many cases, especially with the generators, I do not understand—which I do not think have any validity. If you are not going to compensate in future, why are you compensating now?

I want to make the point—and the minister knows this; in fact, we all know it—that there is a huge amount of pent-up investment money across the country which has been waiting for certainty about a carbon price and the parameters within which we will be operating in the future. If the legislation were passed, there would likely be a burst of investment across the economy based on a five to 25 per cent target and within the gateways that are there. It beggars belief, frankly, to think, if that investment occurred on this assumption, that there would not be massive pressure for compensation if that were changed.

It also would mean that there would be massive pressure on the parliament never to increase the level of effort. That is a horror show because it would lock in low targets forever in relation to this because of all those companies which invested in the wrong technology because the targets are too low. That has fundamentally been our point all along. You have to have high targets and you have to have a high carbon price to drive the transformation out of fossil fuels and into the renewable energy sector. You need to give investment certainty into the future. By setting a high target and a high price you give people a clear signal that that is the direction, that that is where to go in the future and that there will be no asset value in building coal fired generators. You just would not get the money to do it if you had a high target and a high price, because no investor would invest in that technology.

Once you put in a low price and a low level of ambition—therefore, a low price—you will get investment dollars flowing into the wrong thing. That has been one of our fundamental objections to this—that it actually prevents transformation. If we now are told that there will be such pressure on for no change because of what the government is doing, it will never be changed to a higher level of ambition.

Senator IAN MACDONALD (Queensland) (10.54 am)—Mr Chairman, can I urge that we move to the vote on Senator Xenophon’s amendment. The debate we have just been having has been very useful, but perhaps not in relation to his amendment. It is a debate which would have been had later had it not been had now.

As I mentioned yesterday, I hate to say this but Senator Milne makes a lot of sense. It seems quite clear. Senator Milne has a view supported by what I take her word as being advice of a senior counsel, which she is prepared to make available to us. From what she said, she has made it available to the government. The government will not say whether they have had legal advice, in spite of many questions by me, Senator Ryan and Senator Barnett. We are not asking to see it; we are asking if they did have advice or if it was just advice from departmental officials. We do not know that.

The minister says she has made the statement and it is on the record and that is the government’s position. I read this as meaning that the government’s advice is equivocal on it. I think the point that Senator Ryan particularly and Senator Milne were making is clearly a view that would achieve a lot of
support amongst the legal and even the legislative position.

I urge that we at least deal with this particular amendment. I suspect it is not going to even get a seconder. I am sorry that I cannot help you with that, Senator Xenophon. I think the fact that you do not get a seconder might be an easy way to demonstrate the voting in the chamber and we could move on to some of your amendments which, with respect, I think are of far more substance. I urge that we move on that.

The CHAIRMAN—I hear your urging, Senator Macdonald, but I am in the hands of the chamber. But I can say that the question before the committee is that amendment (1) moved by Senator Xenophon be agreed to.

Question negatived.

Senator XENOPHON (South Australia) (10.56 am)—I move amendment (1A) on sheet 5912:

(1A) Clause 3, page 3 (line 24), omit “between 5% and 15%”, substitute “at least 10%”.

I foreshadowed last night that, in the event that this amendment is not as friendless as the last one, I will be seeking to divide on it, for a number of very important reasons. This amendment is a fallback amendment and this is about a target for minimum reduction in emissions of 10 per cent by 2020. That is not my preferred position—the Greens know that; my colleagues in the chamber know that—but it is an alternative proposition. It is based on the modelling done by Frontier Economics commissioned by both me and the coalition. That modelling makes it clear that there is an alternative approach to an emissions trading scheme—one that is much more economically efficient in terms of reducing emissions, one that does not have the same economic costs as the government scheme, one that looks at an emissions intensity model for the energy sector but one that still falls within an absolute cap and trade.

I fundamentally disagree with those who say that a carbon tax is the preferred model. A carbon tax will not give you an absolute cap and it will not give you the investment certainty, because in order to achieve targets you need to continually adjust the level of tax. It does not have the tradeability that you need for an effective emissions trading scheme, because if this is about a global problem that needs a global solution then we need to have something that is internationally tradeable, something that is robust and that can be part of a global solution, and I do not believe a carbon tax can do that for that.

We have had a debate previously, and it is relevant in the context of this amendment, about the whole issue of property rights. I think Senator Milne homed in on it, particularly in one of her most recent contributions on the whole issue of investment certainty. This is not just about property rights, and I accept what the Greens have said about the whole issue of potential massive legal liability. It is also about commercial certainty. If you want an effective emissions trading scheme, you need to have certainty in the scheme.

What we are talking about is a fundamental structural readjustment of Australia’s economy that will involve billions and billions of dollars worth of investment to go from a high-carbon to a low-carbon economy. That will involve a massive rejig of our economy. It will involve coal power stations immediately looking at cogeneration with gas, for instance, as a transitional measure. It will involve putting investment in renewables and looking at those low-carbon or zero-carbon emissions so that we can actually have a viable scheme with the aggressive targets that we need.

The Frontier scheme commissioned by the coalition was released in August. That scheme put forward an energy intensity
model for the electricity industry that does not have the same degree of churn and instead has an intensity baseline. I disclose that I have been dealing with Danny Price since my days in state parliament 11 years ago, when the Olsen Liberal government tried to privatise the electricity assets in my home state, which they eventually succeeded in doing with the assistance of two Labor defectors. Danny Price provided me with advice about the particular model being adopted by the Liberal government then. His concern was that it would lock out competition and that power prices would skyrocket for consumers by between 30 and 35 per cent. I still remember how much he was vilified by the Liberal government at the time for making ‘wild accusations’ and ‘unsubstantiated claims’ about the Olsen government’s privatisation of ETSA. Guess what, Mr Chairman: it was privatised, and then the price increases came out at 32 per cent for consumers.

Mr Price and his economists have some pretty good form in predicting what will happen to electricity price rises. They have advised just about every government in this country, Labor and Liberal, on electricity prices, from the days of the Kennett government to today, with the Rees government in New South Wales. Ten years ago, Frontier was commissioned by the Carr government. I think Bob Carr was a visionary, whatever other people say about him. He saw the need to tackle the issue of emissions, and the world’s first mandatory emissions trading scheme was introduced in New South Wales, designed and implemented by Danny Price and his team at Frontier Economics. That scheme was constrained, in that it was just a baseline and credit scheme. This amendment is not based on that. That scheme was a constrained scheme, but it has still saved millions of tonnes of emissions in the 10 years that it has been up and running. It is basically an all carrot and no stick approach, giving credits for abatement. It is constrained in its approach by the design parameters and instructions of the Carr government, but it shows that you can abate and abate effectively. GGAS has been very successful given its constrained basis.

Frontier is an economics consultancy that has form in terms of dealing in the electricity market and emissions trading. I believe not only Danny Price but also his senior economists, such as Amar Breckenridge and Matt Harris, are absolutely committed to dealing with the risks inherent in climate change. They accept that this is a major policy challenge. We are not dealing with climate change sceptics. We are dealing with people who want to deal with this in a way that is economically effective and also environmentally effective. That is why I set a lot of store by what Frontier puts forward in terms of its assessment. It is disappointing that it seems that the Liberal leadership team abandoned that approach.

A 10 per cent minimum mandatory cut is at least twice as good as a five per cent cut, which is the deal that appears to have been done between the coalition and the government. I believe we need to go for more ambitious cuts. The Frontier report makes the point that with a 10 per cent cut there are lower costs in terms of both GDP and GNP in the order of $50 billion over the next 20 years. It projects it out that far and it has done the modelling. It is interesting to note that the modellers used are the same as the modellers of the government’s scheme. In fact, Brian Parmenter, a modeller at Frontier Economics, designed the Monash model that is being used. So we are not talking about a bunch of amateurs that do not know what they are talking about. We are talking about people who have a lot of expertise in dealing with modelling and emissions trading, who understand the electricity market and who...
have advised regulators around the country about the whole issue of electricity prices.

Their point is that, if you want to have an effective scheme, you need to have the investment certainty that Senator Milne has been talking about. You need to transform the economy with billions of dollars worth of investment in low-emission technologies, but you need to do it in a way that will smooth out the carbon price. I do not want to see a short, sharp shock for the tens of thousands of small businesses in this country that I believe will face very significant price increases. If it is a question of backing either the Treasury modelling or what Frontier has done. It is Frontier’s job, day in and day out around the country, to give advice to governments and regulators about what will happen to electricity prices, whether it is for the Barnett government in WA or the Rees government in New South Wales. They are saying that, based on a 10 per cent model, not only is it affordable but it is much cheaper than the government scheme. You also need to look at abatement—the sort of thing that Senator Milne has been advocating for a long time—because if you want an effective scheme, it cannot just be about emissions trading; you need to have other measures parallel with that, including a white certificate scheme. I would urge my fellow senators from the coalition to support that. It is not about an emissions trading scheme; it is about abatement, and I will discuss that later.

I would like to put this question to the Liberal senators in the chamber right now: When you went to the party room, did you have the facts before you? Because it has become apparent to me recently that Mr Turnbull commissioned some further research from Frontier, research that he is not prepared to give to me—I have asked for it—and is not prepared to share with his own party. I quote from an article in the Age, which said:

Mr Turnbull defended his secrecy, saying on ABC radio he did not show it—the report—to Coalition MPs ‘because it didn’t add anything. It was just some extra work and, if you like, it’s a sign of how committed I was to giving Frontier the best shot,’ …

I say to Senators Macdonald, Back, Cash, McGauran, Payne and Abetz, who is looking a bit lost there—

Senator Marshall—Who may or may not still be deputy leader in the Senate.

Senator XENOPHON—I think he is still a member of the Liberal Party. He would not resign from that. I say to every member of the Liberal Party: how could you make a decision on the most important structural change to this economy, and even more importantly a decision on its impact on the environment, in the absence of a report that your leader commissioned but did not show to his own party room?

Senator Cash—You do not need to convince me.

Senator XENOPHON—I am glad that you say that, Senator Cash. It is a bit like a real estate agent trying to sell you a house but not showing you a report from the experts that says the place is riddled with white ants. That is very concerning. All I ask of the members of the Liberal Party in particular is that, if you are going to make an informed decision on the most important structural change to this country’s economy and on its impact on the environment, you should do so by having all the facts. You should ask your leader why he did not provide that report to his own party room and to his own leadership group.

Honourable senators interjecting—
Senator XENOPHON—I have asked Senator Minchin and he has not received a copy of that report. This is about a model that I believe will work, a model that has been prepared through advice given by experts on emissions trading and on the electricity industry in this country. It is a model that I believe will actually work to provide for deeper cuts at a lower cost. When I did a media conference on 10 August this year with Mr Turnbull and Mr Robb, who was then the emissions trading spokesperson, Mr Turnbull said:

What they—
Frontier—

have proposed here is a hybrid scheme that would allow at much lower cost a doubling of the unconditional reduction in greenhouse gas emissions. So instead of an unconditional five per cent reduction, a ten per cent reduction. So it’s greener. It will also be cheaper. It would be 40 per cent cheaper than the Government’s scheme – a $49 billion saving to our economy over the next 20 years. And, above all, it will be smarter. It will ensure that there are more jobs, more Australians in work, earning higher wages, and this impact will be particularly felt in regional Australia … … …

So that’s our commitment for a well-designed scheme that is greener, cheaper and smarter. That should be the aim of all sides of politics and this contribution from Frontier Economics is an extremely valuable element in the debate we have to have.

That is what Mr Turnbull said on 10 August and it seems that that scheme has been abandoned by him and indeed by Mr Macfarlane.

So to my friends in the National Party: I urge you to look at Frontier’s modelling and its approach to regional Australia. There would actually be more jobs and more economic activity created in the Frontier scheme than if there were no emissions trading scheme at all. To those in the National Party who say we should not have an emissions trading scheme, I say: embrace the opportunities. Embrace the opportunities for carbon sequestration, for soil carbon. Embrace the opportunities for regional communities, because the opportunities are enormous. I think there are opportunities here to revegetate the Murray-Darling Basin, to do something about the decay in the bush. I see that Senator McGauran is acknowledging that. You cannot do that in the absence of an emissions trading scheme, but you have to have the right scheme and the right model. The other factor here is that real wages would be higher under the Frontier scheme, to the tune of $800 a year. That is almost like getting a stimulus cheque year in, year out, instead of seeing lower real wages and fewer job opportunities.

I know that the government has responded to the Frontier scheme. I am disappointed that the full modelling has not been released, but at least we got some response from the government in relation to that, tabled by Senator Sherry last week following a Senate motion. I appreciate that. I think it is fair to say that the decision not to release the Treasury assessment was presumably made by the Treasurer. I do not think it is good, for the most important policy debate, that not all the material has been provided.

Frontier have made it clear that they are willing to engage with the government on this. They are willing to provide all their modelling and all their information, but it has not been a two-way street. I have already tabled the response to the Commonwealth Treasury’s critique of the Frontier Economics modelling, and yesterday I tabled a further response, which is an assessment by Frontier of the latest deal. I urge honourable senators to support this amendment in relation to Frontier.

Senator BARNETT (Tasmania) (11.11 am)—I appreciate Senator Xenophon’s con-
tribution and the work he has done to pull together, with others, the Frontier Economics report. Yes, it was released at the time as greener, cheaper and smarter, but I am interested to know—and perhaps Senator Xenophon or the government can help—about the fiscal effects of the revised offer. The CPRS information note released yesterday, which was undertaken by Frontier Economics, says:

We found the revised offer will result in an emissions trading scheme that:

1. increases the CPRS deficit to $3.766 billion compared to the surplus of $2.1 billion that would have resulted from the coalition’s October 18 proposed set of amendments, and

2. reduces the net tax revenue to the government by $11 billion compared to that of the coalition’s October 18 proposed set of amendments …

And it goes on. It is quite a comprehensive document. I congratulate Senator Xenophon on pulling it together with Frontier Economics.

Senator Xenophon—I didn’t write it.

Senator BARNETT—You obviously did not write it, but you stimulated Frontier Economics, I presume, perhaps with others, to obtain it. It is an important document. It makes important assertions and criticisms of the current bill—

Senator Xenophon interjecting—

Senator BARNETT—Yes, of the current arrangements which are before the chamber. They are very critical of those arrangements and highlight the increases in the deficit—$3.7 billion. That is huge. So I would be very interested to get a response from the government and a response from Senator Xenophon in terms of whether he is satisfied with the response that he has received to date. He has indicated that the full modelling has not been released, and that is very disappointing. We are lacking information and advice. Earlier we were not given legal advice or evidence to support the issue of compensation relating to sovereign risk. If those sovereign risk matters are breached, you would imagine that compensation would be paid.

I am very keen to find out more about the impact on small and medium-sized business and I am very keen to get to that in due course. I have a question for the minister. It relates to the arbitrary agreement of the $40,000 for the yearly power bills. We know that power prices will go up. So I have some questions in that area, but I would be very keen to get answers with respect to this. I have read the document and I am keen to hear the government’s response to the fiscal effects of the revised offer concerning the CPRS. If either Senator Xenophon or the minister could respond as to whether these figures from Frontier Economics are accurate, that would be fascinating. We are talking about a deficit blow-out of $3.766 billion, compared to a surplus of $2.1 billion. The net tax revenue to the government has been reduced by $11 billion, compared to the figure contained in the coalition’s proposed set of amendments of 18 October. This is incredibly significant and, frankly, we need answers. I would like to be informed. I feel as though I am a bit in the dark and I presume that others are also in the dark.

Here we are, full steam ahead, pushing ahead with this legislation, and that is why I have supported the push for further review, further scrutiny, by going to the appropriate committee—the Senate economics committee or whatever—so that we can get to the detail. As a lawyer, I know that the devil is always in the detail, and I know that many others on this side of the chamber and elsewhere know that fact. If we can get a response to those key questions, that would be most appreciated.
Senator XENOPHON (South Australia)—I thank Senator Barnett for his contribution. Yesterday, shortly after Frontier Economics provided information to me, I gave it to all my colleagues and tabled it in the Senate. Senator Barnett may need to reflect on this fact: I released whatever I got from Frontier Economics, but your own leader, Mr Turnbull, will not release information on a report which he says you do not need to see. I have made, in good faith, a pretty significant financial commitment to the Frontier modelling out of my own pocket—I do not quite have the resources, or anywhere near those of the Liberal Party—and I would have thought, at least in terms of advancing public debate, that that information from Frontier should be released, at large, to the public and to those who have a particular interest in that model. I find it very disappointing that Mr Turnbull’s view is that, effectively, it is his private property and that it should not be released. I did not think that was how political parties worked in the sense of sharing information that is clearly in the interests of advancing a policy debate.

In relation to the other matters raised, let us put that in perspective. The information regarding the revised offer, provided in the CPRS document, was prepared by a team of Frontier economists. They worked around the clock to analyse the deal done between the coalition and the government and indicated that the deficit would increase to, I think, $3.76 billion, compared to a $2½ billion deficit under the current scheme, and a surplus of $2.1 billion, based on the coalition’s proposed set of amendments of 18 October. I could go on in relation to that. The document has been tabled, and I am conscious of time.

Senator Wong has always been upfront with me, saying that Labor do not support the Frontier model. That disappoints me, but she has never, ever misled me in terms of their position in relation to Frontier. I hope that one day the position will change, that there can be constructive dialogue between the government and Frontier’s economists in relation to a better way forward. The Frontier scheme means less revenue churn. That means that, as a result, you do not have the same direct and indirect costs to the economy. Senator Wong has always been honourable and straightforward in relation to her position. I cannot say that about some others with whom I have been dealing in relation to the Frontier scheme. At least I have known where I have stood with the government on this matter, even though we had a fundamental disagreement on policy. I thought Senator Wong could at least humour me to put on the record what the government’s position is. You could at least humour me, Senator Wong!

Senator WONG (South Australia—Minister for Climate Change and Water)—My apologies, Senator. I thought we had previously made it clear, but I probably have not put it on the record in here yet. We do not support the Frontier model, and you and I have had a range of discussions about that. The primary basis for why we do not support that is that we think it increases uncertainty, because by providing a certain level of assistance to the electricity sector you impose a greater level of uncertainty in the other sectors of the economy. That may be behind why this is not a model that has the support of the Business Council, the Australian Industry Group or other business groups.

On your comments in relation to a more ambitious target, my recollection is that it requires a greater number of international units to be imported in order for that to be achieved, so you are in fact achieving a lower level of abatement in Australia. I am absolutely supportive of international trade because I think this is a global problem, but I
think it is a misnomer to suggest this is a greener scheme when in fact it reduces by less what we do in Australia.

Finally, Senator Xenophon often makes reference to churn in his contributions, and that is one way of looking at it. Another way of looking at the assistance being provided to households is that one person’s churn is another person’s fairness. The reality is there is no cost-free way to tackle climate change. So the public policy propositions or questions are: how do we do it most efficiently and effectively and how do we best share the costs across the Australian community of that change? They are the two fundamental questions that confront the government and the parliament. We think it is a sensible thing to impose a carbon price and distribute fairly the revenue from that price, which is why the largest single share of assistance under the government’s package, even with the revisions negotiated with the opposition, goes to Australian households. So on that point we do have a difference of opinion.

We have tabled a response to your requests, Senator. I appreciate it was not as much as you wanted, but I think it was a reasonably substantial document in terms of outlining the government’s views about the Frontier proposal.

Senator XENOPHON (South Australia) (11.22 am)—I appreciate the minister’s response. In relation to the issue of certainty, the government scheme has gateways in it. That is acknowledged. No scheme is absolutely certain, and the government scheme with its gateways implies a degree of uncertainty. In relation to the approach that has been used, you have the EITEIs, the emissions-intensive trade-exposed sector, where effectively you are almost looking at an intensity based approach. On the issue of abatement, it is true that more permits will need to be bought, but if this is about a global solution and you are looking at the lowest-cost abatement then surely that is something that is desirable.

The other issue that is absolutely fundamental—and Senator Milne has been campaigning on this for many years—is the whole issue of white certificates for energy efficiency and abatement. The government scheme does not have that. But intrinsic to this scheme is having a white certificate scheme so that we can look at domestic abatement and harness those opportunities to have greater degrees of energy efficiency.

In relation to the issue of churn, what has to be said is that the reason the Frontier scheme does not have levels of compensation for households is because electricity prices are not going to skyrocket, as they will under this scheme. That is my concern. If I were a betting man—and my colleagues will know that I am not—I would want to put a wager on the fact that Frontier’s predictions of the impact on small and medium businesses in this country—hundreds and thousands of them, supposedly the bedrock of the Liberal Party’s support base—will be abandoned if you go down this path. You will see significant increases in the next three years from the introduction of this scheme. The government is saying various figures—12 per cent, 18 per cent, 20 per cent—depending on which paper you are referring to. Frontier is suggesting that the increases could be at least 25 per cent. That is based on certain assumptions that have been made by the government about how the scheme would operate. But I would suggest that the increases would be more likely to be in the order of 40 to 60 per cent because of the way that this scheme is designed.

I am absolutely confident in the advice that Frontier Economics have given in relation to electricity prices. That is something to which you will condemn every small, me-
dium and large business who do not get the protection of EITEIs, emissions-intensive trade-exposed, industries. We will have an opportunity to flesh out further in the committee stage to what extent the compensation applies. I put some questions on notice, and I know that Senator Wong’s officers have been very diligent in getting back to me. I am looking forward to a response later today.

My message to every member of the coalition is that if you go down this path not only will there be a lousy environmental target but you will be condemning every small business in this country to a massive increase in electricity prices and to the cost of doing business. What will you say to those tens of thousands of small and medium businesses that are trade exposed but will not get compensation? What will you say to them if you abandon them? There is a better way and a smarter way of achieving greater abatements through white certificates, higher targets and sending the investment signals.

It was interesting to see Senator Macdonald praising Senator Milne, as much as it pained him to do so.

Senator Ian Macdonald—Well, not praising; acknowledging a good thought.

Senator XENOPHON—He has clarified that. I do not know whose preselection chances that damaged more, Senator Macdonald: yours or Senator Milne’s.

Senator McEwen—Both!

Senator Marshall—Both!

Senator XENOPHON—Probably both. But it is important that we look at the opportunities. The Greens are right. We need to look at and harness the opportunities for abatement, for lower emissions and for transforming the economy. But let us do it in a way that is economically effective, brings the economy with us and smooths out the carbon price. In a sense, it gives investment certainty for Australia to transform from a high to a low carbon economy.

Senator BARNETT (Tasmania) (11.27 am)—The issue of small business has been raised by Senator Xenophon, and rightly so. It is a very important issue. The question is what the impact will be on small business. Yes, there is compensation for medium-sized and large-sized businesses. There is the 300 megawatts per year. They must be in manufacturing, processing or mining. It applies to firms with yearly power bills of $40,000 or more. Clearly, that does not apply to micro-businesses or very small businesses. That is a concern. I have a letter in front of me from COSBOA, the Council of Small Business Organisations of Australia. They have written to the Prime Minister and ministers. They say that they are extremely disappointed that the needs of small business have not been recognised in the latest incarnation of the proposal. They say that they accept that households and large businesses will be supported by the government through this transition, but no mention has been made of support for small business. Please advise what the response to this letter from COSBOA is.

I have also got a letter here from the Geoff Fader of the Tasmanian Small Business Council. He says that in Tassie they have 37,000 small businesses with some 110,000 employees. The added input costs to small businesses will have multiplied by up to four times by the time they reach the consumer. He says that it is better to treat them at the source through appropriate provisions in the CPRS proposals than to allow the far greater impact on consumers that will otherwise eventuate. They seek appropriate amelioration to be included within the CPRS legislation.

Tasmanian businessman John White of the Tasmanian Chamber of Commerce and Industry says that Australia’s proposed emis-
sions trading scheme would cut business profits in half and push manufacturers off-shore. He says that the existing legislation will cause a 23 per cent increase in energy costs and a four per cent increase in transportation costs, which adds up to 1.6 per cent of earnings before interest and tax. With an ETS, the costs will rise to 2.8 per cent of earnings before interest and tax. If you are making five per cent, that is half your profit gone each year. That was reported in yesterday’s Examiner. I have not talked to him personally about that. I know that he is a strong supporter of business and small business and a very good advocate. The Tasmanian Chamber of Commerce and Industry have also expressed concerns about the impact on small business.

Senator Xenophon has referred to small business. I know this amendment is not directly related to small business, but nevertheless I have some questions about the direct impact on small business and microbusiness—less than five employees. We know that there is compensation for at least two years—50 per cent of the price rise in 2012-13 and then 25 per cent of the price rise in 2013-14, if your power bill is $40,000 per year or more. The devil is in the detail. You have to be trade exposed. Exactly what is the definition of ‘trade exposed’ in that regard? What businesses will get it and what businesses will not get it? Of course, it is only for those two years and then it fades out.

I am advised—I am not the expert—that small businesses can apply to CCAF, which has $1 billion in it, to obtain funding or some sort of subsidy. Apparently $1.1 billion in this legislation is in the Transitional Electricity Cost Assistance Program, TECAP. Again, I would like to know the criteria that small business and microbusiness have to meet to be able to apply for that and on what basis they would obtain such compensation. It seems to me that small business and micro-business have been neglected in this legislation. I know it is slightly tangential to the amendment before the chair, but this is an issue that is very important for the millions of small businesses around Australia, and in particular the microbusinesses and very small businesses.

Senator XENOPHON (South Australia) (11.31 am)—I have some questions arising out of this discussion in relation to my amendment. I do want to put my amendment to the vote very soon, but I would like to put these questions to the minister, and they can be answered now or at a later stage. I am relaxed and comfortable about that. Firstly, in relation to the target under the government’s scheme, if the target is increased, won’t that involve increasing the quantity of the imported permits? In other words, if the target in the government’s scheme increases, won’t you need to have additional imported permits? Also, in relation to the whole issue of uncertainty, we have already seen in the MYEFO that the deficit has blown out when the carbon price assumptions have changed. Won’t the government have to change assistance levels each time the carbon price changes, under the government scheme? If the minister can clarify that either now or later, I would appreciate it.

Senator WONG (South Australia—Minister for Climate Change and Water) (11.32 am)—In relation to the first question, about international trade in emissions units, I actually agree with you, Senator Xenophon—on one aspect of what you put forward, not on your scheme. I disagree with the proposition Senator Milne previously put. I actually think having international trade in units is a very good thing, because this is a global problem and we need a global system that helps reduce emissions. If we can give firms in Australia an incentive to try and reduce the deforestation in Malaysia, Indonesia or Papua New Guinea, reducing
the contribution to climate change globally, I think that is a good thing. What we are really talking about is: how do we have a mechanism which encourages that? As long as there is proper quality control so that you ensure you are getting real reductions, not false ones—and that is a quality issue—as a matter of principle I think that is a good thing.

It is the case that the government scheme does allow trade in international permits, but I think the point I was making was that the greener claim in relation to Frontier is predicated on a very substantial increase in the importation of international permits. Under the government scheme, our modelling indicates that the majority of abatement effort will still occur domestically, even at the higher levels of the target.

Secondly, in relation to the question as to the calibration of a carbon price, I think I have already said that the government will scale assistance for households to the carbon price—absolutely. We do not think that is a weakness; that is a strength. That is saying that, every year, in the budget context, we will look forward and consider whether or not the current levels of increased assistance through family tax benefit, through the pension et cetera are sufficient given where we anticipate the carbon price will be.

There is criticism of it being churn; we think that is a fairness issue. Again I say that the largest single share of assistance under this scheme is to Australian households: some 55 per cent if you include the household portion of the fuel tax offset and just under $63 billion to Australian households out to 2020, primarily to ensure that low- and middle-income Australians are supported through this transition—and it is a transition.

Senator BARNETT (Tasmania) (11.35 am)—I know that the minister has to go; I will be very quick. You were just referring to the electricity prices, and this is an issue in Tasmania. The Premier in Tasmania has said that we will be a net beneficiary under the ETS. One of the reasons why he said that is that we are high in renewable energy in Tasmania. We are the renewable energy state, for sure. He has said we will be a net beneficiary. You have averaged, across Australia, a 21 per cent increase in power prices, so can you advise of the impact for us in Tasmania as a renewable energy state? Is there any net benefit? Is there any change? Will we, like others, suffer the 21 per cent increase? I note that Peter Gutwein, the shadow Treasurer, put out a statement yesterday saying that the Premier must explain Tassie power price surges. We have had a 35 per cent increase in power prices over the past 18 months in Tassie for residential customers, and higher prices for business, including small business. The Premier is on the record saying that he believes this will be a net benefit for Tassie, particularly with respect to power prices, so I would like to know: how will Tasmania be impacted by this legislation with respect to power prices, whether it be for residences, small business or larger business? That is a fair question. It is a good question. So far I have not had too many answers, but it would be great, if possible, Minister, for you to give us your best effort in terms of that. I appreciate the efforts and the time you have taken to consider that question.

Senator WONG (South Australia—Minister for Climate Change and Water) (11.37 am)—I think it is a little harsh, Senator, to say you have not had too many answers. I think I have sought to provide many answers. They may not be the answers you want, but that is a matter of opinion, I suppose. First, in relation to average household electricity costs, I remind people of what we are talking about. The Treasury modelling indicates that you would be looking at about $4 more per week by the end of 2012-13.
That is the sort of cost impact that we are considering. In terms of assistance—

Senator Barnett—Including Tasmania?

Senator WONG—I am coming to that. I remind the chamber that some 8.1 million of Australia’s 8.8 million households will receive some form of direct cash assistance. Obviously different kinds of households face different costs, and whether a household qualifies for assistance or not will depend on their income, whether they are single or live as a couple and whether they have children. For example, the definition of ‘low income’ under the government’s assistance package for a family with children is $60,000; without children it is $45,000. ‘Middle income’ is between $60,000 and $160,000. These are using existing markers in the social security system. I think it is important to place those facts on the record, because I think it is sometimes necessary in this debate, when there is a view being promoted by some that this will be some form of catastrophe, to remember what the sorts of price increases are.

But I will be frank: there is no cost-free way to tackle climate change. Prime Minister Howard said that. When you adopted an emissions trading scheme as your policy, you were adopting a proposition that was going to increase certain costs. Why is that? I think it is important that we remember why that is. That is because currently the costs of climate change are not transparent to us. The costs of pollution are not transparent to us. We are actually all paying them. We are paying them through what is happening to the climate, what is happening with the increased level and intensity of drought and what is happening to, for example, the southern Murray-Darling Basin. We know that, even worse, our children and grandchildren will pay them.

So the carbon price is a way of trying to deal with that problem to try to make the costs of climate change transparent. I know the senator is not one who believes we have to act on climate change. I do not agree with him. I vehemently disagree with him.

Senator Barnett—Who, me? That is not correct.

Senator WONG—I apologise. I thought you were amongst those who were opposing action on climate change. If that is not correct, I withdraw that. But those who argue—

Senator Barnett—Don’t misrepresent me.

Senator WONG—That is very touchy. I said that, if that is incorrect, I withdraw it. Anyway, those who oppose action on climate change and come in here arguing about the cost, I think, have to be a little bit more up-front with the people and say, ‘We do not want any action,’ because to pretend there is action without cost is simply not true. It would be better if we had the debate on the clear policy ground, which is whether or not there is action required. I am advised that Tasmanian prices will rise less than the national average. I think this is outlined in the white paper. Tasmanian generators export to Victoria and will benefit from higher Victorian prices. Of course, that is subject to Tasmanian generators generating enough energy to export. However, households in Tasmania will get the same assistance that I previously outlined.

Senator Macdonald and Senator Barnett, I did raise with Senator Minchin that I had to leave the chamber for a very short period of time. I indicated that as a matter of courtesy to him. I am happy to take any more questions, but I would appreciate if I could be excused for a short period.

Senator MILNE (Tasmania) (11.42 am)—This is not a point of order in relation to the minister; I just want a clarification before she leaves the chamber. There are a number of amendments which are being cir-
culated by Liberal Party senators. I am trying to clarify whether those amendments are part of the arrangement that was made between the government and Mr Macfarlane or whether they are outside the arrangement, because we are trying to understand where all these amendments are coming from. I need to know if the deal is being delivered by government amendments and if the other amendments are additional to and outside. Could the minister tell me that before she goes?

Senator WONG (South Australia—Minister for Climate Change and Water) (11.43 am)—The agreement is being put forward by way of government amendment. The amendments being put forward by some Liberal Party senators are not part of what was endorsed by the Liberal Party room.

Senator MASON (Queensland) (11.43 am)—That is my understanding as well.

Senator BARNETT (Tasmania) (11.43 am)—Briefly, the minister indicated that Tasmanians would pay less than the national average. How much less? Could you provide that detail? If you have to take it on notice, I am happy for you to do so and advise me later. I know you have to go—

Senator Wong—I have raised it with your leader.

Senator BARNETT—and I am happy for you to provide the answer later in the day or as soon as possible via another minister. How much less than the national average would Tasmanians pay and exactly what increase are Tasmanians likely to pay for their power? These are very obvious and fair questions. The Premier made a statement on 13 November 2008. I will not go through it, but he talks about the perverse outcome for Tasmania if we have to have an adverse impact on our state as a result of being a renewable energy state. It is a fair question; I would like to know the answer.

Senator SHERRY (Tasmania—Assistant Treasurer) (11.44 am)—I think I can answer it for you. If you look at page 176 of Australia’s low pollution future: the economics of climate change mitigation, the figure is published. The national average household electricity price increase is 20 per cent. There is a breakdown given by state, and for Tasmania it is 16 per cent. The other states are also reflected there.

I am glad you have raised the point, Senator Barnett, because I think you have actually illustrated very well why the costs of doing nothing are significant in economic terms. Without accepting—because I have not had it confirmed—the details of your outline of the increase in electricity prices in Tasmania over the last year or two, I would accept that electricity prices have increased over the last year or two without a CPRS. Why is that the case? My understanding, in general terms, is that that has occurred because we have had a drought. We have had a significant drought in Tasmania. Tasmania has had, until the last six months, a significant decline in its long-term rainfall.

Tasmania has had a significant decline in its long-term rainfall, which has meant—in general, this is my understanding—that the power cable that connects Tasmania to the mainland, which was intended to export a surplus of electricity, was unable to export a surplus. In fact, we ended up importing higher priced power from the mainland, mainly Victoria. So what I want to emphasise is that we have experienced a long-term decline in rainfall in Tasmania. I think that highlights the economic cost of doing nothing on climate change.

To return to the cost that I have just pointed to in the document The economics of climate change mitigation, I have referred to the average figure, and Penny Wong has referred to the average price increase of 20 per
cent. She also highlighted the point that the compensation arrangement for consumers is calculated on a national average. Now, given that Tasmania’s increase will be below the national average and that Tasmanians are to receive compensation levels set at a national average level, for many Tasmanians the compensation will exceed the price of power. Logically they must, because of the national average calculation. So I think there are a compelling couple of reasons, Senator Barnett, why you, as a Tasmanian senator, should vote for this package of legislation.

Senator IAN MACDONALD (Queensland) (11.48 am)—Senator Wong has left, and I do not want to enter into a debate with her. This is an important stage of the debate where we are seeking information. Senator Wong attributes bad faith to anyone who asks her a question. There are many of us in the Liberal Party who, whilst not being sure of the science, believe that something has to be done if everyone else is going to do something. We are happy to be part of a scheme if it is not going to cost Australia against the rest of the world.

If the rest of the world moves, and if most of our competitors move, then there are many of us in the party—I do not speak for everyone and I am not speaking for the party—who do not really understand whether man is causing the problem, because the scientists are evenly split, as I understand it, but we accept that there is climate change. So do not dare call me a denier on climate change. Of course the climate is changing; it has been changing for 100 million years. But in answer to the allegations that Senator Wong wrongly makes, there are many of us who want to see a resolution—but not in front of everyone else, on the basis that it will cause real damage to our economy and to jobs of Australians and will not result in more than a churn of money within Australia. I put that on record in response to Senator Wong’s unhelpful characterisations of the motives and positions of others who are trying to be positive and constructive in this debate.

I am not sure whether Senator Sherry was giving a long speech to filibuster until Senator Wong comes back—not needed, Senator Sherry. We have questions to ask of the mover of this amendment. We understand Senator Wong has to go away and we are not going to do anything dramatic until she comes back—or at all, I suspect. Unfortunately, I had to go away to make a quorum in a committee and I missed Senator Xenophon’s contribution at an important time. I do not want him to repeat—

Senator Xenophon interjecting—

Senator IAN MACDONALD—It was forming a quorum in a Senate committee. I do not want him to go through what he said at length. As I understand it, the at least 10 per cent mandatory is predicated on other amendments that he has. I understand it is saying, ‘Do the right thing and we will reward you,’ rather than, ‘Don’t do the right thing and we’re going to smack you and penalise you.’ Is that what you were saying, Senator Xenophon? As I said, do not repeat what you said before. Could you just briefly confirm that?

Senator XENOPHON (South Australia) (11.51 am)—I understand why Senator Macdonald had to form a quorum—it was not a genuine criticism of him for not being here for that. The difference between this approach and the government’s approach can be summed up as follows. With the government’s approach there is a price for every bit of carbon and then there is massive revenue churn in terms of the redistribution effects. Where the intensity approach works is in saying we want to get a reduction in electricity emissions of 40 per cent, for instance, by a certain period. You do not then have to have the massive amount of churn.
The merit order, for the economists here in the chamber—and I am not one of them—changes much more easily, without causing the same price effects. You do not have the direct effects to the economy; you do not have the indirect effects to the economy. That is the difference. Also, inherent in that, you do buy more international permits. Senator Wong quite rightly pointed out that, if you want to increase the targets in terms of the five to 25 per cent in the government’s bill then you do need to buy extra permits. But, if it is part of a global solution—and again Senator Wong made this point very fairly—you need to make sure that the trading of the permits that are purchased overseas is robust and auditable. I think someone gave Zimbabwe as an example, saying that Robert Mugabe was issuing permits. Those are the sorts of things that need to be considered. The difference between this approach and the government’s approach is that this approach is a combination of carrots and sticks, and the government’s approach, from my point of view, is all sticks, and it also affects wages. I want to put some questions on notice for the minister in relation to that. I am happy for them to be answered later in this debate. That is the essential difference.

Part of this approach is to have a white certificate scheme. As much as it pains Senator Macdonald to praise Senator Milne, the fact is that Senator Milne has been going on about a white certificate scheme in energy abatement, as have the Greens, for a number of years. That is a smart and relatively pain-free way of encouraging people to have more energy-efficient homes and buildings. Why are we still building commercial and residential buildings in this country that do not take into account our unique environmental aspects? There are a whole range of things you can do—such as, in my home state, having north-facing buildings—to create massive savings through energy efficiency. Even those that fundamentally reject anthropogenic climate change could not see a problem in doing something that uses energy more efficiently. So that is the fundamental difference. I hope, Senator Macdonald, that has gone some way in answering your question.

I also want to make a point in terms of what Senator Barnett asked, and he may want to reflect on this. He talked about the issue of energy price rises in Tasmania. Senator Barnett needs to realise that Tasmanians will pay just as much as anybody else. If they export power to Victoria, why would they sell it for less than what the Victorians would have to pay for as part of any scheme? That is something that I think Tasmania should acknowledge. I am not sure if it has been acknowledged in the Treasury modelling. I have a question on something Senator Wong raised in terms of costs to families. I will put it on notice, again, to be fair to the government, and Treasury may want to comment on this. What did Treasury find in their modelling in relation to loss of wages? Certainly the Treasury found a slight decline in GDP, so it must follow that household income fell. How much was this, and will the government compensate for those losses? I am happy for that to be responded to now or later, but it is a fundamental question regarding the two schemes.

Senator SHERRY (Tasmania—Assistant Treasurer) (11.55 am)—With respect to Senator Xenophon’s last point, I will be able to provide him with some information shortly. Senator Macdonald in his comments was criticising Senator Wong in construing her motives. Firstly, I do not accept that, but Senator Wong is more than able to respond, if she needs to, to Senator Macdonald’s critique. I then noticed that Senator Macdonald accused me of filibustering. I think there is some level of hypocrisy in Senator Macdonald’s approach, because I was directly
responding, in detail and not in an overly lengthy way, to very legitimate questions in both a factual and a succinct point-by-point set of arguments to the issues that Senator Barnett raised as a Tasmanian senator. I was directly responding to Senator Barnett’s queries and I think I did so in a factual way. I gave him the facts that he requested and in a succinct set of points dealt with the issues that he raised. So I reject your inference of filibustering, Senator Macdonald.

In terms of the other issue that Senator Barnett raised—an important issue about business costs—let me put on the record a number of points. The government will establish a Transitional Electricity Cost Assistance Program to reduce the impact of the CPRS on electricity prices paid by mining and manufacturing businesses. Under that program up to $1.1 billion will be provided to eligible businesses over the two years 2012-13 and 2013-14. The government recognises it may be difficult for some businesses that use a significant amount of electricity to immediately adjust to higher electricity prices, and the transitional assistance will smooth the impact of the increase in electricity prices over the initial years of the CPRS. Assistance is not necessary in 2011-12 as this is already a transitional year in place to help industry adjust to the CPRS, and the $10 fixed price means that CPRS induced electricity price increases in 2011-12 are modest. The assistance package is transitional and over time businesses will be able to reduce energy use by investing in more energy efficient measures and technology.

Also, assistance will be provided to manufacturing and mining corporations with facilities that use more than 300-megawatt hours of electricity per year. Assistance will not be provided with respect to facilities that are eligible for free permits under the emissions-intensive trade-exposed assistance program and the Electricity Sector Adjustment Scheme or the Coal Sector Adjustment Scheme. The Transitional Electricity Cost Assistance Program is designed to help businesses that will face a significant cost due to increased electricity prices under the CPRS and may require a degree of transitional assistance. Many businesses, including smaller businesses, will be able to access assistance under the Climate Change Action Fund, and other forms of transitional assistance are available for emissions-intensive trade-exposed industries.

I want to emphasise, in direct response to the legitimate issue raised by Senator Barnett—and, I am sure, by some others in this committee stage—that many businesses, including small businesses, will be able to access assistance under the Climate Change Action Fund. I emphasised this approach because the assistance being provided to businesses, and the improvements thereof, including small and medium sized businesses, is a direct consequence of the negotiations between the Liberal Party and the government. We acknowledge that the improvements in that assistance, in part focused to assist small and medium sized businesses, were the result of negotiations and agreement concluded with the Liberal Party.

I want to respond directly to the issue raised by Senator Xenophon. The Treasury modelling indicates that income still grows strongly for households. Real disposable income per capita grows at an average annual rate of around one per cent, compared with 1.2 per cent in the reference case that is illustrated in the public documents.

Senator Barnett (Tasmania) (12.01 pm)—I thank the minister for his answer to the question I asked earlier about power prices in Tasmania. I appreciate his feedback. I did ask two questions. I can be a little bit more specific in relation to small and mid-sized businesses, where compensation is
provided for small businesses with power
costs of $40,000 or more and where the sub-
sidy is 50 per cent of the price rise in 2012-
13 and 25 per cent in 2013-14. That applies
to manufacturing, processing and mining.
Could you help us with the definition of that
small business that would benefit from that
subsidy? Could you advise us on the defini-
tion and describe the types of businesses that
can apply for that?

Secondly, I am advised that there is the
Transitional Electricity Cost Assistance Pro-
gram, TCAP, which has $1.1 billion in it. I
am also advised that small businesses can
access the $1 billion worth of the CCAF
stream. And presumably there are appropri-
ate application processes and criteria that
apply. I would like to know how small and
medium sized businesses, and indeed micro-
businesses—which are the majority across
the country—can apply for and obtain that
funding to support them. I can assure you the
feedback I am getting from small business is
not positive. They are not happy. They feel
neglected. Be assured of that. In Tasmania
we have 37,000 of them, and around the
country we have millions—and they feel
neglected. Be assured of that. In Tasmania
we have 37,000 of them, and around the
country we have millions—and they feel
neglected. I would like to know the government’s response that will assist and help
small business, in particular micro-business.
We know there are going to be higher elec-
tricity prices. We have been advised that the
average will be 20 per cent, with differences
among the states. In Tassie it will be slightly
under that, at 16 per cent. Of course, that is
on the back of 20 and 30 per cent increases
over the last 18 months for residential ac-
counts, small business and others. I think
these are important questions. I would like to
get to the bottom of this.

Finally, the minister indicated in his re-
response earlier to Senator Xenophon a house-
hold income of $60,000 edging up to
$160,000. I would like to know on what ba-
sis that figure was arrived at. It seems to be
an arbitrary figure. I do not know on what
basis they picked $60,000. Was it out the air?
There must have been some reason why that
figure was arrived at.

I heard the debate on the first night with
Minister Wong and Senator Williams was
asking about that, and there were some very
good questions from Senator Williams, so if
we can get to the bottom of that and then
address those small-business issues on how
you picked this $40,000 a year. Was that an
arbitrary decision, or on what basis was that
chosen? So there are quite a few questions. If
you can assist with those, that would be ap-
preciated.

Senator SHERRY (Tasmania—Assistant
Treasurer) (12.05 pm)—In terms of the one
per cent figure real income growth I referred
to, that is an average figure. I take it that is
what you were referring to in my answer. I
am not quite sure, Senator Barnett, where
you get this $60,000. Presumably you are
asking about the average real income esti-
mate that I gave, based on the Treasury mod-
elling of one per cent, and whether there is a
breakdown of that by income groups.

Senator BARNETT (Tasmania) (12.05
pm)—Let me be more specific. My under-
standing is that there is a subsidy for residen-
tial users of electricity. I understand that that
kicked in at $60,000 per annum per house-
hold. We had discussion on the first night
and I still have not got to the bottom of it,
and I do not think Senator Williams has, in
terms of exactly what is the definition of the
household, but I presume it is going to fol-
low the ABS statistics. But it is $60,000, and
I am just wondering how that was calculated,
on what basis. Can you assist in that regard?

Senator SHERRY (Tasmania—Assistant
Treasurer) (12.06 pm)—I am not sure where
you get this $60,000 income figure from in
terms of household assistance. Household
assistance adjusted to reflect the $26 per
tonne carbon price means a smaller impact on household budgets. The government will meet its commitment to fully assist low-income households and help assist middle-income households with the overall estimated cost of living impacts. About 90 per cent of low-income households will receive assistance equivalent to 120 per cent or more of their cost of living increase. I am just trying to read the figures here. I do not have my glasses, unfortunately.

Senator Mason—you can borrow mine.

Senator SHERRY—in the spirit of bipartisanship, I think there would be practical limitations to passing glasses around to see whether my eyes would be able to adjust to your glasses. All I can say is that the table I am looking at on household assistance—

Senator Mason—Can we have a different perspective, then?

Senator SHERRY—if only it were just a matter of perspectives changing by swapping glasses! Anyway, I am looking at the chart and I am just going to the assistance at $60,000 of private income. This is for a single person; I am sure there are more detailed charts. It is a significant battle to read it, I have got to say, because of my lack of glasses, but I can see a figure of total assistance of $390. Am I reading that correctly?

Yes, I am. An average cost of living of the impact of the CPRS at $60,000 single—it is hard to read these columns—of $530, is it? Even my officials are struggling to read the figure on the chart.

Senator Barnett—Given the time, I am happy for you to come back to us on that. I do not want to delay proceedings and I have got other questions.

Senator SHERRY—Okay. We can come back with the precise answer to your question, but the schedules are on the departmental website. I quickly wanted to touch on a couple of other matters you raised. In terms of assistance, I have already mentioned, and I am sure my colleague Senator Wong has mentioned this, the provision of additional assistance to mining and manufacturing businesses. The threshold is those that consume more than 300 megawatts per year. The process, I am advised, will be carried out by AusIndustry and those that exceed the 300 megawatts would receive a rebate on presentation of their electricity bills. Why is that, in this area, confined to mining and manufacturing businesses? I am advised this was on the request of the Liberal opposition—that the assistance be confined to those particular areas, in the case of the 300 megawatt hours per year.

Senator BARNETT (Tasmania) (12.10 pm)—Minister, thank you for attempting to answer that. Clearly, with respect, we do not have the detail. The devil is in the detail. You cannot just say ‘mining and manufacturing’. What is the definition of that? I am advised that it also covers the processing industry. There must be a definition. Could you possibly table that? I would like to know those answers. They must be there somewhere. Secondly, regarding the 300 megawatts per year, I would like to know how that was ascertained. That is a lot of power—$40,000 a year. Clearly we are excluding the bulk of small businesses—meaning the microbusinesses—around the country. They will be excluded.

With respect to transitional arrangements to assist the very small businesses underneath that, how do they apply for CCAF and how do they apply for TECAP? What criteria apply? Please point me in the right direction. If you could refer to a page in the explanatory memorandum, that would be fine. I would like to know how they can access that money to subsidise them for the increased power costs that are coming their way, and fast, under this bill.
Senator SHERRY (Tasmania—Assistant Treasurer) (12.11 pm)—In terms of the definition, I would point to the document ‘Details of proposed CPRS changes negotiated with the Liberal opposition’. It contains the following definition under 6, ‘Electricity Prices’:

Targeted recipients of assistance will be corporations in the manufacturing and mining sectors; that is, those falling within the following ANZSIC codes:

- Division B: Mining
  - Coal Mining
  - Oil and Gas Extraction
  - Metal Ore Mining
  - Non-Metallic Mineral Mining and Quarrying
- Division C: Manufacturing (including all subdivisions).

Whilst I do not have personal knowledge of the ANZSIC codes, I am informed they provide a clear boundary and are well understood by the industries in the particular individual manufacturing and mining operations in those sectors. They certainly do understand the codes and whether they would be covered or not.

As to the assistance to small and medium business, I referred in my earlier response to a separate program: the Climate Change Action Fund. The Climate Change Action Fund is available. It is a grant program for small and medium business. It was offered by the government prior to the negotiations with the Liberal opposition—I am informed there were some minor changes as a consequence of the negotiations—and concluded in agreement with the opposition.

Senator BARNETT (Tasmania) (12.14 pm)—Minister, I appreciate your attempts to answer the questions. Frankly, in my view, they have not been adequately answered. I would like to get the details of the CCAF, the Climate Change Action Fund: how it is established and how it operates. You say it is a grant program, so what is the application process and the criteria? Please help the small businesses of Australia understand how they can benefit from that $1 billion fund—which is the advice I have. I have already put the other questions, so I will not put them again. Clearly, we are having difficulty getting to them.

In terms of the ANZSIC code, you mentioned mining, quarrying and manufacturing. My point is: why only that group? What about those in the retail sector? What about those in the farming sector? What about those in other sectors—tourism, for example? Why can’t they benefit? Why are they excluded? I do not understand. Frankly, this is all the more reason why we need further information and further review and scrutiny of this legislation.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.15 pm)—The Financial Review today reports $123 billion in industry assistance over the next decade under this agreement between the government and the coalition, and some $48 billion in assistance to low- and middle-income households. The question I would like to ask, consequent to Senator Barnett’s questions to the minister, is about the impact of the costing of this package on recipients of power through Basslink. Basslink was established under the Bacon government in Tasmania. There was quite a lot of contention because Tasmania now receives brown coal derived power and exports its renewable energy—solar and wind—to the mainland in return. We are looking here at a system that is going to reward the former and penalise the latter. If not now, could the minister inform the committee during the course of the day about the difference that will apply to small business and households in Tasmania because of the Basslink arrangement to buy brown coal from Victoria, and what compen-
atory amount is going to flow to Tasmanian businesses and householders to make up for that quite large mistake in infrastructure planning of a decade ago? If there is no difference, could the government explain why not.

Senator WONG (South Australia—Minister for Climate Change and Water) (12.17 pm)—I thank the chamber for the courtesy extended to me in letting me have a very short break, and I thank Senator Sherry for holding the fort admirably in my absence. In relation to Senator Brown’s question, the figures in the Financial Review are not correct. Out to 2019-20, the analysis before me suggests that the projected value of assistance to emissions-intensive trade-exposed is $37.484 billion, the projected value of the electricity sector adjustment scheme is $6.365 billion—this is out to 2019-20—and the projected value to coal is $1.5 billion, which comes, on my calculations, approximately to $46 billion. That compares with the household assistance of just under $63 billion, so the assistance out to 2019-20, the 10 years, is less than the figures that Senator Brown has quoted.

I entered the chamber part way through Senator Barnett’s previous contribution, where he was criticising the way the package assists small business. I would make the point that he is actually criticising the agreement that his party reached with the government—that is, the agreement that his negotiator and his leader took to his shadow cabinet and was signed off by his shadow cabinet.

In relation to the assistance for small business, as I said we have a specific transitional assistance program, which I think has been discussed, to businesses that have electricity usage in the range of 300 megawatt hours. That is a subsidy for the first two years. But what we have for other businesses is the Climate Change Action Fund, which will have a stream in it whereby businesses can apply for assistance in the form of capital grants for planning, for energy efficiency measures in order to enable business to reduce its energy use.

We should not approach this legislation believing that we can act on climate change without requiring change. If we could do that it would have been done. It does require change and it does mean that there will be costs, but we know that the costs of acting are far less than the costs of failing to act. We did not bring this legislation forward in this chamber pretending that there are not costs involved. What we say is that those costs are less than the costs of failing to act would be, and we have designed, in conjunction with the opposition’s negotiators, a scheme which provides for sensible assistance, of which the largest single share goes to households but which is also for industry. That is because we do believe it is important to support jobs and support industry through the transition. It is absolutely the case that we can continue to grow the Australian economy and continue to grow jobs while acting on climate change. That is what the Treasury modelling tells us: 1.7 million more jobs by 2020. What it says to us is that we can continue to grow our economy; we will just grow it marginally slower—I think it is one-tenth of one percent of GNP per year. That is what we are asking the Australian nation to contribute in order to respond to climate change.

That is because this is about a transition. We on this side of the chamber believe that economic and employment opportunities will arise out of this change. So we need to focus on assistance for existing industry but we also need to remember the opportunities which present themselves to us. I have previously spoken in this chamber about, for example, the enormous opportunities in renewable energy and energy efficiency just in
China, which already some Australian businesses are taking up. The reality is that the world is moving on climate change. Whilst people may not think it is enough, overnight, or in the last two days, we have had both China and the US indicating their respective targets for action on climate change—the world’s largest economy and the fast-growing economy of China, with its enormous opportunities.

The reason all of the major developed economies are moving to act on climate change is, first, that these governments know that climate change is real and needs to be responded to. The other reason is that they know that is where the world is going. I said last night and I think it is important to say again today that if you do believe that the world is moving and will move then surely part of what we should do is to ensure we prepare the Australian economy to compete in that world, and low-carbon goods and services will be those things for which the world will increasingly pay a premium. We need to be able to compete in those markets. So there is not only an environmental rationale for this legislation but a clear economic one as well.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.23 pm)—I would agree with the minister that failing to act is more costly than taking action. Where we disagree with the government and opposition is on the way in which so many billions of dollars have gone into the rent-seekers or the big polluters whereas they should have been used to reconfigure the economy for clean, green, job-rich alternatives and, of course, outfitting the Australian household and small business sector to lower power bills in the way that we know could happen.

The minister said that the Australian Financial Review was wrong. Laura Tingle’s article in today’s Australian Financial Review says:

The so-called EITE industries (emission-intensive, trade-exposed) are now due to get assistance of almost $37 billion over the next decade. The LNG industry, previously excluded from the scheme altogether, now gets $610 million in assistance, the food processing industry gets a redirected $150 million, and the coal sector’s assistance doubles to $1.5 billion.

The cost of the electricity sector adjustment scheme rises from $3.31 billion to $6.3565 billion.

The small-business sector now gets in for a job, gaining an extra $800 million of assistance for “electricity price impacts”, plus $300 million reallocated from the climate change action fund to give it a total of $1.1 billion.

What do we get for all this money? A system that doesn’t include agriculture, or send a price signal to people driving their cars or to households about how much electricity they should use. Above that, in the same article—this is what Senator Wong said was wrong, and I would ask her if she can say where it is wrong—is this:

The point is that the government’s emissions trading scheme, and the way it was negotiated, has entrenched a new and widespread web of entitlements that will be virtually impossible to unravel for years.

Estimates of the total cost of the scheme can be worked out by looking at the revised numbers in the budget mid-year review (MYEFO) and the government deal put to the opposition.

MYEFO put the value of total assistance under the emissions trading scheme at $116.439 billion in the 12 years to 2019-20. New estimates of the costs were released for the period out to 2019-20. Adding the $7 billion cost of new measures—that is, as negotiated with the opposition—to the MYEFO figure produces the $123 billion total.

I would ask the minister if she could say where those figures are wrong. The article goes on to say:
MYEFO estimated assistance for low and middle-income houses over the next decade and $54.389 billion, though the newly revised carbon price means that figure has now actually fallen by $5.76 billion to $48.629 billion.

But the bill for direct industry assistance and tax offsets has risen from $62 billion to $69 billion.

I go back to that figure. MYEFO, the mid-year budget estimates—we are talking about the government here—put the value of total assistance under the emissions trading scheme at $116.4 billion in the 12 years to 2019-20. With the new estimates of $7 billion added, that figure goes to $123 billion. Minister, are those figures really wrong and, if so, in what way?

Senator WONG (South Australia—Minister for Climate Change and Water) (12.27 pm)—Yes, I am advised that those figures are really wrong. I am advised that the figures I gave you are correct; in fact, we have just added it up more closely. I think I said it was $46 billion, but it is $45.349 billion. We assume from the figures that you have outlined, Senator Brown, that there has been included in the assistance for industry the figure for household assistance and the figure for that portion of the fuel tax offset which would in fact assist households.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.28 pm)—The article says that the mid-year review estimated assistance for low- and middle-income houses over the next decade at $54.4 billion, though with the newly revised carbon price, which transferred money out of that sector, it ends up at $48.6 billion. I presume that what the minister is saying is that there is double counting in that earlier figure. As the Australian Financial Review has spoken about figures for households separately, I wonder if the minister could explain that apparent argument, which seems not to be consistent with what she is saying.

Senator WONG (South Australia—Minister for Climate Change and Water) (12.29 pm)—Again, Senator, I can give the figures. The MYEFO table looked at the 12 years out to 2020 and, I think, described the total assistance measures as $116.439 billion. That table included households. If you go to 123, it appears that there has simply been added the $7.0-something billion—the costs of the agreed amendments. You will recall, Senator, that the Howard government also adjusted, in agreement with the then opposition, the household assistance measures to reflect the lower carbon price. I again say to you that my advice is that the total assistance out to 2020 for that emissions-intensive trade-exposed Electricity Sector Adjustment Scheme and coal is cumulatively $45.349 billion for the decade and, again, that the largest single share of the revenue under the scheme goes to households. The value of the household package, including the assistance through the tax and welfare system plus the fuel offset, an approximate portion of which goes to households, is just under $63 billion.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.31 pm)—Thank you. I will be keen to look at those figures again. What we do agree on is that $5.76 billion under the arrangement with the coalition which was going to households is now going to the polluters. The other question I asked the minister—it may have been to her predecessor—was about the cost impact of Basslink on the Tasmanian economy. We are now taking brown coal energy and selling our renewable energy up the line. Could the minister say what the transfer of largesse is under this package and what assistance is being given to the Tasmanian economy to make up for the purchase of brown coal energy coming down Basslink over that coming decade? Has the government looked at all at the position Tasmania has put itself in through Basslink, which sells
its renewable energy to the mainland and purchases the polluting brown coal energy down the line into the Tasmanian economy?

Senator WONG (South Australia—Minister for Climate Change and Water) (12.32 pm)—In relation to the first question—and I traversed this previously with your colleague, I think, Senator Brown; it may have been another senator—the adjustment to the household figure is as follows. The reason MYEFO changed the costings of the scheme was that the parameter changes that Treasury had identified, which are standard budget parameters, resulted in a lower estimate of the carbon price for a range of reasons—which I think I have traversed; I am happy to go back through them so far as I am able to—from $29 to $26 a tonne. That changed how much the scheme would bring in terms of permit revenue.

The MYEFO figures for households reflected the policy position before the budget, which was reflected in actual dollar figure assistance to households. This did result in some households getting significantly more than the government commitment. The government commitment was 120 per cent, for example, and there were some households which actually receive significantly more than that. So what we have done is adjusted the household compensation amounts to reflect the commitment in the white paper of 120 per cent compensation or assistance to low-income households. I think the figure is that 90 per cent of low-income households will get 120 per cent of the expected overall cost increase flowing from the scheme. That is where that change occurred.

In relation to the Tasmanian energy question, I had some difficulty understanding what was behind your question, Senator, so forgive me if I am not answering what you are actually trying to ask me. In fact, my understanding is that obviously there has been an impact on the hydro sector as a result of the drought. But, if you put that to one side and assume the historical pattern of Tasmania being a net exporter of electricity, in fact Tasmania would be selling into the Victorian market at higher prices, particularly with the introduction of a carbon price which would reflect the coal-fired generation on the mainland.

I again emphasise that the assistance to electricity generators does not affect the price, and I think you would be aware of that. That is not going to reduce or change the price that they will charge for electricity generation, and that is paid by government not to subsidise prices but to secure Australia’s electricity supplies through the transition.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.36 pm)—The compensation program involved here for households includes measures to make up for the increased price of power as a result of this scheme, and the point I am making is that Tasmania is buying in brown coal derived power, which it did not before Basslink, and therefore greater compensation will be required that would not have been required under the previous system.

I have one other question, and then I will let it go to other senators. There is $5.76 billion here which is going, under the new arrangements, from the household sector to the polluting industries. That $5.76 billion comes out at a little less than $1,000 per household in Australia; it will be around $700 or $800. But I ask the minister about part of the Greens proposal to retrofit houses, starting with those in low-income and middle-income Australia, with renewable energy—solar collectors—and insulation, and general audits. Has the government done, or did the opposition do, or did the government and the opposition do, an assessment of how
much better that $5.76 billion could have been spent directly in facilitating households lowering their power bills and increasing skilled employment right across rural, regional and urban Australia?

Senator WONG (South Australia—Minister for Climate Change and Water) (12.37 pm)—In relation to the first question—I think this was traversed with Senator Barnett—our modelling shows that what we would anticipate is price increases in Tasmania that would be lower than the mainland average. However, Tasmanian families and households would receive the same level of assistance. On the second point, in relation to other measures—

Senator Bob Brown—The point there is that without Basslink it would have been lower still.

Senator WONG—I am not going to get into a Basslink argument. I am not sure that is a debate I would like to enter into here, and I probably do not have all the history that some Tasmanians might have on that, so I might leave that. Senator O’Brien is behind me; he might want to have that discussion.

In relation to energy efficiency, obviously there are quite a number of government programs and a lot of government investment in energy efficiency. You mentioned insulation. We are rolling out the largest energy efficiency program in the nation’s history through the Home Insulation Program. There is more to be done; we acknowledge that. We have also, at the urging of a range of environment groups, recognised that whilst we have a number of programs in place, particularly in Minister Garrett’s portfolio, there is more work that can and should be done, and that is why we have committed to the prime ministerial task force on energy efficiency, which is also committing to the introduction of an energy efficiency mechanism next year.

Senator BARNETT (Tasmania) (12.39 pm)—I am just checking if Senator Brown has finished his line of questioning. I want to go back to the minister’s answers regarding the CCAF, the Climate Change Action Fund, and the support and subsidy for small business. She indicated that this was negotiated with Mr Macfarlane and Mr Turnbull from our side. Of course, we received this on Tuesday, and we are talking about a multibillion-dollar change to the bill before us. Frankly, to expect us to absorb that, comprehend it and accept it holus-bolus without an adequate review or inquiry, in my view, is wrong. That is why, for the first time in eight years, I crossed the floor; I did so three times in one day to support an inquiry and further scrutiny. So that is my position.

You indicated before that I oppose action on climate change, and I stood and took a point of order to say I am being misrepresented. I want to make it very clear that I do support a tax on carbon; I do support action on climate change; I do support an ETS. What I do not support is the bill before us; what I do not support is the design of the bill and the timing of the bill—the fact that we are moving in advance of Copenhagen and the US and other countries—with the main reason being loss of competitiveness. It is a massive tax. How big do we want it to be? It is bureaucratic. The government role is increasing with all the churn and the lack of complementary measures. I commend Andrew Robb and thank him for his views and want to concur with some of his. I wanted to put that on record so you know my position. I have put on the record my support for nuclear being considered as a serious option, and the government thumbing its nose at that as a serious option, I think, is wrong and clearly a politically motivated decision.

Putting all that to one side, I want to ask the minister about the small and medium-sized businesses. You have referred to
CCAFAF. I have not seen the detail, and on behalf of Australia’s small businesses I say: please provide the details. You say it is a grant program—capital grants and other types of grants—to help reduce energy use. It sounds good—good concept. It is $1 billion. Please provide the details. How do small businesses apply? What criteria do they have to meet? Is there a document that you can table to advise exactly how that is done? Small and medium-sized businesses need to know.

Secondly, this agreement says that for a business spending $40,000 or more—or 300 megawatts—on their power bills per year there is a 50 per cent subsidy in 2012-13 and a 25 per cent subsidy in 2013 and then 2014, and then that is it. I understand, based on answers from Minister Sherry, that it is the ANZSIC code and you are looking at mining, quarrying and manufacturing. The question is: why? The question is: why are we excluding tourism related businesses whether they be big or small hotels? Why are we excluding them? Why are we excluding the farming sector? Why are we excluding the retail sector? And no doubt there are other businesses that are being excluded. Why have we included some in this agreement? The minister might say, ‘Because that is what was agreed with the opposition,’ but I would like to know the detail. Here we are in committee stage. We have a right to know the detail. The devil is in the detail of why some businesses are going to benefit from this and why some small businesses will be excluded, and I think they are fair questions.

My final question was on the transitional electricity cost assistance program. I have asked this question three times. I have not had an answer. If you do not know, that is fine. But please, if you do know, provide the details. It is a $1.1 billion program. I would just like to know how it is going to operate, and if you could assist in telling us that and providing the details or tabling the relevant documents it would be greatly appreciated.

Senator WONG (South Australia—Minister for Climate Change and Water) (12.43 pm)—I actually provided that detail to another one of your colleagues earlier, but I am happy to do so again. The Transitional Electricity Cost Assistance Program—and it is included in the document which was presented to your party room—is intended to reduce the impact of the CPRS on medium and large enterprises. It is a transitional fund which will apply after the fixed price year. It will be capped at $1.1 billion and it will be distributed over two years as follows: up to 50 per cent of the projected increase in retail electricity prices in 2012-13 and up to 25 per cent of the projected increase in 2013-14. The targeted recipients are those within the mining and manufacturing sectors.

Senator Barnett—Why?

Senator WONG—That is probably a question you should ask your negotiators.

Senator Barnett—It’s your bill.

Senator WONG—Can I just say this. We negotiated an agreement in good faith with the alternative government in order to get this legislation through, and we did that because we are very strongly of the view that it is in Australia’s national interests to act on climate change. It is in our interests to no longer delay. We have so much evidence, including from the Business Council and other industry groups, saying that delay will increase costs. That advice was presented to you when you were in government. The secretary of your Prime Minister’s department has said very clearly that his advice to Prime Minister Howard was to go soon because the costs of delaying were significant. They are difficult to quantify but I think I have used before in this chamber an example where the International Energy Agency have quantified globally the costs—and these are energy sec-
tor costs—of delay in introducing these mechanisms and moving to a lower carbon energy sector at around $500 billion a year. In fact, their advice is that that number will increase. In other words, the longer we wait the more expensive it will become every year. That is why the government entered into good-faith negotiations with the opposition. It was at the opposition’s request that these were the industries on which there was focus. There was also assistance to the food-processing sector which has also been outlined.

Senator Barnett, I am glad that you put on the record your view about not needing to wait until climate change and that you support an ETS. But your question suggests that you support an ETS that has no impact on electricity prices. I am sorry, Senator, but there is a reason—and this is with respect to Senator Xenophon too, and I know he disagrees with me but he knows my position. There is a reason that no peak business body that I am aware of—and I could be wrong, but it is certainly not the Business Council of Australia or the Australian Industry Group—has supported the Frontier model. I think it is important for Liberal senators who are seeking an easy way through this to realise this is a hard policy area and there is a reason why the business sector has not adopted that model.

You asked about and I advised about the transitional electricity cost assistance program. I would make this point. Given the importance of providing detailed responses to questions in this chamber, I have endeavoured to engage with the chamber in this debate. But I would make the point that we have been debating in the committee stage for just under 13 hours—12 hours and 40 minutes, or thereabouts—and we have done four sets of amendments. We are not currently debating Tasmanian electricity prices and the small business sector. We are currently debating Senator Xenophon’s amendment which goes to targets. Whilst I think it is reasonable for there to be a range of questions which might be associated with that, we have not discussed Senator Xenophon’s targets for some time. You might not agree with the agreement struck between your representatives and the government, but an agreement was made. It was an agreement made after very lengthy good-faith negotiations—and I want to place on record that they were good-faith negotiations. One person described the negotiations to me as old-fashioned negotiations in the sense that they were not conducted in the public arena and the confidences of both sides were kept. We worked through some very difficult issues, some very complex issues, and both sides had to give and take. I want to place on record my thanks to the opposition negotiators for the way in which they conducted those discussions. But what you are asking of me is to justify, on my side of the chamber, a policy position that your party took. Senator, Barnett, I respectfully suggest that your question would be better addressed to your leader and your negotiator.

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implemented by regulation? As I say, the devil is in the detail with these matters, and I ask for the details on behalf of Australia’s small businesses, because they would like to know. I have had correspondence on this and concerns expressed about the lack of support for small business. I will leave it there. Senator Xenophon has other matters he would like to pursue.

Senator WONG (South Australia—Minister for Climate Change and Water) (12.50 pm)—Thank you to Senator Xenophon for the courtesy of allowing me to speak first. I neglected to respond on the CCAF, the Climate Change Action Fund. Senator Barnett says there has not been enough scrutiny. That policy has been on the table since December 2008. It was outlined in detail in the white paper. There were some additional changes to that in May 2009. They have been on the public record since that time and for the period the legislation has been in the parliament. We have not released guidelines in relation to that fund as yet, and the reason is, Senator, that there is no revenue until the bill is passed. There is no revenue from the scheme until the legislation is passed.

Senator Barnett—That does not stop you producing guidelines.

Senator WONG—It would be somewhat strange. Senator, if you wanted us to produce administrative guidelines for a grants program which will not have a revenue stream out through five years, I think it is, unless you vote for the bill. If that is the test for every piece of legislation that comes before the parliament, I would suggest that many bills before this one would not have passed.

Senator XENOPHON (South Australia) (12.52 pm)—Chair, I do not in any way want to constrain debate. There were some points made by the minister that I think I can take up in other amendments that I will be moving down the track about the whole issue of an energy intensity scheme. But, Chair, I would be delighted—in fact, almost ecstatic—if we could have a vote on this. You can put me out of my misery. It seems that this amendment is friendless at this time! But I do appreciate the debate and contributions of my colleagues.

The TEMPORARY CHAIRMAN (Senator Mark Bishop)—We are dealing with Xenophon amendment (1A) on sheet 5912. The question is that the amendment be agreed to.

Question negatived.

Senator MILNE (Tasmania) (12.53 pm)—by leave—I move Australian Greens amendments (4), (6) and (7) on sheet 5786:

(4) Page 3 (after line 32), after clause 3, insert:

3A Additional abatement

(1) For the purposes of this Act, additional abatement means abatement in emissions that can be estimated to have resulted from the behaviour of the Commonwealth, States and Territories, local government bodies, other entities and individuals, that is calculated to be over and above the emission reductions that could reasonably be expected to result from the increase in energy prices and other factors associated with the introduction of the emissions trading scheme.

(2) The regulations must determine a mechanism for the purposes of the scheme embodied in this Act to take into account additional abatement by governments, other entities and individuals in such a way that:

(a) there remains an incentive for additional abatement; and

(b) additional abatement does not reduce the obligations of participants in the scheme embodied in this Act.

(3) The Minister must establish an independent expert advisory committee to
estimate the level of additional abatement for a year.

(4) After the committee has estimated the level of additional abatement for a year, the Minister by legislative instrument must reduce the national scheme cap number for the following year by the amount of the estimated level of additional abatement.

(5) If, after the committee has estimated the level of additional abatement for a year, Australia is a party to a comprehensive international agreement that is capable of stabilising atmospheric concentrations of greenhouse gases, Australia’s target reduction of net greenhouse gas emissions under that international agreement is deemed to be increased by the amount of the estimated level of additional abatement.

(6) Section 42 (disallowance) of the Legislative Instruments Act 2003 does not apply to a legislative instrument made under subsection (4).

(7) Sections 359 to 373 apply to a committee established under this section.

In view of the wide-ranging nature of the debate, I might take a minute or two to explain what these amendments are actually about so that the chamber can focus. One of the community’s main concerns and criticisms about the Carbon Pollution Reduction Scheme was the way it was originally designed, because whatever effort was made by the community to reduce their emissions simply meant less pressure on the big polluters to reduce their emissions. So, whatever reduction in carbon dioxide that the community made by putting energy-efficient technology in their homes, such as solar hot water, or by buying vehicles that are more fuel efficient, doing energy efficiency audits, reducing energy use in their offices and so on, the whole of the community effort would not reduce Australia’s target. Instead, all it would do was reduce the effort that the polluters who caused the problem had to make.

Needless to say, that caused great anger and frustration out there in the community. People said: ‘What’s the point of this? Why would I want to work hard to reduce my emissions, to do the right thing in my home and community, when all that’s going to happen is that I’m going to make life easier and cheaper for the big polluters?’ The Greens said from day one that the problem here was because the target was way too low. If you had a really ambitious target, like a 25 to 40 per cent target range, then it would require everybody’s maximum effort, whether it was in the community, in factories, in businesses or at the individual level, in the home. Everybody would have to do everything they possibly could to reach an ambitious national target.

In the absence of that target, all that was happening was the transfer of effort to the community, giving the big polluters the benefit of it. So the Australian Greens said: ‘If you’re not going to increase the target, we have to find a way to make sure that we can measure all that additional abatement from the community and add that onto the target so that it does not reduce the pressure on the big polluters to meet the target under the Carbon Pollution Reduction Scheme.’

In responding to the community anger, the government then came up with a proposition that the community should in fact pay three times—first by buying green power, second by putting in energy-efficient technologies or whatever and third by buying a carbon pollution permit and then retiring it. The government’s solution was to let the community pay
three times and the polluters pay no times. It was 'three strikes and you're out' for the community, whilst the polluters kept on the playing field. That was a ridiculous proposition which just showed the extent to which the government wanted to sandbag and insulate the polluters and make the community pay.

So the Greens have moved this amendment which deals with additional abatement activities from the community. Amendment (4) wants to insert the words:

For the purposes of this Act, additional abatement means abatement in emissions that can be estimated to have resulted from the behaviour of the Commonwealth, States and Territories, local government bodies, other entities and individuals, that is calculated to be over and above the emission reductions that could reasonably be expected to result from the increase in energy prices and other factors associated with the introduction of the emissions trading scheme.

In other words, all effort made by the Commonwealth, the states, the territories, local government bodies, other entities and individuals should be calculated and should be regarded as additional effort to the Carbon Pollution Reduction Scheme.

We also say that the regulations which will underpin the legislation:

… must determine a mechanism for the purposes of the scheme embodied in this Act to take into account additional abatement by governments, other entities and individuals in such a way that:

(a) there remains an incentive for additional abatement; and

(b) additional abatement does not reduce the obligations of participants in the scheme embodied in this Act.

In other words, they must find a mechanism to calculate that additional abatement and implement it in a way that will not reduce the effort that the big polluters have to make.

The amendment goes on to say:

(3) The Minister must establish an independent expert advisory committee to estimate the level of additional abatement for a year.

(4) After the committee has estimated the level of additional abatement for a year, the Minister by legislative instrument must reduce the national scheme cap number for the following year by the amount of the estimated level of additional abatement.

So subclause (4) of amendment (4) says that the CPRS cap has to be reduced so that it takes into account the estimated level of additional abatement. The Greens amendment and Senator Xenophon’s amendments are totally consistent up until that point.

The next point that we make is that if, after the committee has estimated the level of additional abatement for a year, Australia is party to a comprehensive international agreement that is capable of stabilising greenhouse gases, Australia’s target reduction of net greenhouse gas emissions under the international agreement is deemed to be increased by the amount of the estimated level of additional abatement. That is in order to make sure that the level of effort has to be additional to the CPRS target, but also the sectors not covered by the CPRS cannot be let off from the expectation that they will also be required to reduce their emissions, because if you take it off the CPRS target it is not going to be reflected then by requiring ongoing effort from the non-covered sectors. That is why we want the amount to be reflected in the national target, as expressed in an international agreement, as well as the reduction on the CPRS target. It is in that particular element that the Greens amendment is different from Senator Xenophon’s amendment. I just make this point now so that we can have the discussion once and maybe the vote—this may be an ambitious idea—quite quickly one after the other.

Senator Xenophon’s amendment and the Greens amendment are totally consistent in
saying that additional abatement must be calculated and must be on top of the CPRS target by way of pulling the target down. We go further than that by saying that we also need that to be reflected in the national target to make sure that the pressure is not taken off those sectors not covered by the CPRS. The other parts of the amendment effectively give effect to that.

I acknowledge that in the deliberations between the government and the coalition there was some recognition that the government’s first go at this was a disaster and that their second go at it resulted in the community paying three times, which is also a disaster, and now the government has moved to a similar mechanism in terms of establishing an expert committee—that is, as I understand it; no doubt the minister will explain later exactly the terms of the government’s arrangement in this regard. Where the government and the Greens differ on this is that the Greens are saying that, in the additional abatement that needs to be counted over and above the target and by which the CPRS cap must be taken down, we want to include the behaviour of activities that arise from the Commonwealth government, the states and territories, local government bodies and other entities as well as individuals—in other words, the entire community effort. What governments do is pretty significant. For example, if the federal government gives a rebate that leads to several hundred thousand homes across the country installing renewable energy or energy efficiency technologies, that is a significant amount of abatement that has not been generated by the CPRS, but it is direct result of government activity. Also, there is what happens in government buildings and the whole effort across government—everything from governments setting certain levels of efficiency for buildings that they might lease or occupy in one way or another. The same goes for local government, it is fair to say, and I take particular note here of those local governments around Australia who have joined ICLEI, the international organisation for locals governments that have signed up to climate change action. Hobart is one of those, and I know that Clover Moore in Sydney has also committed to significant reduction.

In fact, one of the really inspiring side events at meetings of the Conference of the Parties to the United Nations Framework Convention on Climate Change is where the mayors of the world’s leading cities meet. Some of the most ambitious and exciting statements made by leaders are coming from cities around the world, which are taking extraordinary action to transform public transport networks, for example, and all sorts of other things. For example, Ken Livingstone, the former mayor of London, introduced a congestion tax in London and put all of that money into public transport, therefore transforming London. It is absolutely extraordinary that when you go to the middle of Piccadilly now you can stand there and virtually all you will see go by are the London red buses, the black taxis and the very occasional luxury vehicle. So they have done an amazing job at transforming surface-level public transport in London. So we want to make sure that the activities of entities are accounted for and that the target is not adjusted just for individuals, as I understand the government and the coalition are proposing. We want to be much more comprehensive than that.

That is basically an explanation to the Senate of the differences between Senator Xenophon’s amendment and the Greens amendment. I hope I have not misrepresented Senator Xenophon in his absence; I am sure he will correct me if I am wrong in any detail. His amendment and the Greens amendment are compatible. Ours goes further in terms of reducing the national target.
Senator Xenophon’s and the Greens amendments are different from the coalition and the government’s because ours include all sectors of the economy in terms of additional abatement, beyond individuals, while the government and the coalition have an agreement on individuals. I would urge the Senate to think about supporting the Greens amendment and the Senator Xenophon amendment, because I know that out there in the community people are not just thinking as individuals; they are thinking about themselves in their workplaces, in their communities and in their cities and towns, and they would want to make sure that in all of those instances the abatement that they engage in through their own investment effort, ideas and transformative ways are taken into account and add to the ambition of our national target and increase the stringency of the Carbon Pollution Reduction Scheme, the emissions trading scheme.

Senator WONG (South Australia—Minister for Climate Change and Water) (1.07 pm)—There were quite a range of issues discussed in that contribution, and I want to respond to some of them. One of them is this accusation of sandbagging. I have to say that I do not agree with the Greens lines and rhetoric on this issue. This is not a government seeking to resist change. This is a government seeking to effect change. If I may be so bold, the worst sandbagging is to vote against action on climate change, which is what your party proposes to do and has done.

Senator Milne—Mr Temporary Chairman, I rise on a point of order on the accusation that the Greens have voted against action on climate change. It was my bill on the feed-in tariff that the minister voted against. All my bills the minister has voted against, including—

The TEMPORARY CHAIRMAN (Senator Mark Bishop)—Senator Milne, that sounds like a debating point to me. There is no point of order.

Senator WONG—The record shows that you voted with Senator Fielding against this legislation last time, and we anticipate you will vote with Senator Fielding again. That is your decision but that is also publicly known. It is clearly your party’s position. So I find the logical position that says, ‘The government is sandbagging industry’—which I do not accept—‘but we want to sandbag them more by ensuring they do not have to do anything,’ to be very odd, if I may say so.

Secondly, I think it is useful in this debate to understand what we are talking about when people say that the big polluters will get all the benefit. If we put a solar panel of around one kilowatt on every house in Australia, my advice is that at 2020 that would yield about 12 million tonnes of abatement—that is, we would save about 12 million tonnes of carbon.

At our unconditional target—that is, the lowest target that Senator Milne describes as locking in failure—we would be saving 138 million tonnes of carbon. That is at the lowest level, the target that Senator Milne says is wrong. So the proposition that the government’s scheme, even at its lowest level, is so bad that we should vote against it when it delivers that much more abatement than putting a solar panel on every roof in Australia really shows, I think, the illogicality of the position. If you really want the polluters to pay then you should support the scheme, because that delivers the largest reductions in emissions that Australia will have ever achieved. In fact, we have never achieved this scale of reduction. The trend in Australia’s emissions, other than through the avoided growth in emissions through land
clearing legislation and so forth, has continued to rise and will continue to rise. The projections are that we will continue to grow out to 2020 by up to 120 per cent on our levels at 2000. To remind us again, at a minus-15 per cent target, we calculate that we would not put into the atmosphere some 194 million tonnes that would otherwise be put in, and, at a 25 per cent target, nearly 250 million tonnes. So let us just get some scale. If you are talking about not wanting polluters to pay, you would support the scheme.

It is the case that we have made changes on this front, and I think these changes reflect the very strong urgings of environmental groups to which the government has listened. We have agreed to alter the scheme so as to take account of action in the household sector—and I will come to that shortly.

I did want to make the point about the amount, because voluntary action is important and we need to recognise it but it is not enough. What the government are saying—and it is a significant change in our position—is that we will take into account voluntary action, in addition to the targets we have announced. That is a significant policy shift from the government and that has been adopted as a result of a long set of discussions with environmental stakeholders. In other words, Australia can go for more than 15 per cent or more than 25 per cent if Australian households do better—if all of us do more. If the scheme is passed, what you do as an Australian household will count. That is a very significant change in terms of what has been put before the chamber.

The government propose to do this by creating a mechanism by which we will take voluntary action into account. I will explain why the government disagrees with the amendment, which really goes to the same issue. This is not an easy area to calculate. There are a range of ways you can calculate this. What we are proposing to do is to establish a baseline—that is, what the household sector would use in electricity, fuel and gas. If Australians are more energy efficient than anticipated then we will retire permits—that is, have a higher target or actually a deeper target as a result of that action—and so their action will count. We have outlined this in the supplementary explanatory memoranda and we will consult with the community and with the stakeholders on the best and most sensible way to implement this mechanism.

We do not agree with Senator Milne’s proposition that we have to look both at individuals and at Commonwealth, state, territorial and local government bodies. It really would not be practical to identify separately the contribution of local governments or state governments and households. For example, the senator mentioned public transport. If a state government spends more on public transport, that will reduce car emissions. Is that a state government action or is that a householder action? How do you attribute the difference between those? What we want to do is capture the benefit of state and local government and federal government programs through looking at how they affect the use of fuel and energy by the household sector. So we capture it by looking at the changes that households make rather than trying to work out what portion of reduced emissions you can attribute to this particular state’s program or that particular state’s program. We not only believe that is not sensible but wonder how it is actually possible to separately attribute those actions. That was subclause 1 of Greens amendment (4).

Subclause 5 I think suggests that the way to deal with this additional reduction in emissions would be to change the international commitment. Can I suggest that that is not a very practical way of dealing with it. Once a nation signs up to an international commitment, it is obliged to meet that inter-
national commitment. If we go beyond that, the more sensible way is the way the government would approach it, which is to voluntarily retire permits—to take a carbon permit out of the system, which has the effect of not allowing anybody else to buy that permit. It means that what households do is taken into account by reducing the total amount of carbon pollution that we put into the atmosphere.

Senator MILNE (Tasmania) (1.16 pm)—I note the minister’s response and indicate that the Greens are very well aware of the extent of the emissions from the big polluters, the energy generation sector in particular, which is why we have argued for a higher target—so that all of the difficulties that the government has just identified in terms of measuring abatement and so on would not be an issue because, if you had your high target, you would have everybody’s effort included.

The point I was making on voluntary abatement was that that is an issue that the community is very concerned about and the disincentive needs to be addressed. I note the Treasury modelling of the government’s scheme—and this is one of the reasons the Greens have said that the CPRS is not going to reduce domestic emissions out to 2034, when carbon capture and storage is expected to come in. If you look at the Treasury model and graph, you will see that that is the case. On the issue of voluntary abatement, I guess we have a very different view from the minister. We do think everybody’s additional effort should be included and we do think that that should be reflected in the national target. You would give effect to the national abatement target by retiring those permits. That is why we are saying that the cap should be reduced by that amount and that might mean, indeed, retiring the permits. But, anyway, the issue here is that we think that this comprehensive coverage is what is necessary and that is why I have moved the Australian Greens amendment as is.

Senator WONG (South Australia—Minister for Climate Change and Water) (1.18 pm)—I just want to make the point that I do not believe that what the senator just said is correct in terms of domestic emissions. I previously put on the record the fact that we would anticipate that the majority of the abatement effort would still occur in Australia. I think the figures she may be quoting from are energy sector only, not all domestic emissions. In fact, I previously said that our current data suggests that domestic emissions would peak and fall or stabilise at around a 12 or 13 per cent reduction if this scheme is passed. Of course, that is a very significant reduction against business as usual. Without the scheme it will grow to 120 per cent of 2000 levels.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (1.19 pm)—We acknowledge the work that the Greens have put into this amendment. We have serious concerns about the budgetary outcomes of the targets from at least 25 per cent to 40 per cent of 1990 levels by 2020. We are even more moved towards a feeling of concern since the Frontier Economics further assessment of the Labor Party’s position on this has come to light. We see now that there was a black hole in the current budgetary outcome of $2.5 billion. There are a lot of roads and hospitals in $2.5 billion. The amendments, from what we can perceive, will have a budgetary hole of $3.7 billion. That is money that a nation that is currently in hock up to its eyeballs cannot afford. We find it terribly financially imprudent to be taking our nation into a position in which we are borrowing money because of the parlous and vacuous state of the economics that sits behind these schemes. We look forward to a more open and transparent debate on the economics that sits behind these schemes.
We will get that debate when we see schemes that have been tabled, such as the Frontier Economics scheme, which has been working its way round the media lately. Our nation cannot afford to have this sort of information hidden from public view. It is a major concern. I have been made aware of the Frontier Economics reports. The effect of this amendment on the budget would also need to be strongly modelled. On that basis, the National Party will not be supporting it.

Senator XENOPHON (South Australia) (1.22 pm)—I indicate that I support this amendment. I have an amendment in similar terms to this one from the Greens in terms of voluntary action. The main difference between this amendment from the Greens and mine is that the Greens allow for a further total net reduction with international agreements while my amendment has a domestic emphasis. But I am very comfortable about supporting the Greens amendment. In terms of the process, if you have an expert panel taking a considered approach to the reductions that have taken place as a result of voluntary action then there should be an appropriate adjustment in relation to that.

It is important to get the community on side. If individuals and local communities take steps to reduce emissions, that should be reflected in the overall target. That is a good thing. It is important that there is incentive for individual action. The difficulty with quantification can be resolved by the approach that the Greens have suggested and by the approach in the amendment that I will move shortly. It is important that community groups are able to develop campaigns and that people can register their voluntary action and have it help contribute to a cut in the cap. That sort of thing is important. It is important to have an independent body that consults with the community and researches and considers the level of voluntary action taken each year. I believe that that is very desirable.

I know that senators want to vote on this sooner rather than later. Does the minister agree that the current approach makes it more difficult to take any voluntary action and reduction in targets into account? In other words, at the moment it seems that there is no direct incentive for voluntary action to be taken into account—perhaps I have misunderstood the minister’s approach. But I support the Greens’ approach. This seems to be a more direct approach. Wouldn’t it be better to adopt a model that allows community groups to develop campaigns and demonstrate voluntary action, such as the Greens amendment or mine? Finally, so I can get all these questions out of the way, the minister claims it is impractical to measure individual action. I think it is important to measure. By having an independent body, you can take a constructive approach and make an estimate in relation to that.

Senator WONG (South Australia—Minister for Climate Change and Water) (1.25 pm)—Senator Xenophon, you might have been absent from the chamber, because that is not what I said. In fact, the government is putting forward a proposition that would enable individual action to be counted. All we are arguing about here is the mechanism. We disagree with a proposition that says you have to include local government and state government policies as well as what the household does. We simply said that is impractical. If we look at, for example, how much more energy efficient Australians are willing to become, there is a great willingness amongst the Australian people to do their bit and we want to recognise that by going beyond our targets. That is the policy position the government has adopted, after the urgings of stakeholders. We will go beyond our targets if Australians are more energy efficient across their use of electricity.
and fuel than is anticipated, and we will consult on how that would be measured, but that is the policy commitment. That is a very significant shift.

The argument is actually about whether you could differentiate between what is the effect of a state government policy and what is the effect of someone’s choice to use more public transport. The example I used with Senator Milne was that if a state government spends more on public transport and therefore that community uses less fuel, less energy, how much would you attribute to the individual and how much would you attribute to the state government policy? A more sensible proposition is to say: we will look across the community, we will say how much energy we anticipate we will use and if we as a community do better than that, for whatever reason—because we walk more, because we have better public transport systems, because we choose to turn off our air conditioners—then that will reflect in a higher target for Australia. So the only thing we are arguing about is what is a practical mechanism to achieve that. For the reasons I outlined previously, we do not believe it is a sensible proposition to try to separately attribute local government or state government policy from an overall analysis of what Australian households are doing. It will effectively, in our view, be reflected.

Senator XENOPHON (South Australia) (1.27 pm)—Can I just apologise to Senator Wong if in any way I misconstrued her position. I appreciate the difference is about how you measure it. I think that is fair enough. I missed just a few minutes of the debate because of another commitment. Such is my so-called party room that I did not have anyone else to cover for me during that time—but my position is safe!

The TEMPORARY CHAIRMAN (Senator Mark Bishop)—The question is that Australian Greens amendments (4), (6) and (7) on sheet 5786 be agreed to.

Question negatived.

Senator MILNE (Tasmania) (1.28 pm)—I am not going to call a division, but I just want to note for the Hansard record that neither the government nor the coalition supported the amendments.

The TEMPORARY CHAIRMAN—We now turn to Senator Xenophon’s amendment (1) on sheet 5916.

Senator XENOPHON (South Australia) (1.29 pm)—I think the best thing to do is for me not to move that amendment for the simple reason that it has a very similar DNA to the Greens amendments. Unless Senator Joyce is particularly attracted to this amendment but not the Greens amendment, or the government has a similar approach, I think it is best not to move it.

The TEMPORARY CHAIRMAN—So you are withdrawing that amendment?

Senator XENOPHON—I am just waiting to hear what Senator Joyce says.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (1.29 pm)—In light of the tenuous position in the Nick Xenophon party room, I will oblige and not pursue the amendment.

Senator WONG (South Australia—Minister for Climate Change and Water) (1.29 pm)—by leave—I move government amendments (1) to (23) on sheet BE201 together:

1) Clause 5, page 5 (after line 13), after the definition of acquire, insert: 

adjusted base period fugitive emissions intensity number has the meaning given by section 173U;

adjusted base period fugitive emissions number has the meaning given by section 173V.
(2) Clause 5, page 7 (after line 10), after the definition of Authority, insert:

**base period fugitive emissions number** has the meaning given by section 173S.

**base period saleable coal number** has the meaning given by section 173T.

(3) Clause 5, page 7 (after line 22), after the definition of cancellation account, insert:

**capped base period saleable coal number** has the meaning given by section 173TA.

(4) Clause 5, page 8 (after line 11), after the definition of certificate of eligible synthetic greenhouse gas destruction, insert:

**certificate of entitlement to coal mining assistance** means a certificate issued under section 173K.

(5) Clause 5, page 8 (after line 32), after the definition of coal-based char, insert:

**coal mining control test** has the meaning given by section 173W.

**coal mining title** means:

(a) a lease that:

(i) permits the lessee to extract coal from the whole or a part of the area of land covered by the lease; and

(ii) is granted by or under a law of the Commonwealth, a State or a Territory; or

(b) a licence that:

(i) permits the licensee to extract coal from the whole or a part of the area of land covered by the licence; and

(ii) is issued by or under a law of the Commonwealth, a State or a Territory; or

(c) an authority that:

(i) permits the holder of the authority to extract coal from the whole or a part of the area of land covered by the authority; and

(ii) is given by or under a law of the Commonwealth, a State or a Territory.

For the purposes of this definition, **land** includes submerged land.

(6) Clause 5, page 11 (after line 4), after the definition of electronic notice transmitted to the Authority, insert:

**eligible coal mining area** has the meaning given by section 173R.

(7) Clause 5, page 16 (after line 3), after the definition of fuel oil, insert:

**fugitive emissions** has the meaning given by the regulations.

(8) Clause 5, page 25 (after line 25), after the definition of reviewable decision, insert:

**saleable coal** has the meaning given by the regulations.

(9) Clause 13, page 33 (after line 17), after paragraph (b) of the note, insert:

(ba) the total number of free Australian emissions units issued in accordance with Part 8A (coal mining); and

Clause 82, page 128 (after line 15), after paragraph (b) of the dot-point relating to the national scheme cap, insert:

(ba) the total number of free Australian emissions units issued in accordance with Part 8A (coal mining); and

(11) Clause 88, page 131 (after line 16), after paragraph (c), insert:

(ca) in accordance with Part 8A (coal mining); or

(12) Clause 93, page 137 (after line 3), after paragraph (1)(b), insert:

(ba) the total number of free Australian emissions units with that vintage year issued in accordance with Part 8A (coal mining); and

(13) Clause 101, page 141 (after line 25), after subparagraph (1)(a)(i), insert:

(i) in accordance with Part 8A (coal mining); or
(14) Clause 103A, page 143 (after line 31), after subparagraph (1)(a)(i), insert:

(ia) in accordance with Part 8A (coal mining); or

(15) Clause 103B, page 144 (after line 18), after subparagraph (1)(a)(i), insert:

(ia) in accordance with Part 8A (coal mining); or

(16) Clause 129, page 173 (after line 10), after subparagraph (5A)(a)(i), insert:

(ia) in accordance with Part 8A (coal mining); or

(17) Clause 167, page 207 (after line 15), after subclause (2), insert:

(2A) Before 30 June 2016, the emissions-intensive trade-exposed assistance program must not provide that the extraction of coal is an activity that, under the program, is taken to be an emissions-intensive trade-exposed activity.

(18) Page 210 (after line 30), after Part 8, insert:

Part 8A—Coal Mining

Division 1—Introduction

173D Object

The object of this Part is to provide limited transitional assistance in respect of coal mining that has significant fugitive emissions of greenhouse gases.

173E Simplified outline

The following is a simplified outline of this Act:

- Free Australian emissions units may be issued in respect of coal mining that meets certain eligibility requirements.
- Free units will be issued during:
  - the financial year beginning on 1 July 2011; and
  - each of the next 4 financial years.
- The number of free units is capped.

Division 2—Issue of free Australian emissions units in respect of coal mining

173F Issue of free Australian emissions units in respect of coal mining

Scope

(1) This section applies if a certificate of entitlement to coal mining assistance is in force in respect of an eligible coal mining area for an eligible financial year.

Note: For eligible coal mining area, see section 173R.

Issue of free units

(2) As soon as practicable after the day on which the certificate was issued, the Authority must issue to the holder of the certificate a number of free Australian emissions units equal to the number specified in the certificate as the unit entitlement for that certificate.

(3) Free Australian emissions units issued in accordance with subsection (2) during an eligible financial year are to have a vintage year of the eligible financial year.

(4) The Authority must not issue a free Australian emissions unit to a person in accordance with subsection (2) unless the person has a Registry account.

Division 3—Certificate of entitlement to coal mining assistance

173G Application for certificate of entitlement to coal mining assistance

(1) During the first 4 months of:

- the eligible financial year beginning on 1 July 2011; or
- the eligible financial year beginning on 1 July 2012; or
- the eligible financial year beginning on 1 July 2013; or
- the eligible financial year beginning on 1 July 2014; or
- the eligible financial year beginning on 1 July 2015;

a person may apply to the Authority for the issue to the person of a certificate of entitlement to coal mining assistance in respect of an eligible coal mining area for the eligible financial year.
Note: For eligible coal mining area, see section 173R.

(2) An application must state that coal mining operations carried out in the eligible coal mining area are not likely to permanently cease during the eligible financial year.

(3) An application must specify the number of tonnes of saleable coal produced from coal mining operations carried out in the eligible coal mining area during the previous financial year.

173H Form of application

(1) An application must:
(a) be in writing; and
(b) be in a form approved, in writing, by the Authority; and
(c) be accompanied by such information as is specified in the regulations; and
(d) be accompanied by such documents (if any) as are specified in the regulations; and
(e) be accompanied by a prescribed report.

(2) The approved form of application may provide for verification by statutory declaration of statements in applications.

173J Further information

(1) The Authority may, by written notice given to an applicant, require the applicant to give the Authority, within the period specified in the notice, further information in connection with the application.

(2) If the applicant breaches the requirement, the Authority may, by written notice given to the applicant:
(a) refuse to consider the application; or
(b) refuse to take any action, or any further action, in relation to the application.

173K Issue of certificate of entitlement to coal mining assistance

Scope

(1) This section applies if an application under section 173G has been made for the issue of a certificate of entitlement to coal mining assistance in respect of an eligible coal mining area for an eligible financial year (the current eligible financial year).

Issue of certificate

(2) The Authority must issue a certificate of entitlement to coal mining assistance in respect of the eligible coal mining area for the current eligible financial year if:
(a) the applicant passes the coal mining control test in relation to the eligible coal mining area for the previous financial year; and
(b) throughout the previous financial year, there was a coal mining title over the area of land; and
(c) during the whole or a part of the previous financial year, coal mining operations were carried out in the whole or a part of the area of land; and
(d) if:
(i) during a period that is included in, or consists of, the previous financial year, coal mining operations carried out in the eligible coal mining area were a facility; and
(ii) a nomination is or will be required under subsection 11B(2) or 11C(2) of the National Greenhouse and Energy Reporting Act 2007 in relation to the facility for that period;

such a nomination has been made.

Note: For coal mining control test, see section 173W.
(3) A certificate of entitlement to coal mining assistance must state that a specified number is the unit entitlement in respect of the certificate.

Note: See section 173L (unit entitlement).

Transitional

(4) If:

(a) during a period that is included in, or consists of, the previous financial year, coal mining operations carried out in the eligible coal mining area were a facility; and

(b) the current eligible financial year is the eligible financial year beginning on 1 July 2011:

sections 11B and 11C of the National Greenhouse and Energy Reporting Act 2007 have effect, in relation to the facility, as if:

(c) those sections had commenced on 1 July 2010; and

(d) the financial year beginning on 1 July 2010 had been an eligible financial year.

Note: Sections 11B and 11C of the National Greenhouse and Energy Reporting Act 2007 deal with operational control of facilities.

Timing

(5) The Authority must take all reasonable steps to ensure that a decision is made on the application:

(a) if the Authority requires the applicant to give further information under subsection 173J(1) in relation to the application—within 90 days after the applicant gave the Authority the information; or

(b) otherwise—within 90 days after the application was made.

Refusal

(6) If the Authority decides to refuse to issue a certificate of entitlement to coal mining assistance, the Authority must give written notice of the decision to the applicant.

Publication of copy of certificate

(7) As soon as practicable after issuing a certificate of entitlement to coal mining assistance, the Authority must publish a copy of the certificate on its website.

173L Unit entitlement

(1) The number to be specified in a certificate of entitlement to coal mining assistance in respect of an eligible coal mining area for an eligible financial year (the current eligible financial year) as the unit entitlement in respect of the certificate is the number worked out using the following formula:

\[
0.6 \times \text{Total base period fugitive emissions numbers} \times \text{Assistance factor for the eligible coal mining area}
\]

where:

- \(0.6\) is a constant factor,
- \(\text{Total base period fugitive emissions numbers}\) means whichever is the lesser of:
  - the total of the base period fugitive emissions numbers specified in section 173R declarations made, or purportedly made, by the Authority before the start of the current eligible financial year;
  - 16,200,000.

- \(\text{Assistance factor for the eligible coal mining area}\) has the meaning given by subsection (2).

(2) For the purposes of subsection (1), the assistance factor for the eligible coal mining area is the amount worked out using the following formula:
Adjusted base period fugitive emissions intensity number for the eligible coal mining area

Relevant saleable coal number for the eligible coal mining area

\[
\text{Total adjusted base period fugitive emissions numbers} = \text{adjusted base period fugitive emissions intensity number for the eligible coal mining area} \times \text{relevant saleable coal number for the eligible coal mining area}
\]

where:

- **adjusted base period fugitive emissions intensity number for the eligible coal mining area** means the adjusted base period fugitive emissions intensity number specified in the section 173R declaration relating to the eligible coal mining area.

- **relevant saleable coal number for the eligible coal mining area** means whichever is the lesser of the following:
  
  a) the capped base period saleable coal number specified in the section 173R declaration relating to the eligible coal mining area;
  
  b) the Authority’s reasonable estimate of the total number of tonnes of saleable coal produced from coal mining operations carried out in the eligible coal mining area during the previous financial year.

- **total adjusted base period fugitive emissions numbers** means the total of the adjusted base period fugitive emissions numbers specified in section 173R declarations made, or purportedly made, by the Authority before the start of the current eligible financial year. For this purpose, disregard a section 173R declaration if a decision to make the declaration was set aside by a court or tribunal before the start of the current eligible financial year.

(3) If the number worked out using the formula in subsection (1) is not a whole number, the number is to be rounded to the nearest whole number (with a number ending in .5 being rounded up).

173M  Certificate of entitlement to coal mining assistance is not transferable

A certificate of entitlement to coal mining assistance is not transferable.

Division 4—Eligible coal mining area

173N  Application for declaration of eligible coal mining area

A person may, before 1 September 2010, apply to the Authority for the declaration of an area of land as an eligible coal mining area.

173P  Form of application

(1) An application must:

a) be in writing; and

b) be in a form approved, in writing, by the Authority; and

c) be accompanied by such information as is specified in the regulations; and

d) be accompanied by such documents (if any) as are specified in the regulations; and

e) be accompanied by a prescribed report.

(2) The approved form of application may provide for verification by statutory declaration of statements in applications.

173Q  Further information

(1) The Authority may, by written notice given to an applicant, require the applicant to give the Authority, within the period specified in the notice, further information in connection with the application.

(2) If the applicant breaches the requirement, the Authority may, by written notice given to the applicant:

a) refuse to consider the application; or

b) refuse to take any action, or any further action, in relation to the application.
173R  Declaration of eligible coal mining area

Scope

(1) This section applies if an application under section 173N has been made for a declaration of an area of land as an eligible coal mining area.

Declaration

(2) After considering the application, the Authority may, by writing, declare that the area of land is an eligible coal mining area for the purposes of this Act.

(3) A declaration under subsection (2) must:
   (a) identify, in accordance with the regulations, the area of land; and
   (b) state that a specified number is the base period fugitive emissions number in relation to the area of land; and
   (c) state that a specified number is the base period saleable coal number in relation to the area of land; and
   (d) state that a specified number is the capped base period saleable coal number in relation to the area of land; and
   (e) state that a specified number is the adjusted base period fugitive emissions intensity number in relation to the area of land; and
   (f) state that a specified number is the adjusted base period fugitive emissions number in relation to the area of land.

Note 1: The base period fugitive emissions number is worked out under section 173S.

Note 2: The adjusted base period fugitive emissions number is worked out under section 173V.

Criteria for declaration

(4) The Authority must not declare that the area of land is an eligible coal mining area unless the Authority is satisfied that:
   (a) during the whole or a part of the 2-year period beginning on 1 July 2007, coal mining operations were carried out in the whole or a part of the area of land; and
   (b) the applicant passes the coal mining control test in relation to the area of land for the financial year beginning on 1 July 2008; and
   (c) such other conditions (if any) as are specified in the regulations are satisfied.

Note: For coal mining control test, see section 173W.

Timing

(5) The Authority must take all reasonable steps to ensure that a decision is made on the application:
   (a) if the Authority requires the applicant to give further information under subsection 173Q(1) in relation to the application—within 90 days after the applicant gave the Authority the information; or
   (b) otherwise—within 90 days after the application was made.

When a declaration takes effect

(6) A declaration under subsection (2) takes effect immediately after it is made.

Notification of declaration

(7) As soon as practicable after making a declaration under subsection (2), the Authority must give a copy of the declaration to the applicant.
Publication of copy of declaration

(8) As soon as practicable after making a declaration under subsection (2), the Authority must publish a copy of the declaration on its website.

Refusal

(9) If the Authority decides to refuse to declare the area of land as an eligible coal mining area, the Authority must give written notice of the decision to the applicant.

Declaration is not legislative instrument

(10) A declaration made under subsection (2) is not a legislative instrument.

Division 5—Miscellaneous

173S Base period fugitive emissions number

For the purposes of this Act, the base period fugitive emissions number in relation to an area of land is the Authority’s reasonable estimate of the total number of tonnes of the carbon dioxide equivalence of fugitive emissions emitted from coal mining operations carried out in the area of land during the financial year beginning on 1 July 2008, calculated using the method ascertained in accordance with the regulations.

173T Base period saleable coal number

For the purposes of this Act, the base period saleable coal number in relation to an area of land is the Authority’s reasonable estimate of the total number of tonnes of saleable coal produced from coal mining operations carried out in the area of land during the financial year beginning on 1 July 2008.

173TA Capped base period saleable coal number

For the purposes of this Act, the capped base period saleable coal number in relation to an area of land is whichever is the greater of the following:

(a) the Authority’s reasonable estimate of the total number of tonnes of saleable coal produced from coal mining operations carried out in the area of land during the financial year beginning on 1 July 2007;

(b) the Authority’s reasonable estimate of the total number of tonnes of saleable coal produced from coal mining operations carried out in the area of land during the financial year beginning on 1 July 2008.

173U Adjusted base period fugitive emissions intensity number

For the purposes of this Act, the adjusted base period fugitive emissions intensity number in relation to an area of land is the number worked out using the following formula:

\[
\text{Base period fugitive emissions number for the area of land} \times 0.1
\]

Base period saleable coal number for the area of land

Note 1: The base period fugitive emissions number is worked out under section 173S.

Note 2: The base period saleable coal number is worked out under section 173T.

173V Adjusted base period fugitive emissions number

(1) For the purposes of this Act, the adjusted base period fugitive emissions number in relation to an area of land is the number worked out using the following formula:

\[
\text{Adjusted base period fugitive emissions intensity numbers for the area of land} \times \text{Capped base period saleable coal number for the area of land}
\]

Note 1: The adjusted base period fugitive emissions intensity number is worked out under section 73U.
Note 2: The capped base period saleable coal number is worked out under section 173TA.

(2) If the number worked out using the formula in subsection (1) is not a whole number, the number is to be rounded to the nearest whole number (with a number ending in .5 being rounded up).

### 173W Coal mining control test

For the purposes of this Act, a person passes the **coal mining control test** in relation to an area of land for a financial year if:

(a) if, assuming that:
   (i) at the last time in the financial year when coal mining operations were carried out in the area of land, those coal mining operations had been a facility; and
   (ii) at the last time in the financial year when coal mining operations were carried out in the area of land, greenhouse gases with a carbon dioxide equivalence of 25,000 tonnes had been emitted from those coal mining operations; and
   (iii) the financial year had been an eligible financial year;
   a controlling corporation of a group would, under section 17, be a liable entity for the financial year wholly or partly as a result of those emissions of greenhouse gases—the person is the controlling corporation; or

(b) if, assuming that:
   (i) at the last time in the financial year when coal mining operations were carried out in the area of land, those coal mining operations had been a facility; and
   (ii) at the last time in the financial year when coal mining operations were carried out in the area of land, greenhouse gases with a carbon dioxide equivalence of 25,000 tonnes had been emitted from those coal mining operations; and
   (iii) the financial year had been an eligible financial year;
   a non-group entity would, under section 18, be a liable entity for the financial year wholly or partly as a result of those emissions of greenhouse gases—the person is the non-group entity; or

(c) if, assuming that:
   (i) at the last time in the financial year when coal mining operations were carried out in the area of land, those coal mining operations had been a facility; and
   (ii) at the last time in the financial year when coal mining operations were carried out in the area of land, greenhouse gases with a carbon dioxide equivalence of 25,000 tonnes had been emitted from those coal mining operations; and
   (iii) the financial year had been an eligible financial year;
   the holder of a liability transfer certificate would, under section 19, be a liable entity for the financial year wholly or partly as a result of those emissions of greenhouse gases—the person is the holder of the liability transfer certificate.

### 173X Submerged land

For the purposes of this Part, **land** includes submerged land.

(19) Clause 273, page 357 (after line 17), after subclause (1), insert:

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Coal mining
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(1A) As soon as practicable after free Australian emissions units are issued to a person in accordance with Part 8A (coal mining), the Authority must publish on its website:
(a) the name of the person; and
(b) the total number of free Australian emissions units issued to the person; and
(c) the vintage year of the free Australian emissions units issued to the person.

(20) Clause 274, page 358 (after line 19), after paragraph (a), insert:

(aa) the total number of free Australian emissions units with a particular vintage year issued during the quarter in accordance with Part 8A (coal mining);

(21) Clause 346, page 430, after table item 27, insert:

27A A decision to refuse to issue a certificate of entitlement to coal mining assistance under section 173K.

27B A decision under subsection 173K(4) to state that a specified number is the unit entitlement in respect of a certificate of entitlement to coal mining assistance.

27C A decision to refuse to make a declaration under section 173R.

27D A decision under subsection 173R(3) to state that a specified number is the base period fugitive emissions number in relation to an area of land.

27E A decision under subsection 173R(3) to state that a specified number is the base period saleable coal number in relation to an area of land.

27F A decision under subsection 173R(3) to state that a specified number is the capped base period saleable coal number in relation to an area of land.

27G A decision under subsection 173R(3) to state that a specified number is the adjusted base period fugitive emissions intensity number in relation to an area of land.

27H A decision under subsection 173R(3) to state that a specified number is the adjusted base period fugitive emissions number in relation to an area of land.

(22) Clause 382, page 460 (after line 5), after subclause (7), insert:

Coal mining

(7A) This Act and the associated provisions also have the effect they would have if this Act provided that a person is not entitled to make an application under section 173G or 173N unless the person is:

(a) a constitutional corporation; or
(b) the Commonwealth; or
(c) an authority of the Commonwealth.

(23) Clause 386, page 462 (after line 22), at the end of the clause, add:

(3) However, to the extent to which the definition is relevant to the interpretation of Part 8A (coal mining) of this Act, the definition has effect as if:

(a) the National Greenhouse and Energy Reporting Act 2007 had commenced on 1 July 2007; and
(b) the amendments of that Act made by Part 2 of Schedule 1 to the Carbon Pollution Reduction Scheme (Consequential Amendments) Act 2009 had commenced immediately after the start of 1 July 2007.

This is a set of amendments which deal with the additional assistance to coalminers. This has been an area of some significant public discussion, some might say, and also an area of some significant negotiation time between Mr Macfarlane and I. First I would like to explain the policy issue, because I think it is always useful to understand that. I will try to be brief. Coalmines in Australia vary quite considerably in how gassy they are.

Senator Joyce interjecting—

Senator WONG—I’m sorry?

The TEMPORARY CHAIRMAN (Senator Mark Bishop)—Senator Wong, ignore the interjection.

Senator WONG—I am not sure if Senator Joyce has a question or if he is just inter-
jecting for some other reason. The reality is that for many mines the fugitive emissions are very low, so there is not a significant post impost. In fact, Mr Combet, who has been responsible for this area and who has done an outstanding job, has made the point that, for example, at a $25 carbon price up to half the mines in Australia would only face a liability of some 80c a tonne of saleable coal.

That is to get the context of this. There are a number of mines which have a very high number of fugitive emissions, so there is a genuine policy issue that needs to be dealt with in relation to those. The government had originally put forward a coal sector adjustment scheme of some $750 million to assist these gassy mines. As a result of the negotiations between the opposition and the government, we have made additional assistance available to those mines for a period of five years and we have extended the adjustment scheme from $750 million to $1.23 billion. This is to provide transitional assistance in the form of permits to the most emissions-intensive coal mines. We have also put in place a $270 million coal sector abatement fund to provide grant funding for abatement projects and capital grants with a priority for electricity generation from waste coal mine gas.

The scheme will provide free permits to the most emissions-intensive mines, which are those coal mines that have emissions above a certain threshold in relation to their tonnes of saleable coal, and, in addition, funding for abatement activities. These are amendments which have been negotiated with the opposition. We look forward to their support.

Senator MILNE (Tasmania) (1.33 pm)—The Australian Greens do not support these amendments made as part of the deal that the government and coalition have reached. In our view, the value of the mine should have incorporated the risk of a carbon price into the future. In my view, there is no justification for this whatsoever and it is hardly surprising that suddenly we find all these companies identifying the gassiest mines that they have ever had. This has been something that they have been engaged in in the last couple of years, and I do not think that this is in any way justified. Let us get back to this. Why are we doing this? Why are we embracing the idea of emissions trading? We go back to the point that we are trying to reduce global emissions. We are trying to do it because we have climate change that is being driven by fossil fuels, and coal is front and centre and at the heart of the problem we have with climate change.

An emissions trading system was one of the financial mechanisms embraced under the Kyoto protocol as a mechanism to reduce emissions, to drive transformation away from coal, away from coalmines, away from coal exports, away from coal dependence to generate power. What we have seen here from the government and the coalition is a bending over backwards to accommodate the interests of companies, which are largely multinational corporations, by playing governments all around the world off against each other as they get ready to embrace record profits.

Here we have a Prime Minister, who, on the day that the Carbon Pollution Reduction Scheme was introduced into the House of Representatives, went to the Hunter Valley to turn the first sod on the new expanding coal railway terminal to increase Australia’s coal exports threefold. This is the climate change hypocrisy that the community really struggles with. There is a lot of talk about climate action, but it is not a question of taking action—a lot of the talk that goes on is fake. It is not walking the talk, because there is not the transformation away from coal and, ultimately, that is what we have to face up to. If
we are going to do this, we have to transform ourselves away from coal, because carbon capture and storage, the long-awaited big hope in the distance that keeps getting touted, is simply a pipedream. That was confirmed to me yesterday when I asked for production of the documents relating to the sites that the government say they have identified for carbon capture and storage. We will not see that document because the sites, if they exist, will not be anywhere near adequate enough to absorb the levels of liquefied carbon dioxide that they are talking about sequestering.

Whilst this process of what to do about coalmines and gases from coalmines is going on, you have these multinational corporations suddenly taking a huge interest in just how gassy their mines are—oh my, they are so much gasser than they thought they were in the first place and now they qualify for that much more compensation.

I do not support the government’s amendments. I do not support the deal that was done with the coalition to increase the levels of compensation for the coalmining sector, which is what this deal does. It is a direct transfer of wealth, especially in the way the government and the coalition have structured this, away from the community, taking the dollars out of compensation to households and, effectively, switching it across to the coal sector. As I said at the beginning of my remarks, in my view the coal companies and coal corporations have known for a long time, as did the tobacco industry before them, that the time would come when their activity would no longer be socially acceptable or legitimate—in the case of the tobacco industry because it killed people and, in the case of the coal industry, because its emissions are also killing people because of the contribution of fossil fuels to climate change. There were more than 300,000 deaths around the world last year, and there will be many more this year, as a result of extreme weather events and so on.

I want to make it very clear that the Australian Greens do not support what is, effectively, yet another transfer of generous assistance to the very industry, a multinational industry as it operates in Australia, which is central to the problem. Profits will go overseas and, in boardrooms around the world, people will just be rubbing their hands together at the foolishness of a government that is captive to the industry that is causing the problem.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (1.39 pm)—On this occasion it is good to see that the government has recognised that coal remains our nation’s largest export. In my state of Queensland, it is our largest export. With all due respect, I do not agree with the Greens’ proposition on what the fatalities were last year by reason of some sort of association with the mining of coal. In fact, I think that is a completely unnecessary correlation that has been drawn.

Coal is the driver of the economy in Queensland. In areas such as Mackay, in seats such as Dawson and Flynn, for those in Central Queensland, now even for those in western Queensland—around Alpha—and for those in the Hunter Valley and the Illawarra, it is coal that actually puts the food on the table. It is coal that brings in those export dollars that allow these people—these working families—to have a decent income. It is working families that have spoken up loudly against the ETS. It is working families that have spoken up loudly against the ETS. It is working families that have spoken up loudly against the ETS. If you are putting my life—not my actual life but my economic life—under threat, if you are putting my house payments under threat and if you are putting my car payments under threat then you are obviously disconnected from the aspirations of working families.'
It is a statement of clear economics, as unpalatable as it may be to some, that without coal exports we will become a nation whose people take in each other’s washing. We have to work on the reality of where we have an economic advantage. I do not think anybody in Australia wants the economic advantage to be cheap wages. If you have dear power because you shut down coalmines then something has to give or the business gives. So the trade-off of cheap power is that you can have a higher level of wages. But if you want to increase the cost of power by increasing the cost of coal and shutting down coalmines then the obvious place where things will give will be in wages. Wages, comparatively, over time will have to be reduced. Otherwise the business will close down. So, in protecting cheap power, we protect a higher level of wages and a higher standard of living for the people of Australia and for the people of Queensland.

I see Senator Fierravanti-Wells here, and she would know very well about the aspirations of the people of the Illawarra and wanting to make sure we protect those. I hope Mr Combet understands the aspirations of the people in the seat of Charlton and those in the Hunter Valley. They want to stay in work; they want a job. So the coalition has been working to make sure that the exemptions are brought forward to somehow mitigate and mollify the effects of where this Carbon Pollution—I do not know why it is called pollution—Reduction Scheme has eaten into the security of these working families’ lives.

There has been a large amount of concern around the blue-collar areas of the Hunter Valley and in Central Queensland about exactly what this means. The ETS in places such as Dawson is absolute poison. They see this as one of the greatest affronts to and attacks on their standard of living that have been brought forward by a government. They had an expectation that the coalition would go in to bat for the security of the standard of living and the level of wages for people in working families.

It is also a recognition of this question: where is the evidence, right now, of something of a substantive nature that would be able to replace the economic benefit our nation gets from coal? We recognise that, because we have an abundance of coal, we do not have to have coalmines in every section of our nation. We do not have to have coalmines on prime agricultural land, because we have an abundance of coal and of alternative venues to mine coal from. But if we, in the initial stage of this bill, were to go forward and move with a process of shutting down coal then we will obviously pull the plug on Australia’s standard of living. We will be pulling the plug on the standard of living, and Australia will become a nation that has to rely on a service-based economy to spin the money around, but there will be no exports to bring the money in. We must bring the money in, and it is the mining sector and the agricultural sector that bring the money into our nation, along with tourism and the tertiary education sector.

But make no mistake about it: coal is the most substantive income earner for our nation. For the people listening to this, if we take coal out, even though you might not see a coalmine, if we take coalmining out of our economy we will all be poorer. Look around the house and see what we produce. The television is made somewhere else: made in Japan, made in Korea, made in China. The clothes you are wearing are probably made somewhere else. The electronic goods are made somewhere else. A vast number of the cars we are driving are made somewhere else. The fuel in the car probably came from somewhere else. All these things with which we surround ourselves we recognise as our standard of living, and you have got to ask
yourself this question: what goes on the boat and goes in the opposite direction to pay for all of that? Or are they sending it to us out of charity? We seem not to recognise the basic concept of economics that obviously something has to go in the other direction to sustain the standard of living even though the mechanism of that standard of living might not be apparent to us because it is in regional Australia. When we lose sight of that, we obviously hand over the keys to the standard of living that we all appreciate. No-one wants our nation to reduce its standard of living.

Let us look at the alternative course if the progression to close down coalmines was to see fruition. Do not think for one moment that Australia has all the coal in the world. Coalmines in Australia account for about four per cent of the volume. China has vastly more coal than Australia. The United States of America has vastly more coal than Australia. Mongolia now is opening up coalmines and it can land coal in China for $80 a tonne. Indonesia took 15 per cent of our coal exports. So there is a range of alternative suppliers: South Africa, Colombia. The capacity for alternative venues for coal is there. And if we keep putting costs on our coal, it is not as if they have to keep coming back to us; they will go to alternative venues. If there was a substantive downturn in the economy, China could actually become an exporter of coal rather than an importer of coal.

We have ridden through an economic crisis because our nation is blessed with a mineral resource. That is the key to our prosperity—make no mistake about it. We should be doing that in an effective manner, we should be doing that in a responsible manner. If you can do it in an environmentally responsible manner, yes, that is the way you should operate. But to move to a position where you make it economically unviable for that industry to go forward, that is the height of economic misjudgment. But it goes further than that: it is completely irresponsible. What you will be doing is removing the mechanism of our standard of wealth.

Senator Cameron—You’re irresponsible, you are an extremist on this.

Senator Joyce—It is good to see Senator Cameron in here now, because it is his side that is going to flush working families—

Senator Cameron interjecting—

The TEMPORARY CHAIRMAN (Senator Forshaw)—Senator Cameron, would you please desist from interjecting.

Senator Joyce—Senator Cameron and the Australian Labor Party are going to flush working families down the toilet. After going to an election talking about working families, easing the squeeze on working families, looking after working families, what they are about to deliver to working families is destitution. They are about to deliver destitution. They are about to shut down their jobs.

Senator Cameron interjecting—

The TEMPORARY CHAIRMAN—

Senator Fierravanti-Wells interjecting—

The TEMPORARY CHAIRMAN—Order! Senator Fierravanti-Wells, I interrupted Senator Joyce to call senators to order. Please don’t interrupt me when I do that. Would senators please allow Senator Joyce to continue his remarks, without interruption.

Senator Joyce—As I was saying, it is the working families that have been contacting our office and saying, ‘You must stop the ETS in its current form,’ because it is the working families that are going to be put aside by this ETS. It is the working families of Australia that are now contacting the Labor Party and saying, ‘What are you doing to us?’ The Labor Party are going to get rid of the working families that put them into power. They are going to be put aside for the
green movement. That is what the Australian Labor Party have done for working families. They talk about easing the squeeze, but the Labor Party are easing them out of their jobs, out of their homes and out of their standard of living. They are easing working families away from any semblance of the economic conditions they have grown used to. They do not want working families to have the capacity to earn a decent wage. They do not want working families to bring home a decent living. They have got a problem with working families and with blue-collar workers earning up to $100,000.

Senator Wong—Mr Temporary Chairman, on a point of order: I wonder if Senator Joyce could remind us which way he voted on Work Choices?

The TEMPORARY CHAIRMAN—Minister, that is not a point of order. Can senators ease up on the interjections.

Senator JOYCE—It is the National Party and the Liberal Party that have had to go into bat for working families to make sure that their jobs are secure, to make sure the jobs in the Hunter Valley, in the Illawarra, in Dawson and in Flynn are secure. It is the National Party and the Liberal Party that are going to make sure that people in Dawson understand all about what the Labor Party were going to do for working families. It is the Liberal Party and the National Party that are going to do for working families. It is the Liberal Party and the National Party that will let the people of Flynn know what the Labor Party were going to do for working families, and we will be telling them in the Hunter Valley what the Labor Party were going to do for working families. What they were going to do for working families is put them out of work. These amendments try to mitigate and mollify the onerous effects of this ridiculous piece of legislation that was going to put at risk our whole economy, our major exports, cheap power and high wages. That is what the Labor Party was going to do for working families and that is why we have had to stand in here today and go into bat for working families. If we do not go into bat for working families, then no-one will. If we do not go and try to protect the wages of—

Senator Wong—Mr Temporary Chairman, on a point of order: I wonder if you could remind Senator Joyce that we are actually discussing a government amendment.

The TEMPORARY CHAIRMAN—There is no point of order.

Senator JOYCE—This amendment has been brought about by the hard work of such people as the member for Groom. It is the member for Groom who had to go into bat for working families to bring about these amendments. It was the Liberal Party and the National Party that had to go into bat to get this amendment for working families. The Labor Party were not going to look after working families; they were going to look after footpaths around duck ponds. They had working families going into green jobs, but we never seem to meet these people in green jobs. Where do these people live? The coalition have pursued amendments such as these to bring about a better outcome for working families, and we will pursue the issue of how we stood up for working families while you deserted them all the way to the election.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.53 pm)—What a tirade, not for working families but for a change in the Liberal leadership. That was simply a 20-minute filibuster towards getting no result out of this chamber. I will be briefer and I will be much more to the point. We have just heard from Senator Joyce, the leader of the coal part of the coalition party. The National Party have become the purveyors of the interests of the coalmining corporations and, as such, are against the interests of farming Australians and working families right across rural and regional Aus-
tralia. They have lost the plot. What we have here is an amendment to a government proposal that $500 million of Australian people’s money, on top of billions more, go to the coal corporations, not to working families. It has been amended through the efforts of Senator Joyce and his colleagues to $1.23 billion. That is an extra $730 million going to the coal corporations, not to working families at all. These are the same parts of the mining industry that shed 3,000 jobs during the downturn in the last 12 months and we have heard not a squeak out of the National Party. But, when restructuring is required, what does the National Party do? It goes to the coal corporations. It has worked out a deal for $1.23 billion, on top of billions more, to go to the coal corporations. It is foreign corporations that the National Party is shoring up, so 75 per cent of the profits will go outside the country.

Senator Ian Macdonald—You’re not being racist about this, are you?

Senator BOB BROWN—Senator Macdonald, if you want to take the part of the coal corporations, you get up and do it yourself. I have heard you, of course, right onto that. Here we have Queensland archconservative senators going into bat for the big corporations as they build up their coalmining and export operations, which, if they are carried to current planning fruition, will take more taxpayer dollars for infrastructure and will export so much coal to be burnt overseas that it will double Australia’s greenhouse gas emissions. We are already the biggest per capita polluters in the world, after 12 years of the Howard government substantially transferring money to the big end of town at the expense of average Australians. That was the biggest gap widener. Look at CEO salaries, for example.

Through this deal before this chamber this afternoon—thanks to Senator Joyce, the National Party and the Liberals inside and outside this chamber—$6 billion is being taken out of Australian households from what Labor had already proposed, which was heavily weighted towards the corporations. The big polluters are getting an extra $7 billion in their kitty. The money, by its billions, is being transferred from the very working Australians that Senator Joyce is talking about across to the big corporations. And he has the hide to get up in here and say he is working for working Australians.

Let us look at some of the figures. There are 30,000 jobs in the coalmining industry. Those jobs need to be looked after as we transition the economy, and the Greens provide for that. We will create tens of thousands of jobs simply through retrofitting every household in Australia with renewable energy, which will lower their power bills. But here we see the jobs of the coalmining industry being spoken of as needing shoring up with public largesse while 63,000 jobs on the Great Barrier Reef, which is threatened with death by midcentury, and the $5.6 billion of turnover are threatened. Largely, it is small businesses in Queensland that are dependent on the Great Barrier Reef for tourism, fishing and other pursuits. What are the National Party and the conservatives of the Labor Party in Queensland doing? They are threatening all those jobs, they want to export more coal, they want to pollute the atmosphere at an even greater rate and they want to bring on climate change faster—and they want that subsidised with public money! They want to take money out of the households of Australia and transfer it to the big corporations.

What an extraordinary failure the National Party has become when it comes to rural interests. Senator Wong yesterday told the chamber that the current predictions on climate change will reduce the productivity of the great food bowl of Australia, the Murray-
Darling Basin, by 90 per cent later this century if projections keep going the way they are. There are 128,000 jobs in the Murray-Darling Basin, and a lot of those are in Queensland. What do the National Party and the conservatives in the Liberals, like Senator Macdonald, want to do? Transfer billions to the big corporations in the coal industry to have it ramp up its operations. Talk about supporting families, farmers and the working people of Australia!

This package is dudding the working people of Australia. It fails to take up the new direction for a job-rich economy that we could have if we went to renewable energy, if we had fast, efficient public transport, if we looked after our natural assets and if we got behind the par excellence researchers and innovators in this country. Instead of that we saw under National Party and Liberal Party Howard years the transfer of our solar technology to Berlin, Beijing and California, and the stripping of billions of dollars from those renewable energies which can help save the economy, our jobs and this planet so that the coal corporations got more to, for example, search for so-called clean coal, which we know is decades away and is not going to protect one job.

Senator Joyce has the hide to say he is for working families. As Senator Wong quite correctly interjected, where was he when Work Choices was stripping the rights from working families right across this country? He was voting for it and promoting even more the big corporations!

Honourable senators interjecting—

The TEMPORARY CHAIRMAN (Senator Forshaw)—Order! Senator Brown, just one moment.

Senator Cameron interjecting—

The TEMPORARY CHAIRMAN—Senator Cameron, I am addressing the chamber!
five years, which should be going to working families, which should be—

Senator McGauran—I thought I heard you say 24 billion.

Senator BOB BROWN—I am just saying that is part of the increase of multiple billions of dollars, which you negotiated, stripped out of the Australian household sector—

Senator McGauran interjecting—

Senator BOB BROWN—5.7 billion—

The TEMPORARY CHAIRMAN—Order! Please direct your remarks through the chair, Senator Brown.

Senator BOB BROWN—Thank you, Chair; I am just explaining to the honourable senator his role in ripping $6 billion out of the household sector and putting it across to the polluters. That is in this package and everybody knows it. And you can argue what you like, but that is the influence of the coal industry against the influence of the average Australian. And the Greens are not going to support that sort of process from this coalition, spelt c-o-a-l-i-t-i-o-n. It is ‘coal’ at the front, it is coal oriented, it is coal corporation largesse that we are talking about here, and, amongst other things, it is an absolute travesty of good economic principle.

How could you come up with a solution which says, ‘We will give extra reward to the very problem here’—that is, the people creating the pollution? If half of this money was going into renewable energy, if we did not have the Mildura solar plant headed for bankruptcy and not going to go ahead while billions are being poured into these big—and I say it again—largely foreign owned coal corporations to extend their operations and pollute the atmosphere, then we would think that common sense had prevailed; far from it. We Greens are going to continue to argue for an economic renewal that begins at household level, that begins with fostering all of those skills that Australians can so readily apply to a new age of research and development, manufacturing, application, and with that, as the Germans have shown, create a multibillion dollar export industry. That is where we should be going, that is what common sense dictates, that is what the world’s best economic thinkers are talking about, not just environmentalists, and that is what this legislation should incorporate. If the government had negotiated with the Greens instead of going into this pact with the coalition, we would be getting somewhere here today. We would be setting Australia on a new economic pathway which gave it an assured job-rich future. Instead of that, we get this polluters-paid multibillion dollar package going in the wrong direction. We will not be supporting it.

Senator WILLIAMS (New South Wales) (2.05 pm)—I would just like to make some comments in relation to how peaceful the chamber was before Senator Cameron arrived, Chair.

Senator Ian Macdonald—We were actually making some progress.

The TEMPORARY CHAIRMAN (Senator Forshaw)—Order! I want to make something clear so that senators understand. Quite a number of you jumped, I noticed, at that point and I think that some felt that they should have been given the call. The normal procedure is to go from one side of the chamber to the other. We just had Senator Bob Brown speaking from the Greens and Senator Williams certainly indicated earlier that he would most likely be the next speaker for the opposition.

Senator WILLIAMS—Thank you, Chair. Senator Milne points out that during the year 300,000 people passed away because of climate change and heat. I just question how many of our elderly people are actually
saved because of air conditioning. I have an elderly mother, almost 91 years old, in a magnificent facility at McLean Retirement Village in Inverell. It is air conditioned, and guess where the electricity comes from. It comes from a coal-fired power station. So if what Senator Milne says is correct, that 300,000 people around the world died because of global warming over the last 12 months, how many were saved? How many lives were saved because of electricity generated air conditioning?

We have a situation here where the Greens are against anything that goes ahead as far as productivity. We have got China importing 34 million tonnes of coal a year, so the Greens’ attitude is: shut Australia down, shut the industries down, do away with the jobs, let us all go and live in the Garden of Eden, eat from any apple tree—man marries man, woman marries woman—and let us just go to Rafferty’s rules. That is their attitude, and, frankly, I am getting fed up with it.

Honourable senators interjecting—

The TEMPORARY CHAIRMAN—Order, Senators, order, please!

Senator WILLIAMS—The point I make is this: you are not going to stop coal being burnt overnight and, if Australia does not export it, then they will purchase coal imported from other countries around the world. The Greens have this attitude: no, let us shut everything down, don’t help our coal industry and put people out of work.

Then what do they do? They talk about the environment and the greenhouse gases. I keep bringing the point up about national parks and the Greens having so much influence over the Labor Party and they are shutting up our nation into national parks. Don’t worry about managing them. Let them burn. Kill the animals. Kill the trees, and put all the greenhouse gases into the atmosphere. There were 90 million tonnes of greenhouse gases put into the atmosphere from the Black Saturday fires this year. This is what they call environmental management.

This is an amendment that at least saves some jobs and saves some industries, and if we do not export the coal around the world those countries will import it from other countries. This is simply shutting down Australia’s economy.

Senator FIELDING (Victoria—Leader of the Family First Party) (2.08 pm)—

Thanks, Chair, and thanks for the explanation before. I appreciated it. I think that Senator Wong must be scratching her head here a bit. We have got an amendment that has been negotiated with the coalition and the negotiations for this particular amendment, for coalmining, which will help them out, were negotiated because the coalition wanted to reach an agreement before Copenhagen.

The Nationals were part of that deal and it is outrageous, if you listen to Senator Joyce’s comments, to say now, ‘This is bad news.’ Where were they, if they have got such a power around the shadow cabinet table? Where were they in looking after ordinary Australians—farmers, butchers, bakers—when they gave the coalition a green light to pass this legislation before Copenhagen? So Minister Wong must be scratching her head. She thought they had a deal. The Nationals and the Liberal Party agreed to pass this before Copenhagen. Now they stand here and say that they do not like that deal anymore. How can you walk both sides of the street? She must be scratching her head. You sold out months ago when you agreed for the coalition to negotiate with Labor before Copenhagen.

It is reckless to have Australia committed to targets before we know what the rest of the world is doing. It was reckless of the coalition, it was reckless of the National Party, it
was reckless of the Liberal Party to agree to sit down and negotiate an agreement before Copenhagen. But you cannot have it both ways. You cannot stand here today and say you are not happy and frustrate the government when you agreed with them to pass the legislation before Copenhagen. It is absolutely outrageous that you stand here today and say that you are not happy. You gave the government the green light to negotiate a deal on the Carbon Pollution Reduction Scheme before Copenhagen—and they surprised you, they agreed to what you wanted, and now you are not happy. You agreed to negotiate with these people.

Senator Joyce—Mr Temporary Chairman, on a point of order: that is misleading. The National Party never agreed to the ETS.

The TEMPORARY CHAIRMAN (Senator Forshaw)—That is not a point of order, it is a debating point. Senator Fielding, would you please direct your remarks through the chair and not directly to the other senators.

Senator FIELDING—The Liberals and the Nationals are in coalition. I have not seen the Nationals walk out of the coalition; they are still in it. They are quite happy to agree to allow the coalition to negotiate an agreement, but now they are backing out of the agreement. You should have not agreed to it before Copenhagen. You should have made it quite clear that you are not agreeing to an emissions trading scheme before Copenhagen. But you did not.

Senator Joyce—We didn’t agree to emissions trading.

Senator FIELDING—You obviously did agree—and it is wrong, and now you are backing out of it. I will support this amendment because it goes some way towards making something that is bad a little bit better. But it is outrageous for the Nationals to think they can come in here and pretend that they did not actually agree to passing the Carbon Pollution Reduction Scheme before Copenhagen when quite clearly they did.

Senator ABETZ (Tasmania) (2.12 pm)—Senator Fielding’s contribution was interesting and would have had some validity if it was in fact correct. Can I put on the record that the coalition said—

Senator Cameron interjecting—

Senator ABETZ—It is interesting how those on the opposite side never want to know what the actual facts are. When they think they are going to get some facts the interjections start rolling.

Senator Cameron interjecting—

The TEMPORARY CHAIRMAN—Senator Cameron, would you please stop interjecting.

Senator ABETZ—Thank you, Mr Temporary Chairman. What Senator Fielding said may have had some validity if it was in fact correct. Can I indicate to the Senate and, through it, the Australian people that what the coalition agreed to do was to discuss with the government opportunities to amend the legislation where common ground may be found. We said we would see where there was common ground. After that, and at all times, it was always subject to final party room approval. The reality is that the contributions in the party room indicated that there was not support for this deal to go through. That is the reality. So I simply say to Senator Fielding that the negotiations were entered into in good faith and conducted in good faith—and might I add that there were no leaks from the coalition side during the negotiations. There were no leaks from Mr Rudd’s office in relation to the concession on agriculture—a very good and important concession, but one which I think would have been and should have been made anyway, so it was not really such a big deal.
But they were the ones that leaked and breached the good faith negotiations. The
good faith negotiations were always subject
to final approval of the party room. It is my
view that that party room approval was not
given, so I do not want the situation to be—

Senator Cameron interjecting—

The TEMPORARY CHAIRMAN—
Order! Senator Cameron.

Senator ABETZ—Can you imagine how
Trades Hall would have operated in New
South Wales with Senator Cameron?

Senator Fielding—It would have been a
rabble.

Senator ABETZ—Senator Fielding, I
hear what you say. Under normal circum-
stances I would accept your contributions but
I thought the public record—

Senator McGauran interjecting—

The TEMPORARY CHAIRMAN—
Order!

Senator McGauran interjecting—

The TEMPORARY CHAIRMAN—
Order! Senator McGauran! You have been in
this Senate a long time and you know that it
is extremely disorderly to interrupt the chair
when they are speaking. I appreciate that
there are a lot of strongly held views on this
but I have called senators to order. Senator
Abetz has the floor. In particular, you should
not interrupt your own side.

Senator McGauran—I apologise, Mr
Temporary Chair. Can I give you a long and
detailed apology?

The TEMPORARY CHAIRMAN—No, I
think you have achieved your purpose. I
would not go any further. Minister?

Senator WONG (South Australia—
Minister for Climate Change and Water)
(2.16 pm)—Senator McGauran, this is the
federal Senate, not some sort of playground.
I thank the Senate for the courtesy. I think
Senator Abetz had the call. I actually might
have missed what he said. I think he just as-
serted that the Liberal party room did not
support the deal.

Senator Ian Macdonald interjecting—

Senator WONG—I think the public,
Senator Macdonald, if I may suggest it, have
a right to know if that is the case. Because
that is not—

The TEMPORARY CHAIRMAN—
There is a point of order before the chair. I
am about to rule—

Senator McGauran interjecting—

The TEMPORARY CHAIRMAN—
Order! Senator McGauran! Minister—I gave
you the call because I understood you were
taking a point of order. There is no point of
order. I think you were asking a question
directly to Senator Abetz, and I understood
that you may have been indicating that be-
cause of the noise in the chamber that you
did not actually hear, but it is still not a point
of order.

Senator Ian Macdonald—I think you are
getting around the point of order I was going
to make, and that is that Senator Abetz was
speaking and the minister cannot just butt in
and say what she likes.

The TEMPORARY CHAIRMAN—The
minister rose, and I understood she was ris-
ing on a point of order. I understood that the
point of order she may have been raising was
to draw attention to the fact that she could
not actually hear. But there is no point of
order with regard to the question she was
directing to Senator Abetz. Let us get back to
it all—Senator Abetz, you have the call.

Senator Abetz—I had finished.

The TEMPORARY CHAIRMAN—
Minister, you have the call.

Senator WONG (South Australia—
Minister for Climate Change and Water)
(2.18 pm)—There is a lot of noise in the
chamber from different people today on this issue. This is one of the amendments we negotiated with the opposition, reflecting their desire for additional assistance to coal mines. I have already outlined the rationale for that. We have had some extraordinary contributions in this debate—some quite extreme contributions if I may say so—but I do not propose to return to the content of those.

I do, however, ask for clarification from the opposition front benchers—or, at least, those acting in the role of front bencher at the moment—the Leader of the Opposition has made it clear publicly to the Australian people that the opposition accepted the agreement that had been negotiated. That is what the leader of the Liberal Party has said to the Australian people and to the government. I understood Senator Abetz came in here—and if I am wrong, I would invite him to correct me now—and said to the chamber that the agreement was not accepted by the party room.

Senator Eggleston—Correct.

Senator Wong—If that is the new position of the opposition they should first confirm that—and I will take Senator Eggleston’s interjection who says, ‘Correct’—because what they are asserting is either that somebody is lying or, and I suggest this is more likely, that they are so divided on this issue that the only way in which they can avoid taking action on climate change is to do two things: one is to seek to bring down a leader and the second is to pretend that they did not negotiate an agreement. If they take the latter path, everybody in this country will know that they have done that and they have shown they are not men and women of their word and that they are only walking away from this agreement because there are some in the Liberal Party who do not like it. Frankly, I think that is deeply concerning. People are entitled within their parties—and we have had disagreements on our side—

Senator Ian Macdonald—Mr Temporary Chairman, a point of order on relevance: I wonder if you could draw the minister’s attention to the amendment before the chamber, which many of us want to question the minister about. The minister moralising and lecturing on morals and honour is not part of the amendment.

The TEMPORARY CHAIRMAN—There is no point of order and the minister has the call.

Senator Wong—I think we have been in committee for some 15 hours. I invite any Australian—and I would not impose this on them because that would be more than most people could bear—to consider the Hansard and consider how relevant this—

Senator Ian Macdonald—Sit down and I’ll ask you a question.

The TEMPORARY CHAIRMAN—Order! Senator Macdonald, the minister has the call. There have been quite a number of speakers from the opposition and other parties since these government amendments were moved.

Senator Wong—as I was saying, I invite anyone to consider the debate to date and consider how irrelevant an enormous number of the contributions from the opposition have been. They have been from members of the opposition who have made it very clear publicly that they cannot stomach the course that their party room agreed to and that their shadow cabinet agreed to, and they have chosen to delay consideration, delay voting in this chamber, long enough for them to engage in the internal political battle within the Liberal Party. Senator Macdonald can come in here and bluster all he likes about asking questions but, in the context of the contributions we have just heard from the coalition, to rise to suggest that I should be
more relevant is hypocrisy in the extreme. I think most people know that.

I say again that, if Senator Abetz is now coming in here trying to weasel out of an agreement negotiated in good faith between the government, his appointed negotiator Mr Macfarlane, the member for Groom, and the Leader of the Opposition, which was endorsed by the shadow cabinet and the party room, I think every Australian will understand he is weaselling out of that because he does not agree. That is the reality and, if he is seeking to leave the chamber now, I remind him I invited him to clarify whether it is the case. Either somebody did not tell the truth—

Senator Cameron—Gone to get some advice from Godwin. There might be an email waiting for you!

The TEMPORARY CHAIRMAN—Order! Senator Cameron, your own minister is on her feet.

Senator Joyce—On a point of order, Mr Temporary Chairman: I have heard more from Senator Cameron than from most of the speakers, yet he has never had the call to speak.

The TEMPORARY CHAIRMAN—Senator Joyce, that is not a point of order. Minister, you still have the call.

Senator WONG—The amendment before the chamber—and this is why discussion on the agreement and the position of the Liberal Party is germane—is what was negotiated with the opposition. This is one of the amendments that was negotiated, so I think it is, frankly, quite extraordinary that at quarter past two—

Senator Ian Macdonald—Would you sit down and let us ask you a question?

Senator WONG—Senator Macdonald, maybe you can tell women to be quiet where you come from but not in this place.

Senator Joyce—Mr Speaker, on a point of order: it is 2.25 pm.

The TEMPORARY CHAIRMAN—Senator Joyce, there are also certain standing orders that relate to inappropriate points of order. Let us just move on.

Senator WONG—Senator Joyce, I am perfectly capable of reading a clock. That may—

Senator Joyce—Apparently not.

Senator WONG—Let me finish, Senator Joyce. For Senator Abetz to now come in here, on the Friday, after this agreement has been negotiated over a number weeks, has gone to your shadow cabinet, has gone to your party room and has been endorsed by your party room, after the number of hours we have been debating in this chamber, I think will be and should be seen as nothing other than a weasel act—as you backing away from an agreement that you and your representatives made because you do not like it. That is what we have seen today. I note that no shadow minister has risen to suggest that I am wrong about what has occurred.

We know what is happening inside the Liberal Party. We know, regrettably, that it appears that people with certain extreme views have been prepared to publicly show extraordinary disloyalty to their party and their leader because they do not like the position of the majority of their party room. That is a matter for them. People will judge them on that. In politics, as in life, if you reach an agreement—

Senator Bernardi—A high priestess lesson.

Senator WONG—I will take that interjection. Senator Bernardi just called me a high priestess. I find it extraordinary in this debate that those who oppose action on climate change accuse the rest of us of zealotry and extremism, and yet these are the words
that they use to describe us: Senator Bernardi calls me a high priestess and Senator Bushby has accused me of wanting to burn people at the stake. These are ridiculous propositions. These are the sorts of comments which are made by those on the other side who want to avoid action on climate change, and who clearly will do and say anything to achieve that end. They are seeking to tear down their leader. They are prepared to destroy their party. They are prepared to come in here and change what they told the Australian people by saying: ‘Actually, we didn’t agree. I know we said we did but, oops, we don’t like it and so now we don’t agree’.

I do not think anyone will be fooled by this. People will see this exactly for what it is: backtracking from an agreement because you do not like it, tearing down a leader because you do not like the agreement that was made and being prepared to destroy your party because you will do and say anything to avoid taking action on climate change. The reality is that there was an agreement, and no amount of weasel words now will change that fact, and you will have shown yourselves not to be men and women of your word.

Senator IAN MACDONALD (Queensland) (2.29 pm)—I actually want this debate to move on, but we have just had 13 minutes of prevarication and filibustering by the minister, lecturing people about morals—and she wants to have a look at the morals of her own party when it comes to these things—and giving a completely political speech. She was not in any way attempting to get on with the issues before us. I know that many on our side want to ask questions of the minister, but we cannot get the call because she gets up and filibusters and talks politics while we want to address the legislation before the chamber. I know that all of my colleagues on this side want to get on with it. I know that they, like me, want to keep their contributions as short as possible—two, three or four minutes. I might point out that the last two coalition speakers, Senator Williams and Senator Abetz, spoke for about three minutes each. They were followed by a 15-minute tirade on politics from the minister. I am appealing to my side to keep our questions short.

This is a very important issue. As Senator Joyce pointed out, I come from North Queensland where most of these coalmines are. Many of these coalminers are friends of mine. They have not seen Senator Cameron or his union mates, not for years. They come to me, to Senator Joyce and to other Queensland senators, appealing for someone to help them keep their jobs, keep their homes and remain able to pay their mortgages. That is what we are doing here and that is why I am very pleased that the coalition—

Government senators interjecting—

The TEMPORARY CHAIRMAN (Senator Forshaw)—Order! Order. Senator Macdonald! Order, Senator Cameron! When I call ‘Order!’, or when any acting chair or chair calls ‘Order!’, all senators know they should immediately cease interjecting or whatever else they are saying.

Senator IAN MACDONALD—We are very pleased that, as a result of the coalition’s intervention, something has been done to try and save the jobs of those in the coalmines. That is particularly important. It would never have happened had the Labor Party been left to their own devices, but, as a result of pressure from the coalition and from Senator Fielding and Senator Xenophon on the cross-benches as well, there is, in the amendments we are now debating, some relief for coalmines.

With those preliminary remarks, I would like to ask the minister some questions. As I understand it, the total assistance has doubled to $1.5 billion and, in addition to that,
there is a further $1.23 billion over five years to assist the 24 gassy mines, as we refer to them. I would like the minister’s confirmation of that. I would also like the minister to confirm that this gives an effective 60 per cent assistance rate to the coalmines. As I understand it, however, other mining industries are getting 94.5 per cent. I wonder if the minister can explain to the Senate what the difference is.

While I am on my feet, in order to get all my questions over in the four or five minutes that I have confined myself to, I will ask one more question. I understand there is an additional $270 million in matched funds for industry investment in abatement technologies. I was in Townsville this time last week — very pleasant; much more pleasant than here, I might say — where I saw the launch of the new MBD technology at James Cook University. This is based on the good idea of getting CO2 emissions from powerhouses and coalmines, putting them through water, creating algae and, from that, making biodiesel, stock food and oil that can go into plastics. Is that the sort of thing that will be funded? How will it be funded through this additional $270 million?

I am sorry, Minister; there are a few questions there. I have kept them as short as I can. I do not want to elaborate because I do want this chamber to get on with the amendments before us, many of which those on this side fought hard for in order to do a better deal for those up in the Bowen Basin coalmines and in other coalmining industries — the people that senators on this side, clearly, increasingly represent.

*Government senators interjecting* —

**The TEMPORARY CHAIRMAN** *(Senator Forshaw)* — Order! The minister has the call, then Senator Fielding.

**Senator WONG** *(South Australia — Minister for Climate Change and Water)* (2.35 pm) — I am happy to answer Senator Macdonald’s questions. I have actually gone through these in response to some of your colleagues, with the exception, of course, of the biodiesel question.

Quantum is made clear in the document of offer which was provided to your party room on Tuesday. The assistance is a total of $1.5 billion. This is on page 10 of the document; we provided 100 copies, I think, to your party room to—

**Senator Ian Macdonald** — Where is it in the bill? That is what I’m getting at.

**Senator WONG** — This is the amendment which has been proposed to give effect to the commitment.

**Senator Ian Macdonald** — If you would just point out where it is—

**Senator WONG** — BE201, in the amendments which have been circulated in the chamber. We have been discussing them for some two or three hours now.

**Senator Ian Macdonald** — Carry on.

Honourable senators interjecting —

**Senator Ian Macdonald** — There was a pregnant pause; I thought you were waiting for me to find the document.

**The TEMPORARY CHAIRMAN** — Order! The minister has the call. It would be helpful if we had one person speaking at a time. The minister has the call and is responding to Senator Macdonald’s question.

**Senator WONG** — It is at page 10 of the document of offer, which you were provided with on Tuesday. The total quantum is $1.5
billion; $1.23 billion of which is transitional assistance and $270 million of which is an abatement fund to provide grant funding for abatement projects and capital grants with a priority for electricity generation from waste coalmine gas.

The $1.23 billion will be provided in the form of permits. It will, essentially, offset a proportion of the impost on mines resulting from a carbon price. I think you were out of the chamber, but I indicated that one of the issues with coalmines is that there is a very significant variation in the amount of fugitive emissions that are produced or that exist at particular mines. This is reflected by the fact that at a $25 carbon price the median impact—that is, the amount that up to half of coalmines in Australia would pay—is actually only 80 cents a tonne of saleable coal. However, there are mines at the more gassy end where there is a much more significant impost. The way in which we propose, after agreement with the opposition, to allocate these is to provide the assistance above a certain level of emissions intensity and to provide 9.72 million permits. This pool of permits is equal to around 60 per cent of the fugitive emissions from gassy mines from 2008-09, and I am advised that this assistance will mean that fugitive emission carbon liability for the most emissions-intensive of these mines—at the top end of the scale—would be reduced by about 75 per cent—for example, from around $20 per tonne of saleable coal to around $5 per tonne of saleable coal if you assume a $25 carbon price.

I am not sure I can answer in relation to biodiesel, but that is obviously one method of trying to reduce the liability from a mine; another is to utilise the methane for power generation. The objective is to try to encourage, where it is possible, abatement—that is, a reduction in emissions from these mines. Part of that is the carbon price and part of it, also, has been through the renewable energy target: the use of waste coalmine gas being allowed a proportion above the renewable energy target by being eligible for renewable energy certificates up to a certain point.

Senator FIELDING  (Victoria—Leader of the Family First Party) (2.39 pm)—I am trying to get back to the issue that I raised originally. About half an hour ago, Senator Abetz dropped a bombshell in this chamber. I have had numerous discussions with people from the opposition and they have told me that they cannot support a motion I put before this chamber to make sure that no vote on this CPRS can be made until February next year because of the agreement that we should wait until Copenhagen.

I was told on numerous occasions that the coalition party room had agreed to pass the Carbon Pollution Reduction Scheme this week or next week in order to have it done. So I cannot understand how Senator Abetz can come here today and say that is not what the party room agreed. That is the problem that I have got here. I was making my statements on the basis that Mr Turnbull had quite clearly said that the party room had made that decision—he took it, but he made it for the party room. Over the past couple of days, excuses have been made about coalition senators not being able to cross the floor because the party room would not allow them to.

You cannot have it both ways. I am scratching my head. They had an agreement with Labor, they said they would get it through and now they are backing out of it. I think it is wrong to agree, by the way, but you cannot come in here now and say, as Senator Abetz did, ‘It’s not party room policy.’ If it’s not, why didn’t you cross the floor with me and make sure of the vote?

Opposition senators interjecting—

Senator FIELDING—No, all of you, because the rest of you said that you could not
do it because of party room policy. I do not understand it. There is something horribly wrong when Senator Abetz can come in here and say, ‘It’s not party room policy,’ and then use the excuse of not being able to cross the floor. You cannot have it both ways. It is wrong. It is absolutely wrong. Someone is lying. What has the party room agreed to?

Senator Joyce—Mr Temporary Chairman, I rise on a point of order: it goes to the statement by Senator Fielding that someone is lying. Might I remind Senator Fielding that, on relevance, he should be referring himself to sheet BE201 and the amendment that is before the chamber. His discussion so far has been on his insinuations about and aspirations for and determinations on internal politics.

The TEMPORARY CHAIRMAN (Senator Ryan)—Senator Joyce, that is a debating point, not a point of order. Senator Fielding, please continue.

Senator FIELDING—I have been listening to this debate throughout, and frankly there have been a few times when the coalition have strayed way off the debate. This amendment has been agreed to by the coalition. The coalition agreed to these amendments on the basis of passing the Carbon Pollution Reduction Scheme before Copenhagen. That is what has been put out to the public.

Senator Abetz dropped a bombshell in here half an hour ago, saying that that is not the policy of the party. That is outrageous. Someone—it is either Mr Turnbull or Senator Abetz—is obviously lying. Something is horribly wrong here. This is a serious issue. We are talking about a multibillion dollar tax and they do not even know what they have agreed to. Has the party agreed to it or has it not? It is outrageous. This is what I was told was agreed to, and people have not been able to cross the floor because it was party policy and an agreement had been made.

Who knows? On Monday you may very well agree to what I put forward and which you refused to agree to two days ago—to put it through to a Senate inquiry and come back in February, after independent experts and the public have had a chance to really think about this. The cost of this has only been put in the newspapers very recently. The public are getting their heads around this and the mood is changing—around the globe it is changing. But I find it absolutely amazing that someone can come in here, very quietly, and make a very short, precise and measured statement that it is no longer the coalition party position to back the Carbon Pollution Reduction Scheme and this agreement they have made.

Senator Joyce—Mr Temporary Chairman, I rise a point of order: I have been listening to Senator Fielding now for five minutes, and for the life of me I cannot work out whether or not he is supporting the amendment, because nothing in his speech refers to the amendment.

The TEMPORARY CHAIRMAN—Senator Joyce, that is not a point of order. Please continue, Senator Fielding.

Senator FIELDING—This amendment was probably one of the first to be agreed to by the opposition and it was the party position until half an hour ago. Now, all of a sudden, it is not the party’s position. This is an important point because it goes to the heart of all the others. It sounds as though they have not agreed to anything—absolutely nothing has been agreed to. The Australian public may like that position, but sure as heck you have confused them. You have lost your economic credibility because you did agree to go through with this and now I think you have lost any credibility because you do not know what you are doing. You came in
here half an hour ago with a short statement saying that this is no longer party policy. Then why do you not vote today for a Senate inquiry? Let us move to have this come out of the committee stage and go into a proper Senate inquiry process, to come back in February for an informed debate, rather than just two days or a few hours debating the proposed amendments—which you agreed to and now you do not agree to; it is confusing. Let us do the right thing. Let us not muck around here any longer. I am not moving it; I am saying why do we not just report progress? Why do we not just report progress? Why do we not have a motion which says, ‘Let’s send this to a Senate inquiry and come back in February, rather than wasting greenhouse gases by flying up here next week.’ That is what you are going to agree to on Monday. Why wait until Monday? Because you do not have the guts to do it today. Quite clearly it is not party policy anymore. You should be able to do it now. Do not waste taxpayers’ money by flying up here next week. Let us get on with a proper Senate inquiry and come back in February to look at it then.

Senator Joyce—Mr Temporary Chairman, I rise on a point of order. Another three minutes later, Senator Fielding still has not quite worked out whether or not he is in support of the amendment. Maybe he will get to it.

Senator FIELDING—I made it quite clear that I am supporting the amendment.

The TEMPORARY CHAIRMAN—There is no point of order, Senator Joyce.

Senator FIELDING—Realistically, the public know that this is a sham. They know what is happening here. You are filibustering today a bit—you are, just to get to Monday so that you can make it safe. It is just wrong. Have the guts to do it today. Have some gumption to do what Senator Abetz was saying—that it is no longer party policy to support this legislation before Copenhagen. Let us get on with it. Send it to a Senate inquiry, then come back in February to have a proper, informed vote.

Senator McGAURAN (Victoria) (2.47 pm)—It must be Friday! Senator Cameron—he is not now in the chamber—is not doing the cause of the government any good. Quite frankly, anyone who looks at the Hansard will see that he has delayed this bill and done your cause no good at all with all his interjections, yet he will not stand up to speak on the matter. He will not even ask a question on the matter. In honour of him leaving the chamber, I am going to go straight to the nub of a question I have. I would love to talk about the coal industry, as my colleagues have, and talk about the workers’ jobs and how they are now totally insecure. To go straight to a question on the coal industry, I refer the minister to evidence given before the Select Committee on Climate Policy looking into the CPRS by Mr Ralph Hillman, Executive Director of the Australian Coal Association:

So out of the $5 billion that the coal industry will pay to the government in permits under the current proposals—

Then he goes on to talk about what the assistance is. He mentions the $5 billion that the coal industry will be paying in permits. I think he even bases that on a price of $20 per tonne—that was back in April. I want the minister to give us the correct or the latest figure. Is that the correct figure? What is the figure that the coal industry will be paying in permits?

Senator WONG (South Australia—Minister for Climate Change and Water) (2.49 pm)—I want to take up Senator Joyce’s point. He complained about Senator Fielding not indicating whether he was voting for the amendments. Now that Senator Abetz has indicated that at least some part of the oppo-
sition is trying to pretend that they did not have an agreement, it might be useful for the opposition to indicate whether they are going to support these amendments. It is quite clear from the way the opposition have been handling this debate that they want to avoid voting on very many amendments at all. That is patently obvious. We have had a former frontbencher asserting for the first time—contrary to what has been said publicly by his leader and others in the party—that it was not agreed. Are you going to support the amendments, Senator McGauran? There is no nodding and no shaking of your head. Is the strategy just to not have a vote on this? I think we should be clear about that. I am happy to have a vote on this. Is the opposition, because they want to hold a position until their party room meeting on Monday morning, simply going to continue to delay the vote on this issue? I am just interested in whether or not they will actually support the amendments.

I was asked a question. There have been a lot of figures about how much is being paid by companies. The best way to consider how much is paid is not to aggregate the cost, because that requires us to assume how much the carbon price would be and how much individual mines might abate—what they might do to reduce the liability. The most accurate figures are the figures that I already have given the chamber, probably about an hour and a half ago—perhaps not that long ago—when I moved the amendments. Those figures are as follows. Before this package, or even with this package, the median liability—that is, what up to half the coalmines in Australia would face—at a $25 carbon price would be a cost impost of 80c a tonne. Some of the campaigns and rhetoric which have been engaged in—including what we saw from Senator Joyce in his extraordinary tirade about this issue—have to be put in the context of that figure. Essentially what is being implied by some of those who are scaremongering is that the impact of 80c a tonne is somehow going to cause catastrophe in the coal sector. That is really the proposition.

There is a policy issue, as I have said, in that there are some coalmines which are very gassy and where the liability would be significantly higher for a $25 a tonne carbon price. What I have previously indicated is that we calculate, given what has been agreed, that this assistance would reduce by about three-quarters the liability of the most emissions-intensive mines from around $20 per tonne of saleable coal to around $5 per tonne of saleable coal. You are frowning. Perhaps I have not explained that clearly. I will say it again. At a $25 carbon price, some of the most emissions-intensive mines could be facing an additional cost of around $20 a tonne. This would reduce their liability to around $5 a tonne. That is before they do anything. That is in terms of the assistance. Obviously it may be that there are abatement technologies in place whereby they can simply reduce their liability through other means. That is part of the purpose of the scheme.

We have sought to put in place a scheme where as many parts of the Australian community as possible make a contribution. Really this debate is about: how do we respond to climate change and how do we fairly share the burden of that response? The government is saying: ‘Let’s try and ensure that as many parts as possible of our community make that contribution. Let’s not just tell people they’ve got a free ride. Let’s try and ensure that industry, households, all of us, make a contribution.’ We think this is a fair proposition. I have heard the contribution from the Greens. I understand their position, but I reiterate that, under this package, the largest single share of assistance to respond to the impact of the carbon price goes
to Australian households. That is a very clear policy position by the government.

Senator BOSWELL (Queensland) (2.54 pm)—The package that is on the table represents less than 10 per cent of the $14.5 billion CPRS bill that the coal industry faces over the next 10 years, while other trade-exposed industries will receive transitional assistance in the order of 66 per cent to 95 per cent. Why is the coal industry being disadvantaged? Why would you penalise one industry as against another? I recognise that the assistance to gassy mines is up.

Senator Cameron—You’re not interested, Bozzie; you know that.

Senator BOSWELL—I am particularly interested. I want to know. There are 1,200 people about to lose their jobs because there is a CPRS going in in Townsville. They would like to talk it over with their union man, but he is too busy talking to the green section of the Labor Party to worry about the blue-collar workers.

Senator Cameron interjecting—

Senator BOSWELL—You can talk as much as you like, Senator Cameron. If you interject, you know that you will have—

Senator Wong—Mr Temporary Chairman, on a point of order: I wonder if you could ask Senator Boswell to address his remarks through the chair.

The TEMPORARY CHAIRMAN (Senator Ryan)—That is correct. Senator Boswell, could you please—

Senator BOSWELL—I would be delighted to address my remarks through the chair if you give me some protection from Senator Cameron, who continues to interject.

The TEMPORARY CHAIRMAN—It is getting late on a Friday afternoon. Could we have some order in the chamber, please. Senator Boswell, please continue.

Senator BOSWELL—Thank you. I give you my guarantee that I will not respond to any interjections unless I am absolutely provoked.

Senator Cameron—Yes, you will. I bet you do.

The TEMPORARY CHAIRMAN—Order! Senator Cameron, please come to order.

Senator BOSWELL—Senator Wong, can you tell me why you are discriminating against the coal industry, giving them 10 per cent when you are giving other industries 66 to 95 per cent? What has the coal industry done to upset you?

Senator Milne—Emissions! Fossil fuels!

The TEMPORARY CHAIRMAN—Senator Milne, you can rise and speak.

Senator WONG (South Australia—Minister for Climate Change and Water) (2.57 pm)—I know the—

Senator Hanson-Young interjecting—

The TEMPORARY CHAIRMAN—Senator Hanson-Young (Senator Ryan)—Senator Hanson-Young, the minister should be heard in silence.

Senator WONG—Thank you. I know the practice is to go from one side of the chamber to the other. Senator Macdonald did offer to indicate which way the opposition was voting. I would be very happy to break my contribution to await that answer and then continue and respond to Senator Boswell.

Senator IAN MACDONALD (Queensland) (2.58 pm)—This is rather an unusual
situation where, on the government’s bill, they are now asking questions of the opposition. I think it demonstrates how the government have mismanaged not only the economy but the conduct of this chamber. I said in my previous speech that this amendment—this deal in relation to coal—improved things for the working families in the area which I come from and which I know many other senators on this side represent. There has been an absence of representation by the union movement, which has fallen over to propose legislation, initially, to destroy the jobs in Central Queensland, in the Bowen Basin coalfields, around New South Wales and in the coalmining areas in Victoria. In fact, anywhere where there were coalmines, working families were in serious danger of losing their jobs. They are still not out of the woods.

Senator Cameron is shaking his head. Little would he know, because I suspect that he and his colleagues in the union movement have given up on the working families in those coalmining areas—but I have not. Senator Boswell and I spend a hell of a lot of time in the Bowen Basin listening to what your former union members—they are getting out of the unions as quickly as they can—are concerned about and what they have been asking us about.

I do not want to take up time in this debate; however, I am responding to a question asked of me by the government. I am only repeating that we on this side think this amendment does improve a very, very bad bill. It will protect some jobs—not all of them. It does not have everything that we would like to see but it is better than nothing. I certainly will be voting for this amendment, and I suspect most of my colleagues will too.

Senator WONG (South Australia—Minister for Climate Change and Water) (3.00 pm)—I thank Senator Macdonald for indicating that. I understand from the careful use of language in this amendment that he is not going to commit to voting for the remainder of the amendments which were supported by his party room. Senator Boswell asked me a question. I have actually answered it on a number of occasions but I will do it again. The issue with coalmines is that there is a very wide variation in how gassy they are. Unlike, for example, an industrial process where you might get some variation in how efficient you are at an activity, such as smelting a particular metal or something, there is a very wide range of difference between the least gassy coalmine and the most gassy coalmine. If you give assistance at an average then you would in fact be giving coalmines assistance for a liability they did not have. That is an illogical policy position. So the government has sought to deal with the policy issue. I think Senator Boswell was trying to impute some motives, but the reality is that it is not a sensible policy proposition to give an average across coalmines because some mines would then be given permits without having the same amount of liability. That does not make sense.

There is the policy issue and the practical issue. Senator Boswell always says that he is a practical person, and the practical issue is: how do you deal with the mines that are at the gassy end? We are saying that we will give them free permits but we will create a separate arrangement. We will provide assistance on the basis of their emissions intensity down to a certain level. I have given the figures now. I think, on three or four occasions about the effect of the assistance the government is proposing after negotiating with the opposition on this amendment.

The TEMPORARY CHAIRMAN—The question is that amendments Nos (1) to (23) be agreed to.

Question agreed to.
Senator Milne—I wish to note that only the Australian Greens voted against the amendment.

The TEMPORARY CHAIRMAN—We will now move to the next tranche of amendments.

Senator WONG (South Australia—Minister for Climate Change and Water) (3.03 pm)—by leave—I move government amendments (1) to (36) on sheet BE218 together:

(1) Clause 5, page 5 (after line 16), after the definition of alter, insert:

applicable domestic offsets methodology determination, in relation to an offsets project, means the domestic offsets methodology determination that is applicable to the project.

(2) Clause 5, page 10 (after line 34), after the definition of director, insert:

Domestic Offsets Integrity Committee means the committee established by section 373A.

Domestic Offsets Integrity Committee member means a member of the Domestic Offsets Integrity Committee, and includes the Chair of the Domestic Offsets Integrity Committee.

domestic offsets program means the program under subsection 259B(1).

domestic offsets project methodology determination means a determination under subsection 259J(1).

domestic offsets project methodology principles has the meaning given by section 259K.

domestic offsets reporting period has the meaning given by subsection 259C(2).

(3) Clause 5, page 11 (before line 5), before the definition of eligible emissions unit, insert:

eligible domestic offsets project means an offsets project that, under the domestic offsets program, has been declared by the Authority to be an eligible domestic offsets project.

(4) Clause 5, page 21 (before line 1), before the definition of net source cancellation account, insert:

native forest has the meaning given by the regulations.

(5) Clause 5, page 21 (after line 25), after the definition of official of the Authority, insert:

offsets project means:

(a) a project to remove one or more greenhouse gases from the atmosphere; or

(b) a project to reduce emissions of one or more greenhouse gases.

For this purpose, it is immaterial whether the project has been carried out.

(6) Clause 5, page 24 (line 5), omit “256,”, substitute “256; and”.

(7) Clause 5, page 24 (after line 5), at the end of the definition of recognised, add:

(c) recognised as an offsets entity means recognised under section 259P.

(8) Clause 5, page 24 (before line 6), before the definition of recognised reforestation entity, insert:

recognised offsets entity means a person recognised as an offsets entity.

(9) Clause 5, page 28 (lines 22 and 23), omit the definition of vacancy, substitute:

vacancy:

(a) in relation to the office of an expert advisory committee member—has a meaning affected by section 7; or

(b) in relation to the office of a Domestic Offsets Integrity Committee member—has a meaning affected by section 7A.

(10) Page 30 (after line 9), after clause 7, insert:

7A Vacancy in the office of a Domestic Offsets Integrity Committee member

For the purposes of a reference in:
(a) this Act to a vacancy in the office of a Domestic Offsets Integrity Committee member; or
(b) the Acts Interpretation Act 1901 to a vacancy in the membership of a body;

there are taken to be 4 offices of member of the Domestic Offsets Integrity Committee in addition to the Chair of the Domestic Offsets Integrity Committee.

(11) Clause 88, page 131 (line 21), omit “greenhouse gases),” substitute “greenhouse gases); or”.

(12) Clause 88, page 131 (after line 21), at the end of the clause, add:

(g) in accordance with the domestic offsets program.

(13) Clause 101, page 142 (line 3), omit “and”, substitute “or”.

(14) Clause 101, page 142 (after line 3), at the end of paragraph (1)(a), add:

(v) in accordance with the domestic offsets program; and

(15) Page 343 (after line 14), after Part 11, insert:

Part 11A—Domestic offsets program

Division 1—Introduction

259A Simplified outline

The following is a simplified outline of this Part:

• The regulations may formulate a program (to be known as the domestic offsets program) for the issue of free Australian emissions units in respect of eligible domestic offsets projects.

• Free units will be issued to the project proponent of the eligible domestic offsets project, so long as the project proponent is recognised as an offsets entity by the Authority.

• Eligible domestic offsets projects must be:

(a) covered by a domestic offsets project methodology determination; and

(b) carried on in Australia.

A domestic offsets project methodology determination must not be inconsistent with the domestic offsets project methodology principles.

Division 2—Formulation of the domestic offsets program

259B Formulation of the domestic offsets program

(1) The regulations may formulate a program (to be known as the domestic offsets program) for the issue of free Australian emissions units in respect of offsets projects that, under the program, have been declared by the Authority to be eligible domestic offsets projects.

Issue of free Australian emissions units

(2) The domestic offsets program must provide that free Australian emissions units must not be issued to a person in accordance with the program unless the person:

(a) meets such requirements as are specified in the program; and

(b) is a recognised offsets entity; and

(c) has a Registry account.

(3) The domestic offsets program must provide that the method of calculating the number of free Australian emissions units to be issued to a person in accordance with the program in respect of an eligible domestic offsets project is to be ascertained in accordance with the applicable domestic offsets project methodology determination.

Criteria for declaration of eligible domestic offsets project

(4) The domestic offsets program must provide that the Authority must not declare that an offsets project is an eligible domestic offsets project unless the Authority is satisfied that:

(a) the project:

(i) is, or is to be, carried on in Australia; and
(ii) is covered by a domestic offsets project methodology determination; and

(iii) meets such requirements as are set out in the applicable domestic offsets project methodology determination in accordance with paragraph 259J(1)(b); and

(iv) meets such other requirements (if any) as are specified in the program; and

(v) does not involve the clearing or harvesting of native forest; and

(vi) does not involve using material obtained as a result of the clearing or harvesting of native forest; and

(b) the person who, under the domestic offsets program, is taken to be the project proponent of the project is a recognised offsets entity.

Note: Domestic offsets project methodology determinations are made under section 259J.

(5) The domestic offsets program must provide that the Authority must not declare that an offsets project is an eligible domestic offsets project unless an application for the declaration is made on or after 1 July 2011.

Duration of declaration etc.

(6) The domestic offsets program must provide that a declaration of an offsets project as an eligible domestic offsets project takes effect:

(a) immediately after it is made; or

(b) if:

(i) an earlier day is specified in the declaration; and

(ii) the applicant for the declaration has consented to the specification of the earlier day; and

(iii) the earlier day is not before 1 July 2011; on the day specified.

(7) The domestic offsets program must provide that a declaration of an offsets project as an eligible domestic offsets project remains in force until the end of the period ascertained in accordance with the program, unless revoked sooner by the Authority.

(8) The domestic offsets program may provide that, if a declaration (the renewal declaration) of an offsets project as an eligible domestic offsets project is made by way of the renewal of the previous declaration of the project, the renewal declaration takes effect immediately after the expiry of the previous declaration.

Revocation of declaration

(9) The domestic offsets program must provide that a declaration of an offsets project as an eligible domestic offsets project may be revoked by the Authority if the Authority is satisfied that:

(a) the project:

(i) is not being, or will not be, carried on in Australia; or

(ii) is not covered by a domestic offsets project methodology determination; or

(iii) does not meet any or all of the requirements set out in the applicable domestic offsets project methodology determination in accordance with paragraph 259J(1)(b); or

(iv) does not meet any or all of the requirements specified in the program; or

(b) the person who, under the domestic offsets program, is taken to be the project proponent of the project is not a recognised offsets entity.

Declaration is not legislative instrument etc.

(10) A declaration of an offsets project as an eligible domestic offsets project is not a legislative instrument.
(11) A revocation of such a declaration is not a legislative instrument.

**259C Reporting requirement**

**Scope**

(1) This section applies if, under the domestic offsets program, a person is taken to be the project proponent of an eligible domestic offsets project.

**Requirement**

(2) The domestic offsets program may make provision for and in relation to requiring the person to give a written report to the Authority in relation to the project in respect of a period (a *domestic offsets reporting period*) ascertained in accordance with the program.

(3) A domestic offsets reporting period:

(a) may be a recurring period (for example, a financial year); and

(b) must not be shorter than 12 months.

(4) The domestic offsets program must provide that a report given by the person as mentioned in subsection (2) must be accompanied by a prescribed audit report prepared by another person ascertained in accordance with the program.

**259D Record-keeping requirement**

**Scope**

(1) This section applies if, under the domestic offsets program, a person is taken to be the project proponent of an eligible domestic offsets project.

**Requirement**

(2) The domestic offsets program may make provision for and in relation to requiring the person to:

(a) make records of information specified in the program; and

(b) retain such a record, or a copy, for 5 years after the record was made.

**259E Relinquishment requirement**

(1) The domestic offsets program may provide that, if:

(a) a number of free Australian emissions units have been issued in respect of an eligible domestic offsets project in accordance with the program; and

(b) the application for the declaration of the project as an eligible domestic offsets project contained information that was false or misleading in a material particular; and

(c) the issue of any or all of the units was directly or indirectly attributable to the false or misleading information;

the person who, under the program, is taken to be the project proponent of the project is required to relinquish a number of Australian emissions units ascertained in accordance with the program. The number of Australian emissions units required to be relinquished must not exceed the number of Australian emissions units the issue of which was directly or indirectly attributable to the false or misleading information.

Note: An administrative penalty is payable under section 287 for non-compliance with a relinquishment requirement under the domestic offsets program.

(2) The domestic offsets program may provide that, if:

(a) a number of free Australian emissions units have been issued in respect of an eligible domestic offsets project in accordance with the program; and

(b) the person who, under the program, is taken to be the project proponent of the project has given the Authority a report as mentioned in subsection 259C(2); and

(c) the report contains information that is false or misleading in a material particular; and
(d) the issue of any or all of the units was directly or indirectly attributable to the false or misleading information;

the person is required to relinquish a number of Australian emissions units ascertained in accordance with the program. The number of Australian emissions units required to be relinquished must not exceed the number of Australian emissions units the issue of which was directly or indirectly attributable to the false or misleading information.

Note: An administrative penalty is payable under section 287 for non-compliance with a relinquishment requirement under the domestic offsets program.

(3) The domestic offsets program may provide that, if:

(a) a number of free Australian emissions units have been issued in respect of an eligible domestic offsets project in accordance with the program; and

(b) the project involves the removal of one or more greenhouse gases from the atmosphere; and

(c) there has been a complete or partial reversal of that removal;

the person who, under the program, is taken to be the project proponent of the project is required to relinquish a number of Australian emissions units ascertained in accordance with the program. The number of Australian emissions units required to be relinquished must not exceed the total number of Australian emissions units that, under the domestic offsets program, is taken to be the number of units attributable to that removal.

Note: An administrative penalty is payable under section 287 for non-compliance with a relinquishment requirement under the domestic offsets program.

(4) The domestic offsets program may provide that, if:

(a) a number of free Australian emissions units have been issued in respect of an eligible domestic offsets project in accordance with the program; and

(b) if:

(i) the project is a project to reduce emissions of one or more greenhouse gases; and

(ii) the reduction involves storage; and

(c) there has been a complete or partial reversal of that storage;

the person who, under the program, is taken to be the project proponent of the project is required to relinquish a number of Australian emissions units ascertained in accordance with the program. The number of Australian emissions units required to be relinquished must not exceed the total number of Australian emissions units that, under the domestic offsets program, is taken to be the number of units attributable to that reduction.

Note: An administrative penalty is payable under section 287 for non-compliance with a relinquishment requirement under the domestic offsets program.

259F Other matters

Declaration of eligible domestic offsets project

(1) The domestic offsets program may make provision for and in relation to the following matters:

(a) applications for offsets projects to be declared to be eligible domestic offsets projects;

(b) the approval by the Authority of a form for such an application;
Reporting requirements

(1) If a person is subject to a requirement under the domestic offsets program to give a report to the Authority, the person must comply with that requirement.

Record-keeping requirements

(2) If a person is subject to a requirement under the domestic offsets program to:

(a) make a record of information; or
(b) retain such a record or a copy;

the person must comply with that requirement.

Ancillary contraventions

(3) A person must not:

(a) aid, abet, counsel or procure a contravention of subsection (1) or (2); or
(b) induce, whether by threats or promises or otherwise, a contravention of subsection (1) or (2); or
(c) be in any way, directly or indirectly, knowingly concerned in, or party to, a contravention of subsection (1) or (2); or
(d) conspire with others to effect a contravention of subsection (1) or (2).

Civil penalty provisions

(4) Subsections (1), (2) and (3) are civil penalty provisions.

Note: Part 21 provides for pecuniary penalties for breaches of civil penalty provisions.

Division 4—Domestic offsets project methodology determinations

259J Domestic offsets project methodology determinations

(1) The Minister may, by legislative instrument, make a determination, to be known as a domestic offsets project methodology determination, that:

(a) is expressed to apply to a specified kind of offsets project; and
(b) sets out requirements that must be met for such a project to be an eligible domestic offsets project; and

c) provides that, if such a project is an eligible domestic offsets project, the number of free Australian emissions units to be issued to a person in accordance with the domestic offsets program in respect of the project for a domestic offsets reporting period must equal:

(i) if the project relates to the removal of one or more greenhouse gases—the net total number of tonnes of greenhouse gases that, under the determination, is taken to be removed as a result of the project during the domestic offsets reporting period; or

(ii) if the project relates to the reduction of emissions of one or more greenhouse gases—the net total number of tonnes of greenhouse gases that, under the determination, is taken to be reduced as a result of the project during the domestic offsets reporting period.

(2) The Minister must not make or amend a domestic offsets project methodology determination unless the Minister does so in accordance with advice given to the Minister by the Domestic Offsets Integrity Committee.

Note: The Domestic Offsets Integrity Committee is established by section 373A.

(3) To avoid doubt, the Minister may revoke a domestic offsets project methodology determination without obtaining advice from the Domestic Offsets Integrity Committee.

(4) A domestic offsets project methodology determination must not be inconsistent with the domestic offsets project methodology principles.

259K Domestic offsets project methodology principles

(1) For the purposes of the application of this Act to an offsets project, the domestic offsets project methodology principles are as follows:

(a) if the project is a project to remove one or more greenhouse gases from the atmosphere—the removal can be used to meet Australia’s climate change targets under:

(i) the Kyoto Protocol; or

(ii) an international agreement (if any) that is the successor (whether immediate or otherwise) to the Kyoto Protocol;

(b) if the project is a project to reduce emissions of one or more greenhouse gases—the reduction can be used to meet Australia’s climate change targets under:

(i) the Kyoto Protocol; or

(ii) an international agreement (if any) that is the successor (whether immediate or otherwise) to the Kyoto Protocol;

(c) the project meets the integrity requirements set out in subsection (2);

(d) if the project is a project to reduce emissions of one or more greenhouse gases—the project is not a project to reduce an emission that, under regulations made for the purposes of paragraph 10(2A)(a) of the National Greenhouse and Energy Reporting Act 2007, is a scope 1 emission covered by the carbon pollution reduction scheme;

(e) the project is not a reforestation project that has resulted, or has the potential to result, in the issue of free Australian emissions units in accordance with Part 10;

(f) the project does not involve:

(i) the destruction of one or more synthetic greenhouse gases; or
the reduction of emissions of one or more synthetic greenhouse gases.

**Integrity requirements**

(2) The integrity requirements mentioned in paragraph (1)(c) are as follows:

(a) if the project is a project to remove one or more greenhouse gases from the atmosphere—the removal is:
   (i) measurable; and
   (ii) capable of being verified;

(b) if the project is a project to reduce emissions of one or more greenhouse gases—the reduction is:
   (i) measurable; and
   (ii) capable of being verified;

(c) the project would not have been proposed or carried out in the absence of the issue of free Australian emissions units in accordance with the domestic offsets program;

(d) if the project is a project to remove one or more greenhouse gases from the atmosphere—the removal is not likely to be reversed in whole or in part;

(e) if:
   (i) the project is a project to reduce emissions of one or more greenhouse gases; and
   (ii) the reduction involves storage; the storage is not likely to be reversed in whole or in part;

(f) if the project is a project to remove one or more greenhouse gases from the atmosphere—the removal is not offset by emissions of one or more greenhouse gases outside the project;

(g) if the project is a project to reduce emissions of one or more greenhouse gases—the reduction is not offset by emissions of one or more greenhouse gases outside the project;

(h) such other requirements (if any) as are specified in the regulations.

**Landfill facilities**

(3) Paragraph (1)(d) does not apply to a project to reduce the following emissions:

(a) emissions that, under subsection 20(6) or (8), do not count for the purposes of subsection 20(1) (which deals with landfill facilities);

(b) emissions that, under subsection 21(6) or (8), do not count for the purposes of subsection 21(1) (which deals with landfill facilities);

(c) emissions that, under subsection 22(6) or (7), do not count for the purposes of subsection 22(1) (which deals with landfill facilities).

**Division 5—Recognised offsets entities**

259L Application for recognition as an offsets entity

(1) A person may apply to the Authority for recognition as an offsets entity.

(2) A person is not entitled to make an application before 1 July 2011.

259M Form of application

(1) An application must:

(a) be in writing; and

(b) be in a form approved, in writing, by the Authority; and

(c) be accompanied by such information as is specified in the regulations; and

(d) be accompanied by such documents (if any) as are specified in the regulations; and

(e) be accompanied by the fee (if any) specified in the regulations.

(2) The approved form of application may provide for verification by statutory declaration of statements in applications.

(3) A fee specified under paragraph (1)(e) must not be such as to amount to taxation.
Further information

(1) The Authority may, by written notice given to an applicant, require the applicant to give the Authority, within the period specified in the notice, further information in connection with the application.

(2) If the applicant breaches the requirement, the Authority may, by written notice given to the applicant:
   (a) refuse to consider the application; or
   (b) refuse to take any action, or any further action, in relation to the application.

Recognition as an offsets entity

Scope

(1) This section applies if an application under section 259L has been made for recognition as an offsets entity.

Recognition

(2) After considering the application, the Authority may, by written notice given to the applicant, recognise the applicant as an offsets entity.

Criteria for recognition

(3) The Authority must not recognise the applicant as an offsets entity unless:
   (a) the Authority is satisfied that the applicant is a fit and proper person, having regard to the following:
      (i) whether the applicant has been convicted of an offence against a law of the Commonwealth, a State or Territory, where the offence relates to dishonest conduct;
      (ii) whether the applicant has been convicted of an offence against a law of the Commonwealth, a State or Territory, where the offence relates to the conduct of a business;
      (iii) whether the applicant has been convicted of an offence against section 136.1, 137.1 or 137.2 of the Criminal Code;
   (iv) whether an order has been made against the applicant under section 76 of the Trade Practices Act 1974;
   (v) whether the applicant has breached this Act or the associated provisions;
   (vi) if the applicant is a body corporate—whether an executive officer of the body corporate has been convicted of an offence against a law of the Commonwealth, a State or Territory, where the offence relates to dishonest conduct;
   (vii) if the applicant is a body corporate—whether an executive officer of the body corporate has been convicted of an offence against a law of the Commonwealth, a State or Territory, where the offence relates to the conduct of a business;
   (viii) if the applicant is a body corporate—whether an executive officer of the body corporate has been convicted of an offence against section 136.1, 137.1 or 137.2 of the Criminal Code;
   (ix) if the applicant is a body corporate—whether an order has been made against an executive officer of the body corporate under section 76 of the Trade Practices Act 1974;
   (x) if the applicant is a body corporate—whether an executive officer of the body corporate has breached this Act or the associated provisions;
   (xi) such other matters (if any) as the Authority considers relevant; and
   (b) if the applicant is an individual—the Authority is satisfied that the applicant is not an insolvent under administration; and
(c) if the applicant is a body corporate—the Authority is satisfied that the applicant is not an externally-administered body corporate; and

(d) if the regulations specify one or more other eligibility requirements—the Authority is satisfied that those requirements are met.

(4) Subparagraphs (3)(a)(i) to (x) do not limit subparagraph (3)(a)(xi).

Timing

(5) The Authority must take all reasonable steps to ensure that a decision is made on the application:

(a) if the Authority requires the applicant to give further information under subsection 259N(1) in relation to the application—within 90 days after the applicant gave the Authority the information; or

(b) otherwise—within 90 days after the application was made.

Refusal

(6) If the Authority decides to refuse to recognise the applicant as an offsets entity, the Authority must give written notice of the decision to the applicant.

259Q Cancellation of recognition

(1) The Authority may cancel the recognition of a person as an offsets entity if:

(a) the Authority is satisfied that the person is not a fit and proper person, having regard to the following:

(i) whether the person has been convicted of an offence against a law of the Commonwealth, a State or Territory, where the offence relates to dishonest conduct;

(ii) whether the person has been convicted of an offence against a law of the Commonwealth, a State or Territory, where the offence relates to the conduct of a business;

(iii) whether the person has been convicted of an offence against section 136.1, 137.1 or 137.2 of the Criminal Code;

(iv) whether an order has been made against the person under section 76 of the Trade Practices Act 1974;

(v) whether the person has breached this Act or the associated provisions;

(vi) if the person is a body corporate—whether an executive officer of the body corporate has been convicted of an offence against a law of the Commonwealth, a State or Territory, where the offence relates to dishonest conduct;

(vii) if the person is a body corporate—whether an executive officer of the body corporate has been convicted of an offence against a law of the Commonwealth, a State or Territory, where the offence relates to the conduct of a business;

(viii) if the person is a body corporate—whether an executive officer of the body corporate has been convicted of an offence against section 136.1, 137.1 or 137.2 of the Criminal Code;

(ix) if the person is a body corporate—whether an order has been made against an executive officer of the body corporate under section 76 of the Trade Practices Act 1974;

(x) if the person is a body corporate—whether an executive officer of the body corporate has breached this Act or the associated provisions;

(xi) such other matters (if any) as the Authority considers relevant; or

(b) if the person is an individual—the Authority is satisfied that the person
is an insolvent under administration; 
or
(c) if the person is a body corporate—
the Authority is satisfied that the 
person is an externally-administered 
body corporate; or
(d) if the regulations specify one or 
more other grounds for cancella-
tion—the Authority is satisfied that 
at least one of those grounds is ap-
pllicable to the person.
(2) Subparagraphs (1)(a)(i) to (x) do not 
limit subparagraph (1)(a)(xi).

259R Surrender of recognition
Scope
(1) This section applies if a person is rec-
ognised as an offsets entity.
Surrender
(2) The person may, by written notice 
given to the Authority, surrender the 
person’s recognition.
(3) The surrender takes effect on the day 
the notice is received by the Authority 
or, if a later day is specified in the no-
tice, on that later day.

259S Recognition is not transferable
If a person is recognised as an offsets 
entity, the person’s recognition is not 
transferable.
(16) Clause 273, page 358 (after line 12), at the 
end of the clause, add:
Domestic offsets program
(5) As soon as practicable after free Aus-
tralian emissions units are issued to a 
person in accordance with the domestic 
offsets program, the Authority must 
publish on its website:
(a) the name of the person; and
(b) the total number of free Australian 
emissions units issued to the person; and
(c) the vintage year of the free Australian 
emissions units issued to the person.
(17) Clause 274, page 359 (lines 6 and 7), omit 
“greenhouse gases),” substitute “greenhouse 
gases);”.
(18) Clause 274, page 359 (after line 7), at the 
end of the clause, add:
(g) the total number of free Australian 
emissions units with a particular 
vintage year issued during the quar-
ter in accordance with the domestic 
offsets program.
(19) Page 367 (after line 13), at the end of 
Part 12, add:
Division 8—Information about eligible 
domestic offsets projects
278H Information about eligible domestic 
offsets projects
For each eligible domestic offsets pro-
ject, the Authority must publish on its 
website:
(a) a description of the project; and
(b) the location of the project; and
(c) the name of the person who applied 
to the Authority for the declaration 
of the project as an eligible domestic 
offsets project; and
(d) the name of the person who, under 
the domestic offsets program, is 
taken to be the project proponent of 
the project; and
(e) if any Australian emissions units 
have been issued in relation to the 
project in accordance with the do-
mestic offsets program:
(i) the total number of units so is-
sued; and
(ii) the name of the person, or each 
of the persons, to whom those 
units have been issued; and
(f) the name of the applicable domestic 
offsets methodology determination; and
(g) such other information (if any) relat-
ing to the project as the Authority 
considers appropriate.
(20) Clause 285, page 375 (lines 17 and 18), omit “or the emissions-intensive trade-exposed assistance program”; substitute “; the emissions-intensive trade-exposed assistance program or the domestic offsets program”.

(21) Clause 286, page 376 (after line 26), after paragraph (2)(da), insert:
   (db) if the Australian emissions unit or units are being relinquished in order to comply with a requirement under the domestic offsets program—specify the requirement to which the relinquishment relates; and

(22) Clause 286, page 377 (line 14), at the end of subparagraph (3)(b)(ii), add “or”.

(23) Clause 286, page 377 (after line 14), at the end of paragraph (3)(b), add:
   (iii) Part 11A (domestic offsets program);

(24) Clause 286, page 377 (line 26), omit “and”, substitute “or”.

(25) Clause 286, page 377 (after line 26), at the end of paragraph (4)(b), add:
   (iii) Part 11A (domestic offsets program); and

(26) Clause 286, page 378 (line 23), at the end of paragraph (6)(ba), insert:
   (bb) an Australian emissions unit is relinquished by a person in order to comply with a requirement under the domestic offsets program;

(27) Clause 286, page 378 (after line 23), after paragraph (6)(ba), insert:
   (bb) an Australian emissions unit is relinquished by a person in order to comply with a requirement under the domestic offsets program;

(28) Clause 337, page 421 (after line 10), after paragraph (1)(qa), insert:
   (qb) subsection 259H(1);
   (qc) subsection 259H(2);

(29) Clause 338, page 422 (after line 9), after paragraph (2)(da), insert:
   (db) subsection 259H(1);

(30) Clause 346, page 432, after table item 48, insert:

48A A prescribed decision under the domestic offsets program.

48B A decision to refuse to recognise a person as an offsets entity under section 259P.

48C A decision to cancel a person’s recognition as an offsets entity under section 259Q.

(31) Clause 353, page 439 (after line 8), after paragraph (1)(h), insert:
   (ha) the effectiveness and efficiency of:
      (i) the domestic offsets program; and
      (ii) any domestic offsets project methodology determinations;

(32) Clause 353, page 439 (after line 11), after subparagraph (1)(i)(i), insert:
   (ia) the functions of the Domestic Offsets Integrity Committee; and

(33) Page 451 (after line 23), after Part 25, insert:

Part 25A—Domestic Offsets Integrity Committee

Division 1—Establishment and functions of the Domestic Offsets Integrity Committee

373A Establishment of the Domestic Offsets Integrity Committee

The Domestic Offsets Integrity Committee is established.

373B Functions of the Domestic Offsets Integrity Committee

(1) The Domestic Offsets Integrity Committee has the following functions:

   (a) to advise the Minister about matters relating to the making or amendment of domestic offsets project methodology determinations;
   (b) to advise the Secretary about matters that:
      (i) relate to offsets projects; and
      (ii) are referred to the Committee by the Secretary;
   (c) to do anything incidental to or conducive to the performance of the above functions.
(2) In advising the Minister to make or amend a domestic offsets project methodology determination, the Domestic Offsets Integrity Committee must:

(a) assess the costs and benefits of making or amending the determination; and

(b) have regard to such other matters as the Domestic Offsets Integrity Committee considers relevant.

373C Consultation by the Domestic Offsets Integrity Committee

Domestic offsets project methodology determination

(1) The Domestic Offsets Integrity Committee must not advise the Minister to make or amend a domestic offsets project methodology determination unless the Committee has first:

(a) published on the Department’s website:

(i) a draft of the determination or amendment; and

(ii) a notice inviting the public to make a submission to the Committee on the draft by a specified time limit; and

(b) considered any submissions that were received within that time limit.

(2) The time limit must not be shorter than 60 days.

Work program and priorities

(3) At least once each financial year, the Domestic Offsets Integrity Committee must:

(a) publish on the Department’s website a statement setting out the Committee’s draft work program and priorities; and

(b) invite the public to make a submission to the Committee on the draft by a specified time limit.

(4) The time limit must not be shorter than 60 days.

Division 2—Membership of the Domestic Offsets Integrity Committee

373D Membership of the Domestic Offsets Integrity Committee

The Domestic Offsets Integrity Committee consists of the following members:

(a) a Chair;

(b) at least 4, and not more than 5, other members.

373E Appointment of Domestic Offsets Integrity Committee members

(1) Each Domestic Offsets Integrity Committee member is to be appointed by the Minister by written instrument.

Note: The Domestic Offsets Integrity Committee member is eligible for reappointment: see subsection 33(4A) of the Acts Interpretation Act 1901.

(2) A person is not eligible for appointment as a Domestic Offsets Integrity Committee member unless the Minister is satisfied that the person has:

(a) substantial experience or knowledge; and

(b) significant standing; in at least one field of expertise that is relevant to the functions of the Domestic Offsets Integrity Committee.

(3) The Minister must ensure that:

(a) the Chair of the Domestic Offsets Integrity Committee is not a person covered by subsection (4); and

(b) a majority of the other Domestic Offsets Integrity Committee members are not persons covered by subsection (4).

(4) This subsection applies to the following persons:

(a) an employee of the Commonwealth;

(b) an employee of an authority of the Commonwealth;
(c) a person who holds a full-time office under a law of the Commonwealth.

(5) The Minister must ensure that one Domestic Offsets Integrity Committee member:

(a) is an SES employee in the Department; or

(b) holds an Executive Officer (Level 2) position in the Department.

(6) The Minister must ensure that one Domestic Offsets Integrity Committee member is an officer of the Commonwealth Scientific and Industrial Research Organisation nominated by the Chief Executive of the Commonwealth Scientific and Industrial Research Organisation.

(7) A Domestic Offsets Integrity Committee member holds office on a part-time basis.

373F Period for appointment for Domestic Offsets Integrity Committee members

A Domestic Offsets Integrity Committee member holds office for the period specified in the instrument of appointment. The period must not exceed 5 years.

Note: For reappointment, see subsection 33(4A) of the Acts Interpretation Act 1901.

373G Acting Domestic Offsets Integrity Committee members

Acting Chair of Domestic Offsets Integrity Committee

(1) The Minister may appoint a Domestic Offsets Integrity Committee member to act as the Chair of the Domestic Offsets Integrity Committee:

(a) during a vacancy in the office of the Domestic Offsets Integrity Committee Chair (whether or not an appointment has previously been made to the office); or

(b) during any period, or during all periods, when the Chair of the Domestic Offsets Integrity Committee:

(i) is absent from duty or from Australia; or

(ii) is, for any reason, unable to perform the duties of the office.

Acting Domestic Offsets Integrity Committee member (other than the Chair)

(2) The Minister may appoint a person to act as a Domestic Offsets Integrity Committee member (other than the Chair of the Domestic Offsets Integrity Committee):

(a) during a vacancy in the office of a Domestic Offsets Integrity Committee member (other than the Chair of the Domestic Offsets Integrity Committee), whether or not an appointment has previously been made to the office; or

(b) during any period, or during all periods, when a Domestic Offsets Integrity Committee member (other than the Chair of the Domestic Offsets Integrity Committee):

(i) is absent from duty or Australia; or

(ii) is, for any reason, unable to perform the duties of the office.

Eligibility

(3) A person is not eligible for appointment to act as:

(a) the Chair of the Domestic Offsets Integrity Committee; or

(b) a Domestic Offsets Integrity Committee member (other than the Chair of the Domestic Offsets Integrity Committee);

unless the person is eligible for appointment as a Domestic Offsets Integrity Committee member.

Note: See subsection 373E(2).
Validation

(4) Anything done by or in relation to a person purporting to act under an appointment is not invalid merely because:

(a) the occasion for the appointment had not arisen; or
(b) there was a defect or irregularity in connection with the appointment; or
(c) the appointment ceased to have effect; or
(d) the occasion to act had not arisen or had ceased.

Note: See sections 20 and 33A of the Acts Interpretation Act 1901.

373H Procedures

(1) The regulations may prescribe the procedures to be followed at or in relation to meetings of the Domestic Offsets Integrity Committee, including matters relating to the following:

(a) the convening of meetings of the Domestic Offsets Integrity Committee;
(b) the number of Domestic Offsets Integrity Committee members who are to constitute a quorum;
(c) the selection of a Domestic Offsets Integrity Committee member to preside at meetings of the Domestic Offsets Integrity Committee in the absence of the Chair of the Domestic Offsets Integrity Committee;
(d) the manner in which questions arising at a meeting of the Domestic Offsets Integrity Committee are to be decided.

(2) A resolution is taken to have been passed at a meeting of the Domestic Offsets Integrity Committee if:

(a) without meeting, a majority of Domestic Offsets Integrity Committee members indicate agreement with the resolution in accordance with the method determined by the Domestic Offsets Integrity Committee under subsection (3); and
(b) all Domestic Offsets Integrity Committee members were informed of the proposed resolution, or reasonable efforts had been made to inform all Domestic Offsets Integrity Committee members of the proposed resolution.

(3) Subsection (2) applies only if the Domestic Offsets Integrity Committee:

(a) determines that it applies; and
(b) determines the method by which Domestic Offsets Integrity Committee members are to indicate agreement with resolutions.

(4) If a Domestic Offsets Integrity Committee member is an APS employee in the Department, the member:

(a) is not entitled to vote for a resolution at a meeting of the Domestic Offsets Integrity Committee; and
(b) is not entitled to indicate agreement with a resolution as mentioned in paragraph (2)(a); and
(c) is not to be counted for the purposes of determining whether a majority of Domestic Offsets Integrity Committee members:

(i) have voted for a resolution at a meeting of the Domestic Offsets Integrity Committee; or
(ii) have indicated agreement with a resolution as mentioned in paragraph (2)(a).

373J Disclosure of interests to the Minister

A Domestic Offsets Integrity Committee member must give written notice to the Minister of all interests, pecuniary or otherwise, that the member has or acquires and that conflict or could conflict with the proper performance of the member’s functions.
373K Disclosure of interests to Domestic Offsets Integrity Committee

(1) A Domestic Offsets Integrity Committee member who has an interest, pecuniary or otherwise, in a matter being considered or about to be considered by the Domestic Offsets Integrity Committee must disclose the nature of the interest to a meeting of the Domestic Offsets Integrity Committee.

(2) The disclosure must be made as soon as possible after the relevant facts have come to the Domestic Offsets Integrity Committee member’s knowledge.

(3) The disclosure must be recorded in the minutes of the meeting of the Domestic Offsets Integrity Committee.

(4) Unless the Domestic Offsets Integrity Committee otherwise determines, the Domestic Offsets Integrity Committee member:

(a) must not be present during any deliberation by the Domestic Offsets Integrity Committee on the matter; and

(b) must not take part in any decision of the Domestic Offsets Integrity Committee with respect to the matter.

(5) For the purposes of making a determination under subsection (4), the Domestic Offsets Integrity Committee member:

(a) must not be present during any deliberation of the Domestic Offsets Integrity Committee for the purpose of making the determination; and

(b) must not take part in making the determination.

(6) A determination under subsection (4) must be recorded in the minutes of the meeting of the Domestic Offsets Integrity Committee.

373L Outside employment

A Domestic Offsets Integrity Committee member must not engage in any paid employment that conflicts or may conflict with the proper performance of his or her duties.

373M Remuneration and allowances

(1) A Domestic Offsets Integrity Committee member is to be paid the remuneration that is determined by the Remuneration Tribunal. If no determination of that remuneration by the Tribunal is in operation, the member is to be paid the remuneration that is prescribed.

(2) A Domestic Offsets Integrity Committee member is to be paid the allowances that are prescribed.

(3) This section has effect subject to the Remuneration Tribunal Act 1973.

373N Leave of absence

(1) The Minister may grant leave of absence to the Chair of the Domestic Offsets Integrity Committee on the terms and conditions that the Minister determines.

(2) The Chair of the Domestic Offsets Integrity Committee may grant leave of absence to a Domestic Offsets Integrity Committee member on the terms and conditions that the Chair determines.

373P Resignation

(1) A Domestic Offsets Integrity Committee member may resign his or her appointment by giving the Minister a written resignation.

(2) The resignation takes effect on the day it is received by the Minister or, if a later day is specified in the resignation, on that later day.

373Q Termination of appointment

(1) The Minister may terminate the appointment of a Domestic Offsets Integrity Committee member for misbehaviour or physical or mental incapacity.

(2) The Minister may terminate the appointment of a Domestic Offsets Integrity Committee member if:

(a) the member:

(i) becomes bankrupt; or
(ii) applies to take the benefit of any law for the relief of bankrupt or insolvent debtors; or
(iii) compounds with his or her creditors; or
(iv) makes an assignment of remuneration for the benefit of his or her creditors; or
(b) the member is absent, except on leave of absence, for 3 consecutive meetings of the Domestic Offsets Integrity Committee; or
(c) the member engages in paid employment that conflicts or may conflict with the proper performance of his or her duties (see section 373L); or
(d) the member fails, without reasonable excuse, to comply with section 373J or 373K.
(3) The Minister may terminate the appointment of the Chair of the Domestic Offsets Integrity Committee if the Chair is:
(a) an employee of the Commonwealth; or
(b) an employee of an authority of the Commonwealth; or
(c) a person who holds a full-time office under a law of the Commonwealth.
(4) The Minister may terminate the appointment of a Domestic Offsets Integrity Committee member if the member is a director, officer or employee of another person who is, or is likely to be, a liable entity for the eligible financial year in which the termination occurs.

373R Other terms and conditions
A Domestic Offsets Integrity Committee member holds office on the terms and conditions (if any) in relation to matters not covered by this Act that are determined by the Minister.

373S Assistance to Domestic Offsets Integrity Committee
(1) Any or all of the following:
(a) the Authority;
(b) the Department;
(c) any other Department, agency or authority of the Commonwealth;
may assist the Domestic Offsets Integrity Committee in the performance of its functions.
(2) The assistance may include the following:
(a) the provision of information;
(b) the provision of advice;
(c) the making available of resources and facilities (including secretariat services and clerical assistance).

373T Consultants
(1) The Chair of the Domestic Offsets Integrity Committee may, on behalf of the Commonwealth, engage persons having suitable qualifications and experience as consultants to the Committee.
(2) The consultants are to be engaged on the terms and conditions that the Chair determines in writing.

375B Delegation by the Secretary
(1) The Secretary may, by writing, delegate any or all of his or her functions or powers under this Act to an SES employee, or acting SES employee, in the Department.

Note: The expressions SES employee and acting SES employee are defined in section 17AA of the Acts Interpretation Act 1901.
(2) In exercising powers under a delegation, the delegate must comply with any directions of the Secretary.
(fa) a Domestic Offsets Integrity Committee member;

(36) Clause 382, page 461 (after line 8), at the end of the clause, add:

Domestic offsets program

(11) This Act and the associated provisions also have the effect they would have if the reference in subsection 259B(1) to the issue of free Australian emissions units were, by express provision, confined to the issue of free Australian emissions units to a person who is:

(a) a constitutional corporation; or

(b) the Commonwealth; or

(c) an authority of the Commonwealth.

This set of amendments seeks to establish a domestic offset program under the Carbon Pollution Reduction Scheme. The amendments are intended to enable the agricultural sector and other land managers, including Indigenous land managers, to make a contribution to the solution on climate change. It is a program that will provide incentives to reduce emissions that are not covered by the CPRS but that count towards Australia's international targets. These include emissions from agriculture, savannah burning and deforestation. The amendments establish a very strong governance framework to ensure offset methodologies are rigorous and ensure offsets are only provided for best practice. An independent domestic offset integrity committee will be established under these amendments to vet methodologies. This committee will consist of experts in the field and will take into account international standards and the need for consistency. The program will be administered by the Australian Climate Change Regulatory Authority.

In addition, I inform the chamber that the government has a previous commitment to $10 million which is intended to support Indigenous participation in carbon markets. The majority of this funding is being invested in farm management projects to help resolve the scientific and methodological issues as is necessary for savannah offsets. We are also supporting the development of agricultural abatement technologies and offset methodologies with a significant investment of $50 million in research and development. This is additional to funding already committed under Australia's Farming Future. These amendments are part of the agreement which has been negotiated with the opposition.

Senator IAN MACDONALD (Queensland) (3.05 pm)—This bill was brought before the Senate three months ago and the Labor government hailed it as being absolutely essential given the great moral challenge of our time. This bill that came here three months ago had to be passed—and it had to be passed quickly. It had to be passed before the Copenhagen climate change convention, which starts in a week's time. There was a desperate need for it. The debate three months ago was truncated because the government wanted to see this bill passed; it was essential that this bill be passed.

But here we are, three months later, and we have a dramatic change to what three months ago was something essential to be passed. In three months of denial—and in fact in the 24 months of denial before that—the Labor Party refused to give any certainty to farmers and others involved in agriculture. What the Labor Party always said was they would have a look at it in 2013. So anyone who might be listening who are farmers or small business men or any sort of businessmen—or even if they are just running their own household budget—are told that the whole future of their industry, their property or their income-making operation is to be left in limbo for another four years while the Labor Party sort out with their friends in Copenhagen and in the UN just what they should do with agriculture. Had they consulted with the European Union, which they
are always so very keen to hold up as the shining light in these areas, they would have found that the European Union had determined 12 to 24 months ago that Europe’s agricultural industries would not be subject to the penalties and the imposts of whatever carbon reduction legislation, proposals, arrangements or regulations might be on.

If they had talked to the Americans—and quite clearly Senator Wong keeps talking about President Obama; you would almost think they are great mates from the way Mr Rudd and Senator Wong carry on—they would have realised that to have any chance of getting it through the United States Congress agriculture would have to be exempted from the penalties and made eligible to get credits for the serious and genuine carbon reduction that most farming practices are involved in at the present time. Had they asked the Europeans or the Americans then they would have heard that there was a fair way and an unfair way to deal with agriculture. They chose the unfair way, and they held that position in the bill they made us all vote on three months ago, a bill that was comprehensively rejected three months ago. But still the Labor Party said, ‘We are not going to move on that. We think it’s bad to tell farmers what their future is.’ We know that many farming exercises can actually reduce carbon emissions. They can be a carbon sink given many of the things farmers do. But still the Labor Party objected to their inclusion.

It was only on pressure from the Liberal and National parties and, I think, from the Independents—in fact, I am pretty sure from the Independents. I am not sure what the Greens’ position was but I suspect they probably almost thought it was a good idea to do it. As a result of that, what the Labor Party has spent 20 months rejecting now we have before us in these amendments before the chamber. I, for one, am delighted to see these amendments here. I have not been through the finite detail of them myself. I do take comfort from the fact that the National Farmers Federation have suggested that these amendments are worthy of support. Again, I am only thinking here. I have confessed to not being aware of the—

Senator Cameron—That’s a change; you’re actually thinking about it!

Senator IAN MACDONALD—Thank you for that intelligent contribution, Senator Cameron. I accept that the general thrust of the amendments is good for the farming industries. I understand that there could be improvements even to the amendments. I would like to spend some time looking at them more closely and getting some expert advice, double-checking the department’s read on these and double-checking the advice that the minister would have received in the actual writing of and defining of the amendments that we are addressing now.

By and large, although I think they could do little bit better, these amendments are a huge improvement on the original bill that the Labor Party insisted we support. I do want to thank all of those farming groups who contacted us, who spoke to us, who pleaded with us, who made suggestions to us and who assisted with information so that we have a set of amendments, as I understand them, which now to a degree do address some of the financial impost that would have been placed on our farming and agricultural industries had the original bill gone through. The bill, as I understand it, does allow the agricultural industries, in certain circumstances, credits for their sequestration of carbon. I am hopeful that in practice these amendments will mean that farmers will be able, in certain circumstances, to get an income stream from what might happen. If that is the case that is good for agriculture. But the important thing is that, to a degree, it
brings Australian agriculture into line with North American and European agriculture. I suspect some of my colleagues might want to address these issues as well, so again, conscious of time, I am not going to make a 15-minute speech. I simply want to indicate very briefly as I have, unlike the Greens who will talk for 15 minutes—

Senator Milne—You just did!

Senator IAN MACDONALD—I am seven minutes away and I am indicating in much less time than the minister my approach and the approach of most of my colleagues to these amendments. But I know that my colleagues—and perhaps I later—might ask some other questions of the minister, just delving a bit more deeply into the detail of the amendments.

Senator WONG (South Australia—Minister for Climate Change and Water) (3.14 pm)—From that contribution I have to say I found it difficult to discern a question. From that contribution, however, one proposition is very clear. It is interesting to note that in the chamber what we see are members of the coalition who are opposed to this legislation and opposed to the position their party room and shadow cabinet adopted. But what is very clear from that contribution is that members of the Liberal Party want to have their cake and eat it too. That is what is very clear. Earlier in this debate we had Senator Abetz, the former frontbencher, now resigned but acting, making it very clear in this chamber that, notwithstanding everything that has been made public to the Australian people, the Liberal Party are welshing on an agreement. It is really quite extraordinary.

There have been extraordinary events this week in this parliament. When I spoke in summing up on the second reading, I said that there are times when members of this parliament are called on to look to the national interest, not to their self-interest, not to their party political interest but to the national interest. There is a time when members of this chamber are called on to look to the future and not only to the past and not only for political advantage now. I urge the chamber not to fall short. This is a complex deal. This is a difficult challenge, because climate change is an enormous challenge. It will not be fixed by politicking, it will be confronted and tackled by economic and environmental policy, and that is the nature of the legislation that is before this chamber.

Because of that, it does demand leadership from across the parliament. Because it is about long-lasting structural reform to the Australian economy, because it is demanding of such enormous change, it does require leadership across the parliament. And for a brief moment we have seen that. We have seen leadership on this issue from Mr Turnbull. I do acknowledge that. If this man is the leader at the next election, I will spend every day campaigning to ensure he does not become Prime Minister. But I will acknowledge on this issue that he has shown leadership. It is, I think, regrettable that so many in his own party have fallen so short and have not demonstrated that leadership, have demonstrated destructiveness and extremism. We all know what is happening here. There was an agreement that was negotiated in great detail over some five weeks—

Senator Cormann—In secret.

Senator WONG—Senator Cormann claims it was in secret.

Senator Cormann—Well, it was.

Senator WONG—It was with your representatives, Senator Cormann. Let us understand what is happening here.

Senator Polley—You are a traitor—no one will trust you again.
Senator Sterle—You are a backstabber, Cormann. You should stand up for WA.

Senator Cash—What about those people in towns like Collie?

Senator Cormann—They will look at this as a dud scheme.

Senator Sterle—Quieten down, backstabber.

Senator Cormann—Yours is a dud scheme.

The TEMPORARY CHAIRMAN (Senator Marshall)—The Senate will come to order!

Senator WONG—I have to say that one of the things that strikes me about this debate is that I wonder how future generations will look at it.

Senator Cormann interjecting—

The TEMPORARY CHAIRMAN—Senator Cormann, I call you to order again.

Senator Sterle—You are gutless backstabbers.

The TEMPORARY CHAIRMAN—Senator Sterle! I would ask all senators to come to order. The minister has the call.

Senator WONG—I wonder, given the importance of this issue to the future of this nation—

Senator Cormann interjecting—

Senator WONG—Mr Temporary Chairman, I am actually trying to make a contribution here and Senator Cormann has barely drawn breath.

Senator Ian Macdonald—Mr Temporary Chairman, I rise on a point of order. I do not want to repeat the words that Senator Sterle is using to ask him to withdraw. He is using very unparliamentary language. Could I suggest to you that you might invite him to leave the chamber so that we can get on with the debate without the vicious name-calling which is currently occurring.

The TEMPORARY CHAIRMAN—I am not sure there is a standing order that can allow me to ask a senator to leave the chamber.

Senator Abetz—Mr Temporary Chairman, I rise on a point of order. There is a standing order that allows you to require a senator to withdraw unparliamentary language—

The TEMPORARY CHAIRMAN—There is.

Senator Abetz—and I would invite you to exercise your right under that standing order and to invite Senator Sterle, if he wants to interject, to at least be sitting in his correct seat.

The TEMPORARY CHAIRMAN—I am afraid, Senator Abetz, I did not hear the words that were said. I did call Senator Sterle to order because I heard his voice as I was trying to call other people to order at the same time. I did not hear the specific words that were said, but if Senator Sterle said something unparliamentary he should withdraw it. Failing that, the minister has the call.

Senator WONG—Thank you, Mr Temporary Chairman.

Senator Abetz—Mr Temporary Chairman, on a point of order: I would invite you to inquire of Senator Sterle whether he believes he used any unparliamentary language and, if he did so, to withdraw. To simply allow him to sit there, mute, in his wrong place, is clearly unacceptable. If the standards in this place—and they do fall from time to time; we are all guilty of that—are flagrantly breached, it is necessary for those sorts of comments to be withdrawn.

The TEMPORARY CHAIRMAN—What I have done, and you heard me, is to extend the invitation to Senator Sterle, and that is all I am prepared to do at this point.
That is all I can do, but I have already done that. Senator Sterle?

**Senator Sterle**—Mr Temporary Chairman, if there is something that upset that lot over there, I will withdraw.

**Senator Wong**—I will be brief, because the Leader of the Government in the Senate is in the chamber and I think will be seeking the call. I simply say this: it is clear from the contribution of Senator Macdonald that the opposition are seeking to have their cake and eat it too. It is clear from the proposition Senator Abetz put that they are welshing and backsliding from the agreement that was made because they do not like it.

I was making this point: sometimes I think it is useful in this place to think of how others will see what we are doing and what we are saying. It is useful also sometimes to reflect on how future generations might regard this parliament and how we are dealing with an issue of such seriousness. I regret to say that there are many on the other side who have fallen short when you consider how important this issue is. They have resorted to tearing apart their own party rather than taking action on climate change.

**Senator Chris Evans** (Western Australia—Minister for Immigration and Citizenship) (3.23 pm)—Could I just make a few remarks. I know there is an expectation in the Australian community that the Senate would deal with the climate change legislation this week and that we would have dealt with it by the end of business today in the Senate. It is patently clear that that will not be the case, that as a result of the filibuster by certain sections of the Liberal opposition we have made virtually no progress in dealing with this bill.

I understand that, of the 295 or so amendments before the chamber, in the last three days we have dealt with 34—34 out of 295 or so amendments. That means that there has not been a genuine attempt to deal with one of the great challenges of our time: the need for action against climate change. We have entered into an agreement with the Liberal Party in good faith to ensure the passage of this legislation this week. We had an agreement with the Liberal Party that they would use their best endeavours to bring the vote on this week so that the Senate would deal with it this week and so that the House of Representatives would be able to deal with it in the following week.

**Senator Ian Macdonald**—Mr Temporary Chairman, on a point of order on relevance: is the minister speaking to the amendment before the table or is he just having a bit of a chat for the fun of it?

**The Temporary Chairman** (Senator Marshall)—There has been a wide-ranging discussion happening in the committee stage and I think what Senator Evans is doing is no less than what I have heard other senators do during this debate.

**Senator Chris Evans**—As I said, we had an arrangement with the Liberal Party which we expected to be honoured, and that was that we would deal with this legislation this week and that the bill would be sent down to the House of Representatives at the start of next week for consideration. We know a great number of people in the Liberal Party ranks did not want to agree to prosecute their position.

**Senator Cormann**—The majority! I absolutely did not!

**Senator Chris Evans**—Senator, you did a deal with us. You made an agreement—you, a member of the Liberal Party, and a member of the frontbench at that time. You have ratted on that agreement.

**The Temporary Chairman**—Minister, I ask you to address your comments through the chair. I will take the points...
of order in the order that people rose. Senator Joyce, you have a point of order?

Senator Joyce—Yes, Chair. Could the minister please inform us of which actual amendment he is speaking to at the moment? Could he note the paper it is on—is it possible?

The TEMPORARY CHAIRMAN—Senator Joyce, points of order are for me to rule upon, not for you to ask another question of the minister about, so there is no point of order. Senator Macdonald, you were next up.

Senator Ian Macdonald—Mr Temporary Chairman, I suspect you have correctly interpreted the point of order I was going to make, and that is if you could refer the Leader of the Government in the Senate to the standing order—and you would think he had been here long enough to understand it—requiring him to address his remarks through the chair rather than direct to individual senators.

The TEMPORARY CHAIRMAN—As you heard, I have already done that. There are no further points of order? Minister, you have the call.

Senator CHRIS EVANS—Thank you. The government is greatly disappointed by the inability of the Liberal Party to honour the agreement to progress this legislation. As I said, as we near the cut-off time today we have dealt with 34 out of 295 amendments, so there has been no good faith shown. As we have seen from the contributions of a number of the senators, there has been no focus on the amendments. There has been no focus on progressing this legislation. It has now become apparent to all—

Senator Barnett—Mr Temporary Chairman, on a point of order: the minister has clearly and categorically misrepresented the position of coalition and, indeed, Greens and crossbench senators with his statement. I ask you to request him to withdraw that accusation.

The TEMPORARY CHAIRMAN—I do not think that is a point of order, Senator Barnett. Minister, you have the call.

Senator CHRIS EVANS—We find ourselves in a situation today where this government had set aside the whole fortnight of this parliament to deal with this legislation. I wrote to all the party leaders and outlined that we had one priority for this fortnight: to pass urgent legislation to combat climate change. We made it very clear that was what this fortnight was about. As senators know, we have been debating this legislation for a very long time now. This is the second time we have attempted to get it through the parliament. So we set aside this fortnight, and we did not start to deal with the committee stages till this week because we were negotiating a good faith agreement with the Liberal Party. We reached a good faith agreement with the Liberal Party which has now been reneged upon, because part of that agreement was an understanding that the legislation would be dealt with this week. That was a key part of the understanding of how that deal would be enacted.

What we have seen is deliberate filibustering, a refusal to progress the bill—a refusal to get on with this legislation. We sought to get cooperation about a rolling guillotine to allow us to ensure that the issues were debated properly and that we would get a conclusion, having allowed every senator to have their say on the substance of the bill. There was not support for that around the chamber—from the Greens, from the minors or from the Liberal Party. I appreciate that; that has been a consistent position of theirs, and I make no criticism of that. But we have been frustrated in our attempt to get to deal with the substance of what we think is urgent action in the national interest. So, having not
had our good faith returned by the Liberal Party, we now find ourselves in the position where, despite the undertakings, we have made virtually no progress on this most important piece of legislation.

We understand that there has been much activity inside the Liberal Party party room. It is of no interest to me in this debate other than that it has helped destroy our capacity to deal with the legislation. Liberal senators have not met their obligations to their electors. They have not applied themselves to the legislation. They have not applied themselves to their duties, because they have been too focused on their own internal divisions. As a result of that, the Australian people bear the cost. They bear the cost of the failure of the Liberal senators to do their jobs, to treat this legislation seriously and to honour their commitment given to have the legislation passed.

We have not been able to get cooperation to bring the legislation to any sort of conclusion. We have made virtually no progress in dealing with the bill in this fortnight. We have made it clear since the start of the fortnight that we would sit as long as it took to get the bill carried. We sought to get extra hours for the Senate to sit last week. Those attempts were rebuffed. We sought to get more hours this week, and, while we did get some, we got very few. I think there will have been more than 16 hours in the committee stage of this bill this week. We are still less than 10 per cent of the way through the legislation.

The debate has not focused on the bill. The debate has been a series of grandstanding speeches by Senator Joyce, Senator Macdonald and others. They have not focused on the bill. They have not focused on the legislation in any serious way. I think the Liberal Party in particular has let down the Australian people. It has certainly not honoured its commitments to the government. As it is, we find ourselves now in a situation where, despite having set aside the whole parliamentary fortnight to consider this bill, virtually no progress has been made.

We intend to pursue this bill. We intend to continue to try and get this bill carried by the parliament. We made that commitment and we continue to make that commitment. Under the agreed resolution of the Senate, the Senate will sit again on Monday. The Labor government will be back again on Monday, trying to get the Liberal Party to honour its commitments. Senator Minchin, I will call on you to honour your commitment on Monday, because you certainly have not honoured it this week.

The CHAIRMAN—Order! Address the chair.

Senator CHRIS EVANS—We know, Senator Minchin, that your plan was always to delay. Mr Chairman, Senator Minchin clearly had a plan to delay the bill until he could get the leader he wanted installed. As a result—

Honourable senators interjecting—

Senator CHRIS EVANS—Senator Minchin, I make it very clear that you did not guarantee we would get here by 3.45 pm. I make that very clear. I am not misrepresenting your undertaking at all. But you said you would make best endeavours. If those are your best endeavours, you have performed very poorly. No wonder you are no longer the leader—or are you the leader? I am totally confused—

Honourable senators interjecting—

The CHAIRMAN—Order!

Senator CHRIS EVANS—but then, I have not watched the three o’clock news to work out who is leader!

Honourable senators interjecting—
The CHAIRMAN—Order! Senator Evans, resume your seat. We will not continue until there is order. Order!

Senator CHRIS EVANS—Thank you, Mr Chairman. As I say, I am very confused about who are the officeholders in the Liberal Party today.

Senator Cormann—Be in no doubt: Nick Minchin is our leader.

Senator CHRIS EVANS—Senator Cormann, I think you resigned, didn’t you? I understand that Senator Minchin is the leader, even though he has resigned. The Leader of the Liberal Party, Mr Turnbull, says he is the leader till the end of next week. He tells me that he is the leader till February, so I cannot quite work it out. He has resigned, but he is still the leader. Only the Liberal Party in its current disarray could possibly get itself into that position.

Senator Fieravanti-Wells interjecting—

The CHAIRMAN—Order!

Senator CHRIS EVANS—Senator Fieravanti-Wells, I gather you went today too. I understand you have a preselection. I understand why you would have done that. It is comical. The behaviour of the Liberal Party and the coalition this week is comical. But unfortunately it is serious because it is at the cost of the Australian people. It is at the cost of action on climate change.

The Liberal Party ought to put aside their petty internal divisions and act in the interests of climate change. If they believe in climate change and they believe that it needs to be tackled seriously, they will support this government and pass this legislation. That is the position they took earlier in the week. That was their position on Monday, but of course it is Friday now, and they have had a lot of changes since then. I do not think the people of Australia are all that interested in the internal ructions of the Liberal Party.

They have made up their minds about the Liberal Party. They made up their minds that they are incompetent, divided and unfit for any support in the Australian political scene.

But this is a serious issue. We have the hottest and driest continent on earth. We will be one of the hardest hit by climate change. We have been trying all year to get climate change legislation passed by this parliament, and we have been denied. We have been denied that legislation by the climate change deniers.

Honourable senators interjecting—

Senator Wong—Mr Chairman, I rise on a point of order. I am sitting not far from Senator Evans and he is almost being overwhelmed by the interjections from the other side. I know that they do not like what is being said, but I would invite—

Honourable senators interjecting—

The CHAIRMAN—Order!

Senator Wong—Again we see that they do not like what is being said and it being named, but I invite you to call them to order.

The CHAIRMAN—Senator Wong, I was about to call them to order and I was about to ask Senator Evans to sit down, but it is quite difficult to interrupt Senator Evans in full flight. I do not think he was hearing me. With just 10 minutes left until this parliament rises, can we have a little bit of order so that people can be heard.

Senator CHRIS EVANS—Thank you, Chairman, I do apologise if I was not following your instructions. As you know, I always rely on your advice. Senator Wong need not fear; I will not be overwhelmed by the rabble on the other side.

This is an important issue for us. This is a very important issue for Australia, and to see the behaviour this week will make people think, ‘What the hell are they doing in Canberra?’ Australian people know we need
strong action against climate change. They know that both the government and the alternative government went to the last election and promised they would take action. John Howard said that he would introduce an ETS. John Howard campaigned on it, as we did. Your party said we had a mandate but when we came to introduce our legislation, twice, you did not stand up for your promises at the last election.

You did not stand up for action on climate change. You let the deniers, led by Senator Minchin, gain control of the party. Those ugly right-wing deniers have got control of the Liberal Party—those people who say that there is no such thing as climate change.

Opposition senators interjecting—

The CHAIRMAN—Order! I urge senators on my left to restrain from interjecting so that Senator Evans can be heard.

Senator Ian Macdonald—Can you get him to address his remarks through the chair.

The CHAIRMAN—I will decide whether he is making his remarks through the chair.

Senator CHRIS EVANS—In the last few days we have seen some of the extremist views that are out there in the community represented in this chamber by the Liberal Party. Some of the real whacko views that are out there are being represented by the—

Opposition senators interjecting—

Senator CHRIS EVANS—Sorry, I forgot. It was the National Party. You have been faithfully representing most of the whackos. Wacka Williams is representing the whackos: I understand that. They have been joined by the climate deniers in the Liberal Party.

The CHAIRMAN—Order! Senator Evans, you know very well that in this place you shall address senators by their proper name.

Senator CHRIS EVANS—Sorry. I thought Senator Williams would be upset if I called him anything else! This is a serious matter. The Australian public want action on climate change. This government went to the last election and got a mandate for action. We have tried and tried and tried. We finally got the Liberal Party to step up to the mark, accept their responsibilities and enter into an agreement with us. They have ratted on that agreement. They have failed to honour their commitments as a result of the deep division inside their party.

But the big issue is: will they step up—under whoever is leader come Monday—and support action on climate change, or have the deniers now got control of the Liberal Party? That will be the test, because on Monday we will again give the Liberal Party the chance to support action on climate change. They will get the chance to stake out their ground. Then we will see whether they continue to be a party committed to action on climate change or whether Senator Minchin and the climate deniers have got control of the Liberal Party. If they have, they will renege on not only the position they took this week but the position they took to the last election—the position of the former Liberal government, the position they argued at the last election. So they will have reneged not only on this week’s deal, they will have reneged on their promises to the Australian people.

We are in a position now where, despite the Liberal Party having reneged on their deal, we will pursue the issue of this legislation’s passage through the parliament next week. We had hoped to get there this week but we have not had serious engagement from those opposite on that. We have not been able to get support for some form of rolling guillotine that would have brought the issues to focus. But we will come back on Monday and we will sit and we will sit until you actually own up to your responsibilities.
I suspect that Senator Minchin will get his way and achieve the policy outcome he has sought from the start, which is to delay and defer—to put it off to beyond Copenhagen, to beyond any concerns about a double dissolution, to beyond any chance of this nation taking action on climate change. And then, in my view, the opposition will have clearly failed the Australian public.

The Australian public want action on climate change. They are getting it from this government. We urge the parliament to support this government’s mandate and allow us to proceed with climate change legislation. We think it is urgent for the environment. We think it is urgent for Australia. And we think the Liberal Party ought to reject the wacko, right-wing elements that seem to have taken it over and actually stand up for the environment, stand up for Australia and commit themselves to climate change legislation. They can run but they cannot hide. We will be back on Monday, trying to see if they will actually honour their commitments to the Australian people and support urgent action on climate change.

Senator ABETZ (Tasmania) (3.42 pm)—Emboldened by the overwhelming success of his border protection policies, the Leader of the Government in the Senate comes into this place to seek to hector and lecture the opposition in relation to urgency on climate change. This is the legislation that the Labor Party said to the Australian people had to be enacted in 2010. Do you know what they have done? They have delayed themselves for 12 months—the 12 months for the implementation of this legislation. Do you know what they have done? They have delayed themselves for 12 months—the 12 months for the implementation of this legislation. Yet they have the audacity to claim that an extra day or two of consideration would somehow not allow this legislation to get through.

Why is the Labor Party so scared of a few extra days of consideration of this legislation? I remind those opposite that when the Howard government sought the passage of the Native Title Amendment Bill in 1997—one bill—the Senate took 57 hours to consider it. Here we have the biggest change to our economy ever in the Australian parliament’s history and those opposite are demanding that it be railroaded through within 15 hours. How irresponsible would that be!

I simply say to those opposite that the overwhelming majority of the Australian people say: it makes good sense to defer until after Copenhagen. Can I say to those opposite that even Barack Obama’s Democrats in the US Senate have agreed with a Republican Senate leadership that it makes good sense to delay until after Copenhagen. Barack Obama and the Democrats in the United States are now climate change deniers, according to the great wit and intellect that is Senator Evans. And what about Canada? Similarly, they have said, ‘Defer until such time as Copenhagen has been determined.’

Senator Wong interjecting—

The CHAIRMAN—Order! Senator Abetz, there is a point of order.

Senator Jacinta Collins interjecting—

The CHAIRMAN—Order! Senator Collins, I am in the chair. I had already called Senator Wong, and if you had not been shouting you might have heard.

Progress reported.

Senate adjourned at 3.45 pm (Friday)

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]

Broadcasting Services Act—

Broadcasting Services (Simulcast Period for Metropolitan Licence Areas)
Determination (No. 1) 2009 [F2009L04281]*.

Broadcasting Services (Simulcast Period for Mildura/Sunraysia Licence Area) Determination (No. 2) 2009 [F2009L04283]*.

Civil Aviation Act—
Civil Aviation Regulations—
Instruments Nos CASA—
518/09—Direction – number of cabin attendants [F2009L04115]*.
EX100/09—Exemption – design of modification or repair [F2009L04155]*.

Civil Aviation Safety Regulations—
Airworthiness Directives—
AD/ARRIEL/19 Amdt 1—Fuel Metering Unit Acceleration Controller Axle [F2009L04309]*.


Currency Act—Currency (Perth Mint) Amendment Determination 2009 (No. 1) [F2009L04327]*.

Customs Act—Tariff Concession Orders—
0909967 [F2009L04270]*.
0910407 [F2009L04275]*.
0911258 [F2009L04271]*.
0911262 [F2009L04273]*.
0911338 [F2009L04230]*.
0912025 [F2009L04274]*.
0912064 [F2009L04244]*.
0912065 [F2009L04245]*.
0912093 [F2009L04247]*.
0912095 [F2009L04249]*.
0912098 [F2009L04248]*.
0912099 [F2009L04264]*.
0912184 [F2009L04246]*.
0912299 [F2009L04266]*.
0912405 [F2009L04265]*.
0912407 [F2009L04258]*.
0912435 [F2009L04251]*.
0912636 [F2009L04267]*.
0912799 [F2009L04255]*.
0912987 [F2009L04259]*.
0912990 [F2009L04261]*.
0912993 [F2009L04269]*.
0913050 [F2009L04256]*.
0913167 [F2009L04241]*.
0913169 [F2009L04242]*.
0913561 [F2009L04250]*.
0913961 [F2009L04262]*.
0914077 [F2009L04257]*.

Migration Act—Migration Regulations—
Instrument IMMI 09/128—Classes of persons [F2009L04288]*.

National Health Act—Instruments Nos PB—
114 of 2009—Amendment Special Arrangements – Chemotherapy Pharmaceutical Access Program [F2009L04291]*.
116 of 2009—Amendment Special Arrangements – Highly specialised drugs program for public hospitals [F2009L04304]*.

Navigation Act—Marine Order No. 9 of 2009—Construction – Fire protection, fire detection and fire extinction [F2009L04161]*.

Navigation Act and Protection of the Sea (Prevention of Pollution from Ships) Act—
Marine Order No. 8 of 2009—Marine pollution prevention – Packaged harmful substances [F2009L04163]*.

* Explanatory statement tabled with legislative instrument.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Families, Housing, Community Services and Indigenous Affairs

(Question No. 1920)

Senator Barnett asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 2 July 2009:

(1) With reference to ministerial staff and departmental liaison officers for each Minister and Parliamentary Secretary, since November 2007: (a) how many positions exist; (b) how many staff are employed; (c) how many vacancies exist; (d) what are the levels of these positions; and (e) what is the total cost of staff employed in these respective offices on an annual basis.

(2) Can a breakdown be provided of how many laptops, mobile phones and personal digital assistants (PDAs) the department provides to the office of each Minister and Parliamentary Secretary.

(3) Are any departmental officers on secondment to the office of the Minister and/or Parliamentary Secretary; if so: (a) how many; and (b) to whom.

(4) (a) How much did the department spend on hospitality for the: (i) 2008 calendar year, and (ii) 2008-09 financial year; and (b) can details be provided of each hospitality event, including the: (i) date, (ii) location, (iii) purpose, and (iv) cost.

(5) For the office of each Minister and Parliamentary Secretary: (a) what was the total amount spent on hospitality for the: (i) 2008 calendar year, and (ii) 2008-09 financial year; and (b) can details be provided of each hospitality event, including the: (i) date, (ii) location, (iii) purpose, and (iv) cost.

(6) For the 2008-09 financial year, how much has the department spent on: (a) the hire of plants, either real or artificial; (b) the maintenance of these plants; (c) water coolers; and (d) television subscriptions.

(7) How many government credit cards does the department currently have on issue.

(8) (a) How many credit cards have been reported lost; and (b) in relation to the credit cards that have been reported lost: (i) how many have been cancelled, (ii) how many remain active, and (iii) what is the potential credit liability from the lost cards that remain active.

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) (a) to (e) The following information is provided by the Ministerial and Parliamentary Services Division of the Department of Finance and Deregulation.
### QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Minister/Parliamentary Secretary</th>
<th>(a) No of positions as at July 2009*</th>
<th>(b) No of staff employed as at 2 July 2009*</th>
<th>(c) No of Vacancies as at 2 July 2009*</th>
<th>(d) Level of positions as at 2 July 2009*</th>
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<tr>
<td>The Hon Jenny Macklin MP</td>
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<td>Senior Adviser Chief of Staff (Cabinet) x 1</td>
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<tr>
<td>Parliamentary Secretary for Victorian Bushfire Reconstruction</td>
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<tr>
<td>Senator the Hon Ursula Stephens</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>Assistant Adviser x 1</td>
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<tr>
<td>Parliamentary Secretary for Social Inclusion and the Voluntary Sector</td>
<td></td>
<td></td>
<td></td>
<td>Executive Assistant/Office Manager x 1</td>
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</tbody>
</table>

* The above information does not include electorate staff.

(e) Information relating to the costs of Ministerial staff can be found in the Members of Parliament (Staff) Act 1984 Annual Report 2007-08 which was tabled 23 December 2008 and is available on the Department of Finance and Deregulation website at http://www.finance.gov.au.

(2) As at 18 September 2009, including the Minister, Parliamentary Secretaries, staff and departmental liaison officers, Minister Macklin’s office has 11 laptops, two mobile phones and 11 Blackberry PDAs, Parliamentary Secretary Shorten’s Office has five laptops and eight Blackberry PDAs and Parliamentary Secretary Stephens’ Office has two laptops.

(3) (a) and (b) The following information is provided in the table below (as at 2 June 2009):

<table>
<thead>
<tr>
<th>Minister/Parliamentary Secretary</th>
<th>No of Departmental officers on secondment</th>
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<tbody>
<tr>
<td>Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon Jenny Macklin MP</td>
<td>3 x Department Liaison Officers</td>
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<tr>
<td>Parliamentary Secretary for Disability and Children’s Services; Parliamentary Secretary for Victorian Bushfire Reconstruction, the Hon Bill Shorten MP</td>
<td>1 x Department Liaison Officer</td>
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<td>Parliamentary Secretary for Social Inclusion and the Voluntary Sector, Senator the Hon Ursula Stephens</td>
<td>1 x Graduate placement</td>
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<td>0 x FaHCSIA officers</td>
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<td>Note: The Department Liaison Officer is seconded from DEEWR</td>
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</table>

(4) and (5) Please refer to Senator Evans’ response to Senate Question number 1794 on behalf of the Minister for Families, Housing, Community Services and Indigenous Affairs.
(6) For the 2008-09 financial year, the Department of Families, Housing, Community Services and Indigenous Affairs (the Department) spent the following:
   (a) Hire of plants (either real or artificial): $61,838.55
   (b) Maintenance of plants is included in the hire of plants (see 6a above)
   (c) Water coolers (rental): $3,805.60
   (d) Television subscriptions: $170,379.35

(7) As at 4 September 2009, the Department has 1012 government credit cards on issue.

(8) (a) The Department does not record the reason why credit cards are cancelled. Therefore, it is not possible to advise how many credit cards have been reported lost. (b) (i) All cards reported lost have been cancelled (ii) None (iii) N/A.

Housing, and Status of Women
(Question Nos 1935 and 1936)

Senator Barnett asked the Minister representing the Minister for Housing and the Minister for the Status of Women, upon notice, on 2 July 2009:

(1) With reference to ministerial staff and departmental liaison officers for each Minister and Parliamentary Secretary, since November 2007: (a) how many positions exist; (b) how many staff are employed; (c) how many vacancies exist; (d) what are the levels of these positions; and (e) what is the total cost of staff employed in these respective offices on an annual basis.

(2) Can a breakdown be provided of how many laptops, mobile phones and personal digital assistants (PDAs) the department provides to the office of each Minister and Parliamentary Secretary.

(3) Are any departmental officers on secondment to the office of the Minister and/or Parliamentary Secretary; if so: (a) how many; and (b) to whom.

(4) (a) How much did the department spend on hospitality for the: (i) 2008 calendar year, and (ii) 2008-09 financial year; and (b) can details be provided of each hospitality event, including the: (i) date, (ii) location, (iii) purpose, and (iv) cost.

(5) For the office of each Minister and Parliamentary Secretary: (a) what was the total amount spent on hospitality for the: (i) 2008 calendar year, and (ii) 2008-09 financial year; and (b) can details be provided of each hospitality event, including the: (i) date, (ii) location, (iii) purpose, and (iv) cost.

(6) For the 2008-09 financial year, how much has the department spent on: (a) the hire of plants, either real or artificial; (b) the maintenance of these plants; (c) water coolers; and (d) television subscriptions.

(7) How many government credit cards does the department currently have on issue.

(8) (a) How many credit cards have been reported lost; and (b) in relation to the credit cards that have been reported lost: (i) how many have been cancelled, (ii) how many remain active, and (iii) what is the potential credit liability from the lost cards that remain active.

Senator Wong—The Minister for Housing and the Minister for the Status of Women has provided the following answer to the honourable senator’s question:

(1) (a) to (e) The following information is provided by the Ministerial and Parliamentary Services Division of the Department of Finance and Deregulation.
Minister (a) No of positions as at 2 July 2009*
(b) No of staff employed as at 2 July 2009*
(c) No of vacancies as at 2 July 2009*
(d) Level of positions as at 2 July 2009*

Minister for Housing and Minister for the Status of Women, the Hon Tanya Plibersek MP
7 7 0 Senior Adviser Chief of Staff (Non Cabinet) x 1
Media Adviser x 1
Adviser x 2
Assistant Adviser x 1
Executive Assistant/Office Manager x 1
Secretary/Administrative Assistant x 1

* The above information does not include electorate staff.

(e) Information relating to the costs of Ministerial staff can be found in the Members of parliament (Staff) Act 1984 Annual Report 2007-08 which was tabled on 23 December 2008 and is available on the Department of Finance and Deregulation website at http://www.finance.gov.au.

(2) As at 18 September 2009, Minister Plibersek’s office has eight laptops and eight Blackberry PDAs.

(3) (a) and (b) The following information is provided in the table below (as at 2 June 2009):

<table>
<thead>
<tr>
<th>Minister</th>
<th>No of Departmental officers on secondment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister for Housing and</td>
<td>1 x Department Liaison Officer</td>
</tr>
<tr>
<td>Minister for the Status of Women</td>
<td></td>
</tr>
<tr>
<td>the Hon Tanya Plibersek MP</td>
<td></td>
</tr>
</tbody>
</table>

(4) and (5) Please refer to Senator Evans’ response to Senate Question number 1794 on behalf of the Minister for Families, Housing, Community Services and Indigenous Affairs.

(6) For the 2008-09 financial year, the Department of Families, Housing, Community Services and Indigenous Affairs (the Department) spent the following:
(a) Hire of plants, either real or artificial: $61,838.55
(b) Maintenance of plants is covered in the hire of plants costs (see 6a above)
(c) Water coolers (rental): $3,805.60
(d) Television subscriptions: $170,379.35

(7) As at 4 September 2009, the Department has 1012 government credit cards on issue.

(8) (a) The Department does not record the reason why credit cards are cancelled. Therefore, it is not possible to advise how many credit cards have been reported lost. (b) (i) All cards reported lost have been cancelled (ii) None (iii) N/A.

Finance and Deregulation (Question No. 2139)

Senator Ronaldson asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 10 September 2009:

For the 2008-09 financial year:
(1) Did the Minister have any ministerial letterhead produced using the funds or resources of his or her home department; if so: (a) how many sheets of letterhead were produced; and (b) what was the cost of the production of the letterhead.

(2) What was the total postage cost of mailings conducted by the Minister and/or Parliamentary Secretary using their departmental-funded franking machine.

(3) (a) What was the total cost, including production and distribution, of all direct mail pieces produced by the department, including as part of a government communications campaign, where the Minister or Prime Minister was the nominal author of the piece; and (b) can an itemised list be provided of: (i) production costs, and (ii) distribution costs.

Senator Conroy—The Minister for Finance and Deregulation has supplied the following answer to the honourable senator’s question:

(1) (a) Nil. (b) Nil.

(2) $3228

(3) Nil

Special Minister of State
(Question No. 2146)

Senator Ronaldson asked the Special Minister of State, upon notice, on 10 September 2009:

For the 2008-09 financial year:

(1) Did the Minister have any ministerial letterhead produced using the funds or resources of his or her home department; if so: (a) how many sheets of letterhead were produced; and (b) what was the cost of the production of the letterhead.

(2) What was the total postage cost of mailings conducted by the Minister and/or Parliamentary Secretary using their departmental-funded franking machine.

(3) (a) What was the total cost, including production and distribution, of all direct mail pieces produced by the department, including as part of a government communications campaign, where the Minister or Prime Minister was the nominal author of the piece; and (b) can an itemised list be provided of: (i) production costs, and (ii) distribution costs.

Senator Ludwig—The answer to the honourable senator’s questions is as follows:

(1) (a) Nil

(b) Nil

(2) $1383

(3) Nil

Broadband, Communications and the Digital Economy: Legal Advice
(Question No. 2334)

Senator Barnett asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 17 September 2009:

(1) How much has the department and relevant agencies spent on legal advice for the 2008-09 financial year.

(2) How much was spent on: (a) internal; and (b) external, legal advice.

(3) What was the nature, duration, cost and method of procurement and the name of the lawyers or law firm that provided the legal advice.
Senator Conroy—The answer to the honourable senator’s question is as follows:

For agencies in my portfolio to answer the questions would be an unreasonable diversion of government resources. Under the Legal Services Directions 2005 as amended, the Department of Broadband, Communications and the Digital Economy, and the Australian Communications and Media Authority are required to make reports on their legal services expenditure publicly available by 30 October each year. However, there is no requirement to report on expenditure on legal advice as a distinct item within legal services expenditure more generally.

To require portfolio agencies to review all of their legal services expenditure for 2008-09 in order to isolate expenditure on legal advice in that year would be unreasonable, having regard to the extent of their legal services expenditure, as would ascertaining the nature, duration, cost, method of procurement and the names of the legal service providers in relation to each legal advice.

Health and Ageing: Hospitals

(Question No. 2394)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 4 November 2009:

(1) Can a breakdown be provided, by state and territory, of the number of additional hospital beds which have been added to public hospitals since December 2007.

(2) With reference to the $600 million allocated for the ‘Elective Surgery Waiting List Reduction Plan’ in the 2008-09 Budget:

(a) can a breakdown be provided, by state and territory, of the amount that has been expended to 1 November 2009; and

(b) on what has the money been spent.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) The latest available data, published in the Australian Institute of Health and Welfare Australian hospital statistics 2007-08 report, Table 3.1, shows that the total number of public and psychiatric hospital beds available and licenced beds increased by 563 (from 55,904 to 56,467) as shown in the table below:

<table>
<thead>
<tr>
<th>State</th>
<th>2006-07</th>
<th>2007-08</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>20,006</td>
<td>20,006</td>
<td>82</td>
</tr>
<tr>
<td>Vic</td>
<td>12,434</td>
<td>12,682</td>
<td>248</td>
</tr>
<tr>
<td>Qld</td>
<td>10,354</td>
<td>10,651</td>
<td>297</td>
</tr>
<tr>
<td>WA</td>
<td>5,558</td>
<td>5,405</td>
<td>-153</td>
</tr>
<tr>
<td>SA</td>
<td>4,895</td>
<td>4,981</td>
<td>86</td>
</tr>
<tr>
<td>Tas</td>
<td>1,353</td>
<td>1,275</td>
<td>-78</td>
</tr>
<tr>
<td>NT</td>
<td>785</td>
<td>851</td>
<td>66</td>
</tr>
<tr>
<td>ACT</td>
<td>600</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>55,904</td>
<td>56,467</td>
<td>563</td>
</tr>
</tbody>
</table>

(2) (a) Expenditure on the Elective Surgery Waiting list Reduction Plan to 1 November 2009 was:

Elective Surgery Waiting list Reduction Plan – Stage One ($)

<table>
<thead>
<tr>
<th>State</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>14,400,000</td>
<td>28,900,000</td>
<td>-</td>
<td>43,300,000</td>
</tr>
<tr>
<td>VIC</td>
<td>11,400,000</td>
<td>22,800,000</td>
<td>-</td>
<td>34,200,000</td>
</tr>
<tr>
<td>QLD</td>
<td>-</td>
<td>27,600,000</td>
<td>-</td>
<td>27,600,000</td>
</tr>
<tr>
<td>WA</td>
<td>5,100,000</td>
<td>10,300,000</td>
<td>-</td>
<td>15,400,000</td>
</tr>
<tr>
<td>SA</td>
<td>8,500,000</td>
<td>5,100,000</td>
<td>-</td>
<td>13,600,000</td>
</tr>
<tr>
<td>TAS</td>
<td>2,700,000</td>
<td>5,400,000</td>
<td>-</td>
<td>8,100,000</td>
</tr>
</tbody>
</table>

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(b) Expenditure on the Elective Surgery Waiting list Reduction Plan to 1 November 2009 was for:
- Stage One of the Elective Surgery Waiting list Reduction Plan, a national “blitz” to bring about an immediate reduction in elective surgery waiting lists.
- Stage Two of the Elective Surgery Waiting list Reduction Plan for:
  - NSW New equipment and surgical instruments for each Area Health Service and the Children’s Hospital Westmead, and improved elective surgery management.
  - VIC Redevelopment of facilities at Royal Melbourne, Monash, Sunshine, Geelong and Frankston hospitals; purchase of equipment; and provision of innovation funding to improve elective surgery management.
  - QLD Expanding elective surgery capacity and commissioning additional operating theatres.
  - WA Infrastructure improvement to increase elective surgery capacity.
  - SA Development of operating theatres at a number of hospitals, and purchase of equipment at a wide range of others.
  - TAS Equipment for Royal Hobart, Launceston and North West Regional hospitals
  - ACT Capital works at Canberra and Calvary hospitals
  - NT Capital works at Royal Darwin and Alice Springs hospitals.

(b) Expenditure on the Elective Surgery Waiting list Reduction Plan to 1 November 2009 was for:
- Stage One of the Elective Surgery Waiting list Reduction Plan, a national “blitz” to bring about an immediate reduction in elective surgery waiting lists.
- Stage Two of the Elective Surgery Waiting list Reduction Plan for:
  - NSW New equipment and surgical instruments for each Area Health Service and the Children’s Hospital Westmead, and improved elective surgery management.
  - VIC Redevelopment of facilities at Royal Melbourne, Monash, Sunshine, Geelong and Frankston hospitals; purchase of equipment; and provision of innovation funding to improve elective surgery management.
  - QLD Expanding elective surgery capacity and commissioning additional operating theatres.
  - WA Infrastructure improvement to increase elective surgery capacity.
  - SA Development of operating theatres at a number of hospitals, and purchase of equipment at a wide range of others.
  - TAS Equipment for Royal Hobart, Launceston and North West Regional hospitals
  - ACT Capital works at Canberra and Calvary hospitals
  - NT Capital works at Royal Darwin and Alice Springs hospitals.

**Swine Influenza**

*(Question No. 2403)*

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 5 November 2009:

With reference to the pandemic (H1N1) influenza vaccine (commonly known as the swine flu vaccine):

1. For the period of 1 April to 4 November 2009:
   - (a) how many Therapeutic Goods Administration staff were assigned to the swine flu response; and
   - (b) how many were medical staff.

2. For the period 1 April to 4 November 2009:
   - (a) how many departmental staff were assigned to the swine flu response; and
   - (b) how many were medical staff.

3. How many departmental staff were involved in:
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(a) stakeholder consultation and working with states and territory governments;
(b) social marketing campaigns; and
(c) the distribution of the swine flu vaccine and VacPacs.

(4) Who was responsible for assembling of VacPacs.

(5) Is the department actively encouraging staff to be vaccinated against swine flu; if so, what arrangements are in place to facilitate the vaccination.

(6) Has the department considered a mass swine flu vaccination program for all departmental staff; if so, what conclusion was reached.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) (a) and (b) Specific individuals have not been assigned exclusively to the registration of Panvax® or to the monitoring of Panvax® safety. The TGA has well-developed systems across the whole organisation that allow for the efficient assessment of applications to register vaccines such as Panvax®, and to monitor the safety of vaccines once available for supply. Although additional measures have been put in place to monitor the safety of Panvax®, additional staff have not been employed and no individual staff members have been specifically assigned to the swine flu response.

(2) (a) The response to the H1N1 pandemic 2009 was coordinated through the Department of Health and Ageing’s National Incident Room (NIR). The NIR operates through the activation of surge capacity. Approximately 300 staff members have worked in the NIR during its activation. Officers at all levels have worked in varied capacities, including part-time, and for more prolonged periods. (b) The surge capacity referred to in 2(a) includes staff with specialist skill sets, with up to 12 medical staff undertaking H1N1 activity over the activation period.

(3) (a) Many of the approximately 300 staff who have spent time in the National Incident Room have had some level of involvement in stakeholder consultation and communication with State and Territory Governments, including for collection of surveillance data, discussion with medical, scientific and other technical experts, and the planning, coordination and management of communication, service delivery and other elements of the response. (b) Social Marketing Campaigns for the pandemic (H1N1) influenza program involved up to10 staff members, for varying components of their time across the campaign phases. (c) Approximately 20 departmental staff were involved at some point in the distribution of the vaccine and VacPacs.

(4) The company responsible for assembling the VacPacs is Cargo and Logistics Management Pty Ltd (CALM).

(5) Yes. The Department has issued ‘all staff notices’ providing information about the pandemic vaccine, and has placed posters in highly visible locations, encouraging staff to be vaccinated.

(6) Yes. The Department has engaged a provider to provide vaccinations for staff.